



Agenda Item #: _____

Staff Report

City of Manhattan Beach

TO: Honorable Mayor Ward and Members of the City Council

THROUGH: Richard Thompson, Interim City Manager

FROM: Lindy Coe-Juell, Assistant to the City Manager

DATE: April 20, 2010

SUBJECT: Presentation of the Manhattan Beach Trolley Feasibility Study Prepared by Rural Transit Consultants

RECOMMENDATION:

Staff recommends that the City Council accept the presentation and provide direction to staff to table the issue until a later time or to prepare a detailed budget assessment and RFP for review.

BACKGROUND:

In December 2008, the City Council authorized a contract for a trolley feasibility study with Greg Meeks of Rural Transit Consultants. Through his work with other beach cities in California and Florida, Mr. Meeks has experience in establishing trolley and transit systems for small communities. This experience was attractive for the City of Manhattan Beach because the relatively small scale of a potential trolley system within our City was the primary concern cited by vendors that declined to bid on a proposal for service released in 2006.

DISCUSSION:

During the last year, Mr. Meeks met with community stakeholders, City staff and the Council subcommittee of Mayor Pro Tem Richard Montgomery and Councilmember Nick Tell to gather information and direction for developing and refining the attached feasibility study. In summary, Mr. Meeks found that a 30-minute route meeting the need for convenient transit connectivity within the City is feasible with a two-vehicle system. He will present the detailed findings of the feasibility study this evening including the needs assessment, suggested routes, vehicle recommendations and cost projections.

FISCAL IMPACT:

Feasibility Report Cost Projections

Per the feasibility report, the cost projection for the service of two trolleys (10 hours per day, 360 days per year) is \$360,160. The costs associated with this projection would be adjusted depending on the ultimate level of service desired and stipulated through a Request for Proposal (RFP). The example provided through this projection is the potential to add or subtract service at \$50 per hour. This cost projection includes salaries, benefits, program materials, insurance, fleet maintenance and fuel. Under this cost scenario, the City would be required to provide office space and secured vehicle parking.

The City would also be responsible for securing two trolley vehicles. Used trolleys are available to lease for \$12-15,000 per vehicle per year or for purchase at \$50-80,000 per vehicle. An idea considered during discussions for this study was to lease the trolleys initially while establishing a successful system and then apply for grant funding to eventually purchase new vehicles.

The total annual cost projection for a basic full time two-trolley system is approximately \$390,000 (\$360,000 operating costs + \$30,000 vehicle lease costs). There are also soft costs to consider such as staff time for contract management, the provision of office space, vehicle storage, and maintenance of stops (benches, trash pick-up, cleanup, etc.).

Measure R

The source of new funding that has been identified for a potential trolley service is Measure R. Measure R is a 1/2 cent sales tax that LA County voters approved in November 2008 for transportation purposes. The City of Manhattan Beach will receive \$180,000 of Measure R funds in FY 09-10 and is scheduled to receive approximately \$320,000 in FY 10-11. Depending on the level of service (hours of operation) selected, Measure R may not meet the annual cost demands of a trolley system and would need to be subsidized by the General Fund.

As the City Council discusses how to direct use of the Measure R funds, several competing needs that would qualify for Measure R funding, including programs funded by Prop A and our Pavement Management Plan, should be considered. A more detailed budget analysis could be prepared if the City Council provides that direction. The following basic information is provided for context.

Proposition "A" transportation revenues are based on a half-cent sales tax in Los Angeles County, which is then distributed on a per capita basis. For Fiscal Year 2009-2010, we had expected to receive \$531,361 in revenues. However, due to the economic recession, revenues are trending 24% below budget. Additionally, because we have been in a deficit situation for the past several years by adding new programs and services without increased revenues, we have been spending down available fund balance. By the end of this fiscal year, we project that we will have exhausted our Proposition "A" resources and may not have sufficient funds to cover current year programs (we may be approximately \$13,000 short). As a result, we may no longer be able to support activities, such as Dial-A-Ride, Beach Cities Transit and Ocean Express, at their current levels without new revenue sources. Measure "R," which may be used for Dial-A-Ride purposes, may be needed to support these existing programs as they stand.

Measure R funds can also be used for street and road purposes. Current funding available to the City for street and road purposes includes Gas Tax, Proposition 42, Proposition C and Safetea-Lu funds totaling approximately \$1,465,000 per year with approximately \$1,100,000 used for pavement work and approximately \$365,000 dedicated to concrete improvements. The Public Works Department maintains a Pavement Management Program (PMP) to monitor pavement condition and to plan pavement rehabilitation and maintenance. Based on the analysis conducted through the PMP, the City should be investing approximately \$1,500,000 annually in pavement rehabilitation projects to maintain pavement condition at its current level. Adding \$320,000 in Measure R funds would bring the amount available for pavement projects to approximately \$1,420,000 annually. This additional investment would allow the City to maintain pavement at nearly its current condition.

CONCLUSION:

Staff recommends that the City Council accept the presentation of the Manhattan Beach Trolley Feasibility Study and provide direction to staff on the desired steps forward. Should the City Council choose to move forward with developing a community trolley system, staff recommends developing a detailed budget assessment of available funding and competing needs for Council review. City Council would also need to discuss and select service options (hours of operation and route selection) and direct staff to develop a Request for Proposal based on those selections that would include ADA compliance analysis of the proposed stops.

ATTACHMENT: Manhattan Beach Trolley Feasibility Study

CC: Bruce Moe, Finance Director
Jim Arndt, Public Works Director
Richard Gill, Parks & Recreation Director

2010

Rural Transit
Consultants

Greg Meeks



[MANHATTAN BEACH TROLLEY FEASIBILITY STUDY]

“If I were emperor, I would put the pedal to the floor on energy efficiency and conservation.” - Steven Chu, Nobel laureate and President Obama’s Energy Secretary

Manhattan Beach Trolley Feasibility Study ~ Summer 2010

Table of Contents

i. Executive Summary	3
I. Needs Assessment.....	6
City staff input	6
Stakeholder input.....	8
Resident input	9
Estimate of ridership	11
II. Routes, Times and Schedules	13
Routes	13
Yearly schedules	14
III. Vehicle Recommendations.....	15
Optimal characteristics.....	15
Vehicle descriptions.....	16
IV. Cost Projections	18
V. Potential Transit Funding Sources.....	19
VI. Action Plan	20
Next steps for planning and implementing community transit.....	20
Concluding Statement	21

i. Executive Summary

Objective:

Rural Transit Consultants (RTC) has worked closely with City of Manhattan Beach Staff, key stakeholders and local residents to study the feasibility of establishing an efficient, green trolley system to service the city. Since the mid 1980's the City of Manhattan Beach has attempted to initiate a community transit service. These efforts culminated in two requests for bid with no response. Redondo Beach (using Beach City Transit) and LA Metro provide connections to neighboring communities but the principal desire for transit *within* the Manhattan Beach community remains unfulfilled.

A needs assessment was completed asking two questions:

1. What are the most important transit needs of the community?
2. Can a trolley system be established meeting those needs, while using a fun, fast and free transportation service?

Route possibilities were analyzed with input received from the community. Each route was repeatedly driven and timed with vehicle headways (frequency of service) evaluated for potential stop sites. Suitable vehicles were researched to find used trolleys that are robust, quiet, environmentally efficient, affordable and available. The possibility of incorporating limited transportation to and from the Middle School was also discussed throughout the process. Capital and operating costs with options for different levels of service, timetables and route maps are projected in this report.

Key points in the report are summarized as follows:

Needs Assessment: The needs assessment questions identified current needs for community connectivity, particularly for residents living east of Sepulveda to access the beach and west village shopping community. Safe transportation for young people to the beach and schools was another identified gap. The key informants included staff, stakeholders and individual residents. This input helped shape conclusions developed in the feasibility study. Ridership estimates are provided from cities of similar size.

Routes, Times and Schedules: The two-trolley system is presented with two options, full time service and extended full time. The feasibility was based upon a ten hour-a -day service, with the potential to add or subtract service at \$50 per hour. Two

options are offered for the North route and one for the South route. In all three options, 18-23 Flag Stops are provided, including one central transfer point. Beach City Transit and Metro service are also accessible through downtown stops.

Vehicle Recommendation: The feasibility study recommends the use of theme vehicles, based upon previous experience with other beach cities. It has been found that trolley vehicles result in higher ridership, because of their enticement for fun.

Different types of trolleys were examined for the following requirements: robust, quiet, environmentally efficient, affordable, and available. Two trolleys were identified that meet these requirements, and are described in the study listing advantages and disadvantages. Opportunities were identified for long-term purchase of new vehicles, as outlined elsewhere in the study.

Cost Projection: Two cost projections were developed. The 1st option is for full service, 10 hours a day 360 days per year (7200 vehicle hours). The 2nd option is for extended full time service, 14 hours per day 360 days per year (10,192 vehicle hours).

The annualized cost per option is shown below:

- \$366,160 Option 1 (Full time)
- \$437,160.00 Option 2 (Extended Full time)

A two-trolley system with 30-minute headways meeting most of the identified needs of transport within Manhattan Beach has been found feasible within funding parameters currently available to the city.

Grant Opportunities: This report describes some future grant opportunities and mitigation for environmental impact fees. Measure R is a recommended new resource that could immediately fund a new trolley system.

Action Plan: The study outlines the required steps needed to initiate community transit service. These include:

- Choosing routes and schedule
- Level of service
- Selection of vehicle
- Considering start date.

The City Council and staff inquired about the possibility of a summer or fall 2010 start of the trolley system based upon the outcome of the feasibility study. Several options including summer-fall service do appear feasible within existing Manhattan Beach resources. Rural Transit Consultants may consider starting the system for summer-fall 2010 service within an RFP process. This project has evolved over the past year and changes will need to be applied where appropriate.

I. Needs Assessment

The central theme of the needs assessment asks these two questions:

- 1) What are the most important transit needs within the four square miles of Manhattan Beach?
- 2) Can a trolley system be established meeting those needs in a fun, fast and free environment that is cost-effective and environmentally efficient?

These two questions were asked to Manhattan Beach city Staff, key stakeholders and local residents.

City Staff:

RTC spent a full day early in the study assessing current transit needs, city budget limitations, past trolley attempts, city capabilities and the process needed to identify key stakeholders.

The staff expressed the unified transit need of east –west transportation covering the majority of the city with 30-minute headways. The safety of young people crossing Sepulveda and the desire of adults living on the east side to take the trolley to town were taken into account. The general opinion gleaned from staff investigations as far back as 2005 showed that a transit service could help reduce traffic congestion and parking problems primarily in the downtown and beach areas. It was recommended that a creative financial search be undertaken to find possible funding sources that would be supplemental to the existing city budget.

Unsuccessful attempts of initiating fixed route transit

Input was given regarding the discontinued service in the 1980s and the City's failed attempts to initiate a fixed route service since. RTC's approach in addressing this problem focuses on finding positive characteristics in other beach cities that have established a successful fixed route service. The first common characteristic established is that of listening to the needs of the community to inform the service plan. Many cities that have unsuccessful transit systems have never taken the time to listen to the broad-based needs of their community. This type of attitude often separates a successful system from a failing one. Having the ability to adjust and change a system as the community changes is also a recognized key to successful fixed route transit.

Once a community has a good idea of their community needs, planners need to think like a rider. Cities with successful transit have incorporated a ***rider's***

thinking to inform what they put on the road. The concept expressed in this study of establishing a *fun, fast and free* system is the result of this attention to detail. These three adjectives summarize important characteristics found in other successful systems.

Fun. A theme vehicle like a trolley has proven in similar communities to generate the excitement, purpose and vision needed for the initial transit start-up phase. Theme vehicles have also been found to attract more riders.

Fast. Ensuring that a trolley doesn't take too long to complete its route is also a proven characteristic in successful systems. The 30-minute route (or headway) has been found to be the *minimum level* of service needed in establishing a benchmark for consistent high ridership.

Free. Cities have found that offering public transit for free or for a minimal cost provides the encouragement needed to use the system.

City capabilities

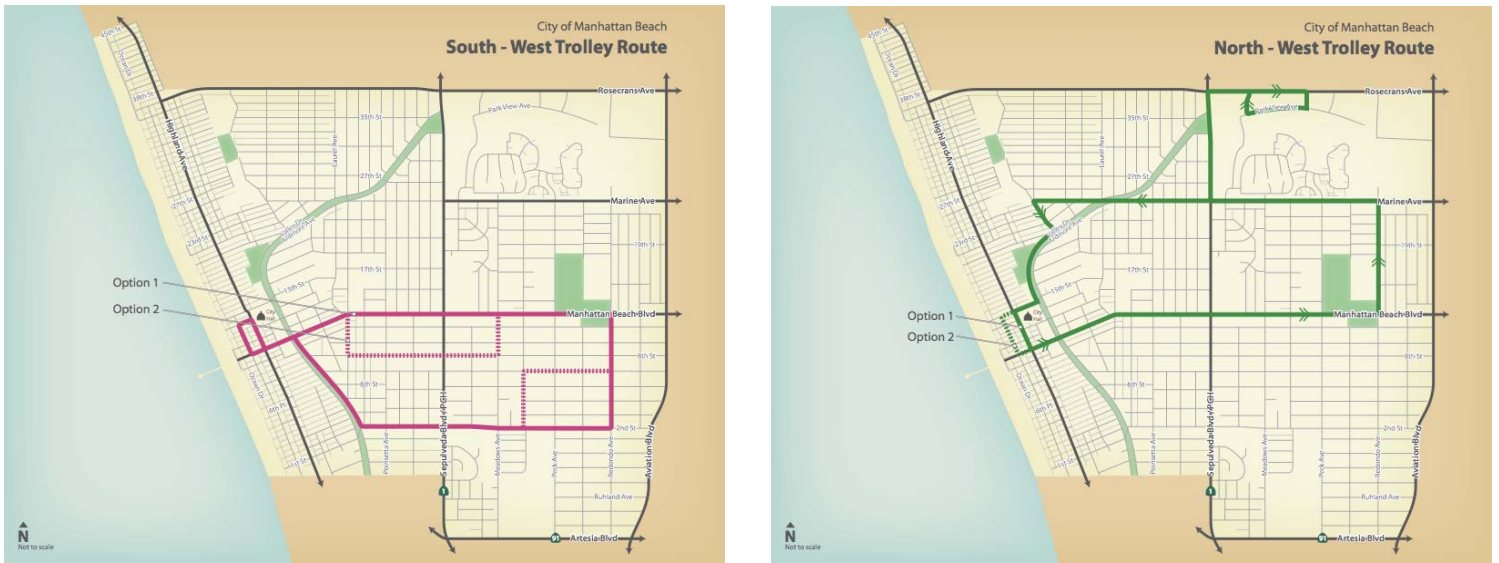
When addressing the feasibility of fixed route transit in a community, the physical capabilities of the city act as a compass for contractors interested in bidding on the system. The city's ability to provide office space, secured parking for vehicles and a refueling source greatly reduces the costs of the system when privatized. Although Manhattan Beach could possibly provide these described services, it would not be easily done. These questions will need additional research if such a partnership were crafted with a private transportation contractor.

The process needed for identifying key stakeholders

City Staff was very helpful in identifying the key stakeholders in the community and those with valuable input to the feasibility of the system, as well as verbalizing community transit needs. The following stakeholder organizations were selected and meetings scheduled: The Chamber of Commerce, the Downtown Business and Professional Association, the Downtown Business Improvement District, hotels, Middle Schools and the PTA.

With the input received from staff two basic transit needs emerged. Manhattan Beach has established a need for transit service from the east to west with 30-minute headways. RTC established a basic backbone for two routes serving both the east and west sides of Sepulveda, and stretching north and south to the limits of 30-minute headways (see Figure 1.1). These routes would be adjusted as stakeholders and residents provided input.

(Figure 1.1)



Key Stakeholders:

The meetings with key stakeholders showed excitement generated by planning a sound transit system. Needs were expressed by the following groups:

The Chamber of Commerce

The Chamber expressed the need for service in the North West section of town to and from the major hotels. They hoped that service would be year round with late night service on weekends and holidays.

The Downtown Business and Professional Association

The representatives for this organization expressed the need of regular service to Manhattan Village Mall, the beach and downtown. Concern was expressed regarding funding sources and whether contributions would be needed from their members.

The Downtown Business and Improvement District

Comments were strongly positive, and encouragement was expressed for implementing this long-anticipated service. The need was voiced for trolley service as close to the pier as possible. The possibility of young people being able to use the trolleys on weekends and throughout the summer was stated as a positive note in support of service. The need for late night service on weekends and holidays was reinforced, as was the concern about funding sources.

Hotels

The response from the hotels was less than enthusiastic, with concern centered on cost rather than service. The extra work in stretching the route so that the majority of the hotels could be serviced is a reality. However, the trade-off in service level is considerable if service to the hotels is offered because the resulting routing change would lessen the quality of service to the rest of the community by four blocks. The maps in Chapter 2 illustrate both system options, clarifying this difference between the routes. The route without service to the hotels produces a quality of service of a maximum of eight blocks walking distance to stops. The route including the hotels extends the maximum of eight blocks to twelve.

The Middle School and the PTA

RTC was asked to investigate the feasibility of additional trolley service to and from the Middle School. The need is great with many students needing transportation. RTC found the need unreasonable to meet at this time because of logistics and limited vehicle capacity.

Input from Local Residents:

During the time I spent in Manhattan Beach conducting this study I had the opportunity to speak with local residents (see Figure 1.2). Most of their comments were positive in hearing about the possibility of a trolley system serving the city. I have included some of these comments.

A Young Couple Living on 32nd

“We live on 32nd with only offsite parking for our two vehicles. Oftentimes, when returning to our apartment, parking is difficult and in the summer months almost impossible. I can see that our life would change with the proposed trolley system running close by our apartment. We wouldn’t need to use our cars when going in to town or to the beach to surf.”

Two College Students Living Close to the Middle School

“We would ride the trolley downtown for dinner and night life on the weekends if it ran late. We have a hard time finding parking.”

A Young Professional Couple Living near the High School

“We would use the trolley to ride into downtown and the beach on weekends and at night. Parking for us is difficult”.

A Middle School Student Living on 41st Street

“I would like to ride the trolley to the Manhattan Village Mall and back on weekends and to the beach in the summer.”

Professional Couple on 16th Street

“If the route and times work for us we would ride the system. We are part of the Professional Beach Volleyball team and see the need for public transit during the tournaments to get to the beach.”

The Mothers of Six High School Students

“We transport our children to and from the high school with difficulty. We usually schedule our pick-up two to three blocks away. We need help.”

The Mothers of Twelve Middle School Students

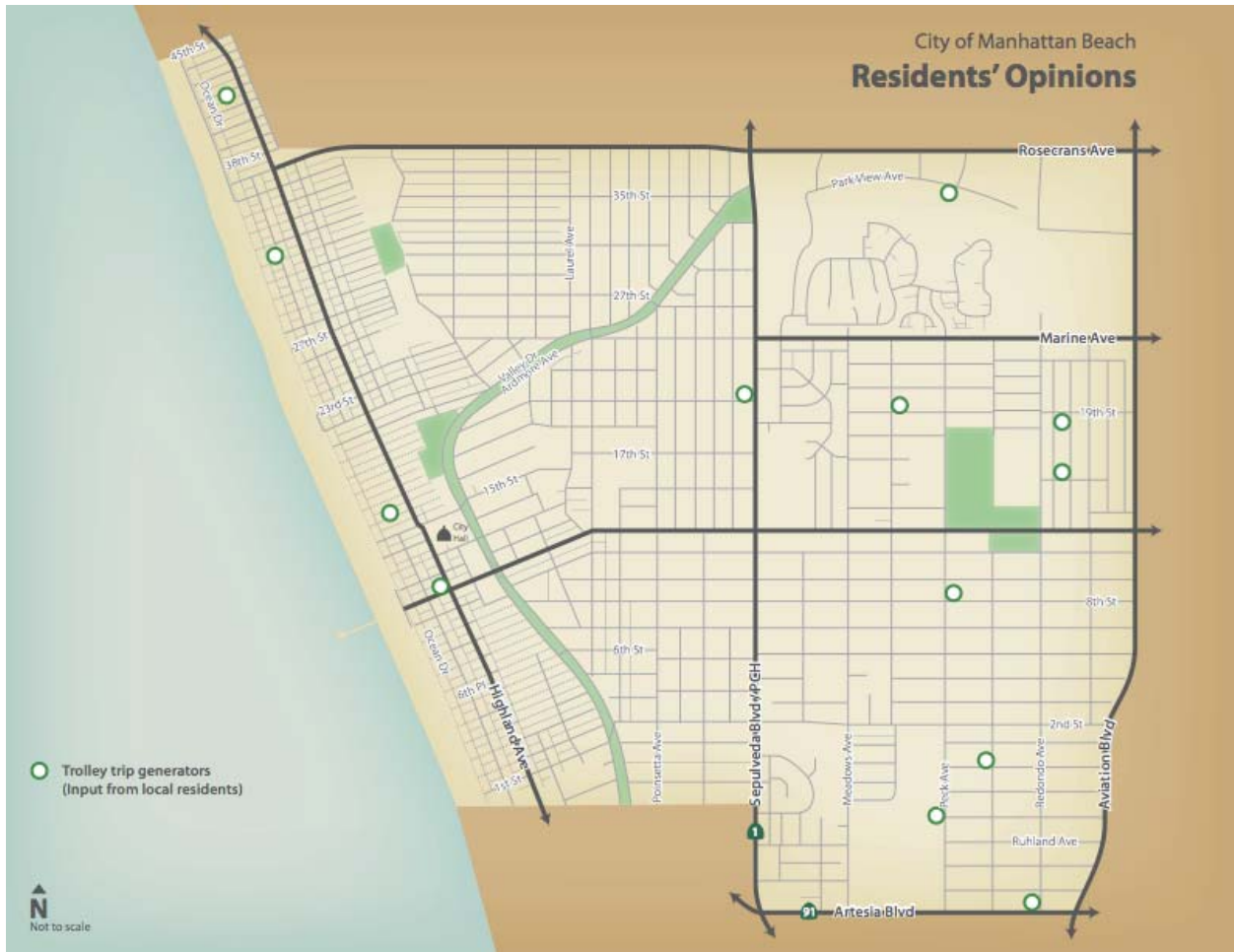
“We are all part of established carpools for transporting our children to and from school. Any service that might help reduce the number of vehicles, we are for.”

A Waitress serving Two Blocks from the Pier

“If there was offsite parking for workers at the beach and the trolley regularly picked up there I wouldn’t have to park in the downtown residential neighborhood.”

Needs Expressed From Past Visitors of Local Hotels

This need was expressed by visitors staying in Manhattan Beach. “Is there any transportation to the Downtown Beach Area?”



(Figure 1.2)

Estimate of Ridership:

It is important to gauge the extent of potential ridership as a prerequisite to designing a system that can accommodate the need without undue cost. A standard way to estimate ridership is to examine past ridership in similar communities that have a community transit system.

Ridership will vary with a number of factors. The type of vehicle seems to strongly influence this, as more people will ride a trolley than a standard transit coach. A free trolley will be more attractive than one with a fare, and frequency of service also affects ridership.

The chart below (figure 1.3) has been developed from the State Controller’s Report for 2006 (ridership statistics) and Census counts/projections (population).

II. Routes, Times, and Schedules

Overview:

The community input gathered in this study has helped the development of route options and recommendations for a two-trolley system with 30-minute headways, serving 18-23 pick-up points 10-14 hours daily. This study has found that a trolley system operating one vehicle would be deficient in meeting the needs of the community and would leave parts of the city without service. Two plans of service are presented in this chapter with maps.

Routes:

Option 1: The two vehicle trolley system presented offers community-wide connectivity with a maximum of eight blocks walking distance to trolley stops (see Figure 2.1).



(Figure 2.1 – Option 1)

(Figure 2.2 – Option 2)



Option 2: A second option offers enhanced service to most local hotels and North East Rosecrans with a maximum of a twelve-block walk to riders (see Figure 2.2).

Both options offer 30-minute round trips with 18-23 pick-up points selected for convenience and location. Additional input is needed for final selection.

Yearly Schedules:

Two schedules of operation are presented:

1) *Full time:* Offers full time service that would operate 10 hours daily, 7 days a week 360 days per year with 5 days off for holidays. This service would total 7200 vehicle hours and cost \$360,160 annually.

2) *Extended Full time:* A Full Time Year Round service would offer full service 14 hours a day, 7 days a week, 360 days per year. This service would total 10192 vehicle hours and cost \$437,160.00.00 annually.

Both levels of service will offer a Central Transfer Point located at 11th and Manhattan Avenue for all trolley routes. Metro and Beach Cities Transit routes will also be accessible through downtown stops.

Mahattan Village Senior Villas

Through the process of routing the Trolley System additional needs were expressed.

The residents living at the Mahattan Village Senior Villas inquired regarding the possibility of extending the east leg of the proposed North Route. This extension would require lengthening the route at Rosecrans through Sepulveda to the Senior Villas and returning back with a left turn at Rosecrans on to Sepulveda. This deviation would add between 5-7 minutes to an already tight schedule. RTC is recommending that if this option is added two limitations be imposed.

- 1) Service to the Senior Villas be offered *hourly* rather than on the half hour between the hours of 10A.M. and 4P.M.
- 2) Teaming with the Dial-A-Ride System when ever possible. Establishing a weekly strategy with Dial-A-Ride could also be a possibility.

This addition could also be incorporated on *as needed* basis through calling in to dispatch and relayed to the driver.

III. Vehicle Recommendations

Overview:

The selection of the right type of vehicle can increase the chances of success for a new public transit system, increasing usage as a key to reducing our carbon footprint and returning to a Clean Air mandate. The cities that have been successful in attracting riders have demonstrated established patterns for success. The first important characteristic in other successful systems is making the ride fun. I made an important observation while watching the trolley system I set up in Cambria, California, during its first week of operation. The bright red and green trolley approached a stop where a young couple with a little boy was walking by. As soon as he saw the trolley he pointed to it and said, "I want to ride!" This little boy's reaction captures the excitement of both young and old when they see a trolley pull up to a stop. A sure way to create an initial incentive to use public transportation is to design the system around theme vehicles, which offer a Disneylandesque experience.

For this study, we established five critical characteristics for a theme vehicle to fit the unique needs of a beach city like Manhattan Beach. These characteristics were then used as criteria for selecting possible vehicles.

The characteristics are as follows:

1. Robust: The weight capacity of a trolley governs the system's effectiveness in transporting a minimum of forty-five riders at any given time. Trolleys built upon a robust chassis will ensure the two-trolley system has the ability to cope with maximum capacity during peak usage. Therefore, few riders will be turned away and overall ridership will increase. The strength of the chassis also increases vehicle life.

2. Quiet: Most critics of public transportation have two complaints: the noise and the smell. Finding a balance between these two objections can be challenging. Many of the environmentally efficient vehicles like Compressed Natural Gas and Clean Diesel have been perceived as relatively noisy. The old standard gas vehicles are quiet but not as clean. Through our search we have found both types on the used trolley market. The selection of the fuel and vehicle type should be based on the priorities of the city.

3. Environmentally Efficient: It is important to remember that all successful public transit is inherently environmentally efficient. For every automobile left at home our carbon footprint is reduced and we have cleaner air. The type of fuel used, however, determines the level of efficiency. If hybrids are not to be considered, natural gas is the next most environmentally efficient fuel. Clean diesel has a strong reputation across the United States as an acceptable second to natural gas, while gasoline powered vehicles are less environmentally efficient. The option of securing a used hybrid vehicle is nonexistent at this time; however, grant possibilities do exist and should be considered as part of the city's long-term transit plan.

4. Affordable: For the purposes of this study, an affordable vehicle is defined as a used trolley in good mechanical condition, costing less than \$60 thousand with less than \$20 thousand needed for refurbishment. When implementing a new transit system, used vehicles serve as a cushion to more expensive, newer vehicles and the wait time needed for their procurement. The grant process for a new vehicle can often take 18 to 24 months, even after the grant has been approved. Used vehicles provide a city with an opportunity for the immediate start-up of a system, needing up to 50% less in initial capital investment.

5. Available: Our definition of available incorporates all of the aforementioned characteristics with a purchase-refurbishment turn-around time of 60 days or less. This report identifies two available cost effective robust trolleys: one fuel-efficient and the other quiet.

Vehicle Descriptions:

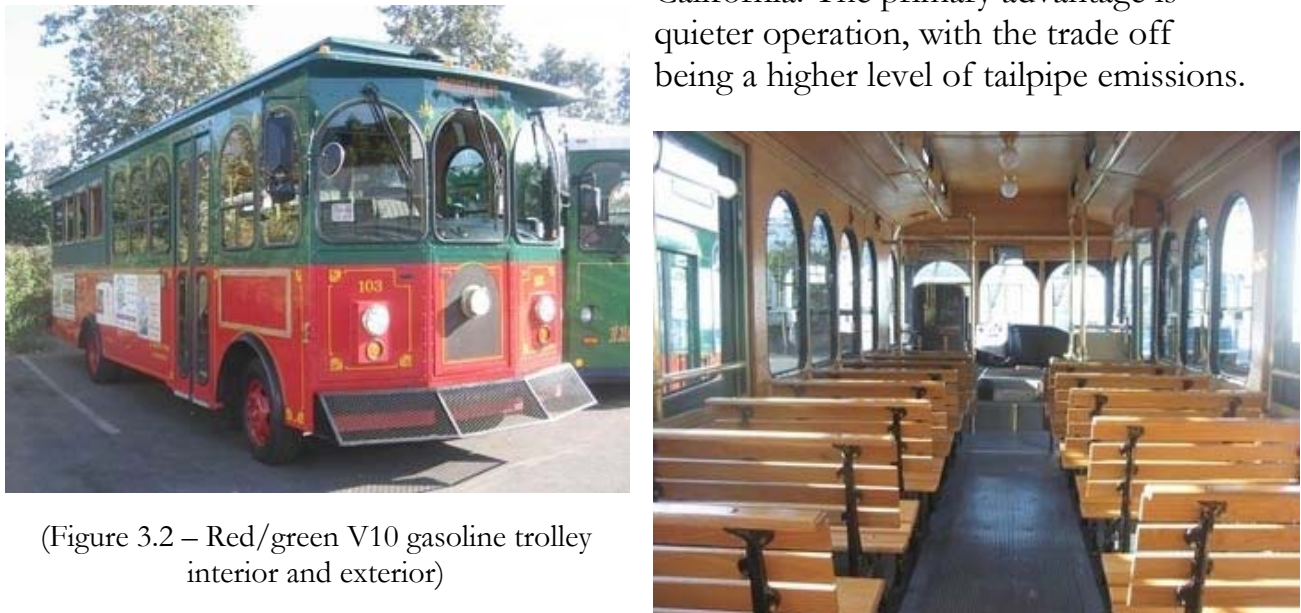
The blue trolley (see Figure 3.1, below) is a 45-passenger Supreme rear engine 250 combination CNG/Diesel, manufactured in 2002. Six of these trolleys are available from a Central Florida trolley system. The vehicles are on the high side of mileage with 300,000 + miles, and will need refurbishing. They have oak interior with

(Figure 3.1 – Blue CNG/diesel trolley interior and exterior)



Brass-trimmed seats and are fully enclosed with wheelchair lifts in the front door steps. The asking price is \$65,000 per vehicle, with a possible reduction for the purchase of two. The primary advantage is in cleaner exhaust, with the tradeoff being noisier operation.

The red/green trolley (see Figure 3.2, below) is a 45-passenger Specialty front engine V10 Ford gasoline-powered vehicle with only 23,000 miles on it, manufactured in 2003. The body style is half open with roll-down transparent curtains for winter protection that can be removed in the summer. The interior comes equipped with oak seats and brass-trimmed handrails. This vehicle needs no refurbishment and is ready to be put into service. The asking price is \$48,000 and the trolleys are located in California. The primary advantage is quieter operation, with the trade off being a higher level of tailpipe emissions.



(Figure 3.2 – Red/green V10 gasoline trolley interior and exterior)

IV. Cost Projections

The cost projections for the Full time Service as well as the Extended Full time Service are detailed below.

<u>Costing For Manhattan Beach Trolley System</u>		
	Two Full Time Trolleys 10 hrs 360 Days 7200 Veh. Hrs.	Two Full Time Trolleys 14 hrs. 360 Days 10,052 Veh. Hrs.
4101 Salaries & Allowances Dial-A-Ride		
<i>Salaries & Allowances Trolley System</i>	\$ 88,800.00	\$ 123,432.00
4103 Part Time Salaries		
<i>Part Time Salaries Trolley System</i>	\$ 73,635.90	\$ 73,635.90
<i>Over Time Regular Trolley System</i>		
4201 Group Medical Dial-A-Ride		
<i>Group Medical Trolley System</i>	\$ 8,200.00	\$ 11,398.00
<i>Workers Compensation Trolley System</i>	\$ 8,103.00	\$ 11,263.00
Total Salaries & Benefits	\$ 178,738.90	\$ 219,728.90
5201 Office Supplies	\$ 1,295.00	\$ 1,295.00
5205 Training/Safety	\$ 6,659.00	\$ 6,659.00
5206 Uniforms/Safety Equipment	\$ 1,554.00	\$ 1,554.00
5207 Advertising	\$ 12,000.00	\$ 12,000.00
5208 Postage	\$ 600.00	\$ 600.00
5217 Special Deptmental Supplies/Signage		
5218 Recruitment Costs		
5225 Printing & Marketing Material Trolley	\$ 5,000.00	\$ 5,000.00
5501 Telephone/Communication Equipment	\$ 4,000.00	\$ 4,000.00
Total Materials & Supplies	\$ 31,108.00	\$ 31,108.00
5631 Insurance Allocation	\$ 21,000.00	\$ 30,000.00
5642 Fleet Maintenance	\$ 27,750.00	\$ 40,237.50
Fuel	\$ 48,085.20	\$ 66,838.42
Total Internal Services	\$ 96,835.20	\$ 137,075.92
Profit %	\$ 55,977.90	\$ 49,251.18
Total Expenditures	\$ 360,160.00	\$ 437,160.00

V. Potential Transit Funding Sources

Overview:

Transit funding in the Los Angeles region is complex, with many sources and many restrictions on potential use. The typical use categories of *Capital* and *Operations* define a simple way to view the needs of an emerging new system, but even operational funding may have many varieties. For example, funding may be restricted to services for a particular type of rider, such as an elderly person, disabled resident or public school student. The type of funding will also dictate the set of regulations to be applied to the system. For example, federal funding will require all bus purchases to follow Buy America policies and to have been tested for safety at a unique bus testing facility in Altoona, Pennsylvania. While the funding environment is not a simple one, it is likewise rich in opportunities to match and package multiple funding streams to complete a planned service expansion.

RTC has looked over the many grant funding sources and highlighted the following as possible future sources for Green Trolley Service.

American Recovery and Rehabilitation Act of 2009

The American Recovery and Rehabilitation Act of 2009 (ARRA) has added incentives to spur transportation development, particularly for uses such as transit that will contribute to cleaner air. Most of the transit capital funding has flowed through existing channels, using FTA 5307 formula funding to spur transit expansion. While these funding may not be immediately available to Manhattan Beach, due to projects not being in the regional plans, opportunities nonetheless exist throughout the process. The Environmental Protection Agency is looking to improve diesel emissions, and the City of Manhattan Beach will receive a formula grant that must be spent soon on ways to improve the environment. Certainly transit capital projects would score well in these and other stimulus packages.

VI. Action Plan

Next Steps for Planning and Implementing Community Transit:

1. **Choose Service Options.** A number of alternative service routes have been developed, each with a balance between areas to be served, level of service to be provided and cost. Fares can be set at a number of levels, from free to a single set fee or a fee structure that charges less for local residents. Choice of the “best fit” option will allow for more certainty in projected costs and benefits.
2. **Seek/commit Funding for Capital and Operations.** Possible funding opportunities have been presented, and a package approach has been suggested.
3. **Identify and Act on Opportunity Targets.** Sensitivity to the financial needs of a transit network can help identify funding resources that are within the usual transit funding network, as well as those that are typically not applied to transit. Examples of each of these are shown below to illustrate the principle.

Proposition R Funding

The success of Proposition R in November 2008 means Manhattan Beach will have an additional \$360 thousand per year for transportation improvements. A portion or all of this could be dedicated to paying for the operating costs of a community transit system such as the Manhattan Beach Trolley.

Proposition A Funding

The current senior Dial-a-Ride (DAR) service of Manhattan Beach is subsidized with a portion of Proposition M funding. The implementation of a complimentary trolley service should divert ridership, reducing costs and allowing the redirection of a portion of this funding to the trolley service. Moreover, an economy of scale will result as Manhattan Beach expands and diversifies its transit service, reducing the cost per passenger.

Mitigation Fee Revenues

As any new development occurs in Manhattan Beach, the city has an opportunity to assess and provide mitigation for environmental impacts the project causes. Increased traffic is almost always involved, and capital/operational funding for transit can result. For example, a mid-Coast golf course expansion in Santa Barbara County resulted in the addition of one dollar to each green fee for traffic mitigation, to pay for transit/vanpool services to offset increased congestion. Over time, this has proved to be a steady and reliable source of scarce operating funding for alternative transportation.

- 4. Consider Expanding Current Contract with RTC.** Rural Transit Consultants have a business plan that allows for initial start-up of operations, running and refining the system for 18 months as it helps the City find a long-term contractor through a bid process. This could be done, if the City chooses, by expanding the current contract and sole sourcing an 18-month operating contract to RTC as a uniquely qualified agency. As several past bid requests have not yielded a bidder, this approach should be considered. If this is not possible then Manhattan Beach should prepare for an RFP while searching for appropriate vehicles.

In the long run, Manhattan Beach should contract for services and competitively re-bid the contract every 3 to 5 years.

Concluding Statement:

This study has shown that a need exists in the City of Manhattan Beach for community transit, with strong support for a trolley system that serves major attractions in the city. Attention directed at improving the environment with a green transit service was also expressed. A series of service options have been developed for City review, with full routing plans and costing information. Each of the options is feasible to fully fund within existing Measure revenues, although grant opportunities also have been identified to reduce overall costs further. The options are practical and biddable, with Rural Transit Consultants offering a Turn Key service approach that could be operational by summer 2010.

