



Agenda Item #: _____

Staff Report

City of Manhattan Beach

TO: Honorable Mayor Montgomery and Members of the City Council

THROUGH: David N. Carmany, City Manager

FROM: Richard Thompson, Director of Community Development
Nhung Madrid, Management Analyst

DATE: June 21, 2011

SUBJECT: Consideration of a Cost Sharing Agreement in the Amount of \$25,266 with City of Redondo Beach to Continue Funding Beach Cities Transit Line 109 for Fiscal Year 2011-2012.

RECOMMENDATION:

Staff recommends that the City Council approve the renewal of a one-year cost sharing agreement in the amount of \$25,266 for Beach Cities Transit Line 109 for Fiscal Year 2011-2012 with the cities of Hermosa Beach, El Segundo, and Redondo Beach, contingent upon all cities participating.

FISCAL IMPLICATION:

For Fiscal Year 2010-2011, Manhattan Beach's proportional share of the cost sharing agreement was \$27,918. This agreement was funded by purchasing discounted Proposition A funds from the City of Lakewood at a rate of seventy cents on the dollar. Funding for this agreement was equivalent to \$19,543 in General Fund dollars.

For Fiscal Year 2011-2012, the City's proportional share of the cost sharing agreement is \$25,266, which is significantly less than the approved budgeted amount of \$56,584. At the June 7, 2011 City Council Meeting, the City Council authorized the City Manager to negotiate and execute the purchase of \$100,000 of Proposition A Funds for an amount not-to-exceed \$70,000 in budgeted General Funds, which can be used to pay for this cost sharing agreement. Exchanging General Fund dollars for discounted Proposition A funds would cost the City \$17,686 in General Funds to pay for this agreement.

BACKGROUND:

In July 2006, the Cities of El Segundo, Hermosa Beach, Manhattan Beach, and Redondo Beach entered into a two-year equitable cost sharing agreement to mutually fund the operating costs incurred by Beach Cities Transit Line 109. This Line included the portion of Line 439 that was being discontinued by Metro, as well as other beach area public transportation. The replacement service for Metro 439, which ran along the coastline from the southern terminus in Redondo Beach Riviera Village to the LAX City Bus center, was added to Line 109. The route was 12.7 miles in

length and the Cities agreed to share the costs based on the percentage of route miles within each City.

In October 2008, Beach Cities Transit Line 109 experienced a funding shortfall; the anticipated allocations and farebox revenues were not sufficient to compensate for the remaining financial shortfall and the rise in fuel prices. The City Council approved an extension of the cost sharing agreement for another two years through June 30, 2010.

In July 2009, Beach Cities Transit expanded the Line 109 service area, adding discontinued portions of Metro routes 124 and 125. This expansion eliminated the route on Vista Del Mar in El Segundo, and re-routed the line, adding service miles along Rosecrans Avenue east to the Douglas Green Line Station, north on Sepulveda to Plaza El Segundo Shopping Center, west on Grand Avenue through downtown El Segundo, and then east on Imperial Highway to the Aviation Green Line Station before arriving at the LAX City Bus Center. This expansion resulted in realignment of the Line, route and frequency changes, and additional service hours to the route. These route changes resulted in increased route mileage service hours (18.6 miles northbound and 16.3 miles southbound), which were paid for by Redondo Beach without changes to the 2008-2010 cost sharing agreement.

In July 2010, the City Council approved a one-year cost sharing agreement (July 1, 2010 through June 30, 2011) to continue supporting a proportional share of the operational costs of the Beach Cities Transit Line 109. At that time, the City Council also requested that Redondo Beach provide additional operational statistics to show the benefit of Line 109 service to the community, reports related to identifying and achieving program cost savings, examining the possibility of re-routing the line to service Manhattan Village Mall, increasing advertising and outreach efforts, better coordination and communication between all participating cities, and becoming an actively engaged partner with Manhattan Beach.

Historically, the participating Cities have contributed the following amounts towards the cost sharing agreement for Line 109, and the proposed amounts for Fiscal Year 2011-2012 have also been identified in Table 1:

Table 1: Cost Sharing Allocations by City

City	FY 2006-2008 Investment	FY 2008-2010 Investment	FY 2010-2011 Investment	FY 2011-2012 Investment
Manhattan Beach	\$173,278	\$61,217	\$27,918	\$25,266
El Segundo	\$366,558	\$137,010	\$66,288	\$60,006*
Hermosa Beach	\$149,968	\$56,844	\$18,940	\$17,145*
Redondo Beach	\$258,832	\$116,606	\$55,822	\$55,043

*Fiscal Year 2011-2012 cost sharing agreements approved by El Segundo City Council on June 7, 2011 and Hermosa Beach City Council on April 26, 2011.

DISCUSSION:

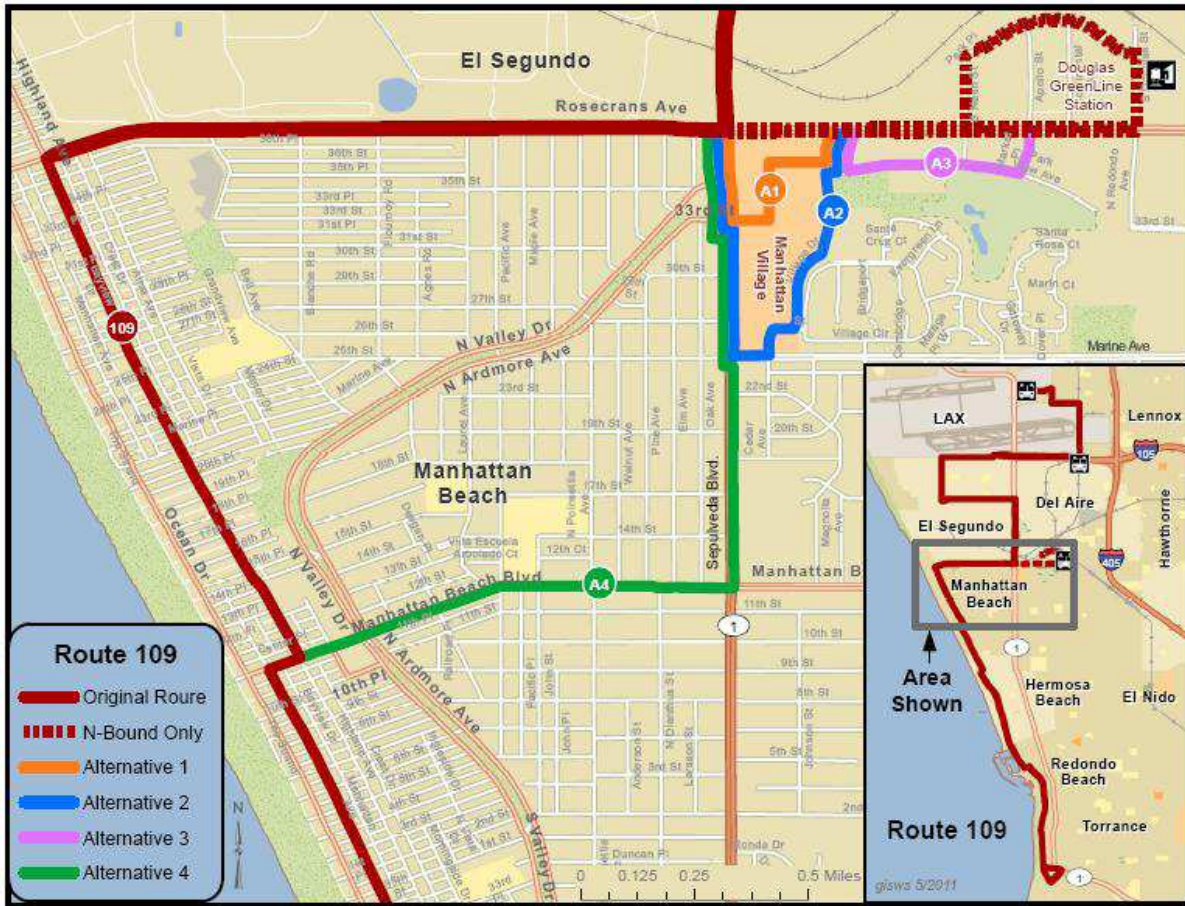
As one of the 16 designated “included operators” in Los Angeles County, Beach Cities Transit receives funding from Metro to support transit operations. Funding distribution is made through the Formula Allocation Procedure which is a formula used to allocate federal and state bus transit funds among the various transit agencies in Los Angeles County. The allocations are calculated using farebox revenues and vehicle service miles. While fund and fare revenues for Line 109 have increased since 2006, recent formula funding allocations received for Fiscal Year 2009-2010 and 2010-2011 have decreased since Metro’s funding allocation distributions are based on sales tax revenue receipts. Consequently, Beach Cities Transit is still experiencing an ongoing funding shortfall, and is requesting the City of Manhattan Beach to renew their one-year cost sharing agreement for Fiscal Year 2011-2012 with Redondo Beach, El Segundo, and Hermosa Beach.

Since approval of the 2010-2011 cost sharing agreement, staff liaisons from all of the participating cities have met regularly to exchange transit line service data information, share technical expertise, provide updated information regarding service issues, vehicle acquisition, and service marketing and coordinating public outreach efforts. Also, to meet the requests of the participating Cities, Redondo Beach released a Request for Proposal for a Comprehensive Operational Analysis for the Beach Cities Transit Program. A contract was awarded to Dan Boyle and Associates in early 2011, and for the purposes of decision-making, some preliminary information from the comprehensive operational analysis has been provided by the consultant for the City Council’s review:

- On-board survey results indicate that Beach Cities Transit riders are using transit primarily for work and school trips: work is the most common trip purpose on weekdays and weekends.
- Riders are more likely to live in Redondo Beach or El Segundo, although Beach Cities Transit attracts riders from 123 different zip codes.
- Most riders walk to and from their origin and destination, and many riders transfer to or from other buses or the Metro Green Line.
- Line 109 is the most “regional” route in the Beach Cities Transit network due to its length and its connections. Average trip lengths are relatively short, suggesting that few passengers ride the length of the route. Most riders appear to use the Line to reach nearby destinations or regional transit connections.
- Survey statistics show that Manhattan Beach residents make-up 4.5% of riders. Redondo Beach is 8.1%, El Segundo is 16.2%, and Hermosa Beach is 3.6%.
- Among the three weekday routes (Line 102, 104, and 109), Line 109 ranks 2nd in *boardings* and in *boardings per revenue hour*. And, among the three Saturday and two Sunday routes, Line 109 ranks 1st in *boardings* and 2nd in *boardings per revenue hour* on both days.

Also, as requested by the City Council, the consultant explored several options to re-route Line 109 to service Manhattan Village Mall. Currently, Line 109 travels along Rosecrans Avenue near the Mall. The closest stop is on Rosecrans Avenue, just east of Village Drive, and is currently served only in the northbound direction on the way to Douglas Station. The comprehensive operational analysis identified four different options for providing direct service to Manhattan Village Mall as shown in Figure 1.

Figure 1: Re-routing Options at Manhattan Village Mall for Route 109



Option 1

Option 1 would re-route the Line from Rosecrans Avenue onto southbound Sepulveda Boulevard, enter the Mall, and either continue through the Mall to exit at Village Drive or to exit Sepulveda Boulevard north to Rosecrans Avenue and resume the existing route. A stop within the Mall is expected to add 10 passengers and an additional 10 minutes of travel time. This deviation would require a fifth bus on Line 109 and would increase annual revenue hours, with annual operating costs estimated to increase by over \$250,000 and the capital cost would be \$432,000 for a new bus. An alternative would be to enter the Mall in only one direction, which could potentially be done with four buses for most of the day, but refueling requirements at the northern end of the terminus would require a fifth bus for several hours during the day, with an estimated annual cost between \$50,000 to \$75,000. This alternative would also go against one of the stated purposes of the Comprehensive Operational Analysis, which is to provide bidirectional service all along a given route in order to make the bus line easy to understand for riders.

Option 2

Option 2 is to turn south from Rosecrans Avenue on Village Drive and circle the mall via Village Drive, Marine Avenue, and Sepulveda Boulevard before resuming the existing route. Circling the Mall with multiple stops at the periphery would add a minimum of 10 minutes of travel time in each direction, which would result in an increase to weekday ridership by approximately 10 passengers, but this option would also require an extra bus for the Line. The fifth bus would

increase annual revenue hours, and annual operating costs would increase by over \$250,000 and the capital cost would be approximately \$432,000. An alternative to limit costs is to re-route Line 109 directly into the Mall only during midday hours (11:00 AM to 4:00 PM), which would reduce the costs to approximately \$134,000, but this alternative would still require the addition of a fifth bus to the Line.

Option 3

Option 3 is to turn south from Rosecrans Avenue on Village Drive, then east on Park View Avenue and north on Market Place, then resuming the existing route at Rosecrans Avenue. This option is a minor re-route that would have negligible impacts on ridership and costs. This option would bring Line 109 only one short block closer to the Mall entrance (assuming parking meters can be removed on Village Drive). This re-route is not expected to generate additional ridership, however, there may be potential for ridership from the senior housing facility, and the commercial businesses along Park View Avenue.

Option 4

Option 4 restructures the route entirely, replacing the segments along Highland Avenue and Rosecrans Avenue west of Sepulveda boulevard with a new routing east on Manhattan Beach Boulevard and north onto Sepulveda Boulevard with a stop directly in front of the Mall on Sepulveda Boulevard. This option would eliminate the existing segments of Line 109 on Highland Avenue north of Manhattan Beach Boulevard, and the western portion of Rosecrans Avenue between Highland Avenue and Sepulveda Boulevard. These segments that would be eliminated in this option currently account for 17 percent of the total ridership on a typical weekday. These riders would not have any other local transit options because Line 109 is the only local transit service on these streets. The consultant did not identify potential ridership for Manhattan Beach Boulevard and Sepulveda Boulevard, and the cost would be the same as current operations. This option would also require staff to meet with Metro to discuss possible route duplication along Sepulveda Boulevard.

The four options to re-route Line 109 into Manhattan Village Mall has been provided by the consultant as a preliminary analysis, and there are many other factors that need to be taken into consideration before such a major service change can occur. Such factors include negotiating funding with the partnering cities for the additional operational and capital costs, operational concerns regarding the bus service within the Mall parking lot, the tight turns for a 32-foot bus, the loss of parking spaces, competing automobile/Ocean Express trolley/pedestrian traffic, traffic safety concerns, parking lot paving costs, insurance liability issues and other service feasibility considerations. Also, the funding identified for each option would be in addition to the \$25,266 for Fiscal Year 2011-2012.

At this time, the consultant's review does not support a recommendation to re-route Line 109 into Manhattan Village Mall. A mid-route deviation is especially challenging because of the likelihood of delays affecting passengers on board and those waiting at stops past the Mall, as well as the increased running time resulting in the need for an additional bus for Line 109 to maintain the current headway schedule. If the City Council wishes staff to pursue one of the four options, staff will work with the partnering cities and the consultant to determine the feasibility of a service stop at the Mall. However, staff does not recommend re-routing Line 109 to service Manhattan Village Mall at this time. Staff will continue to explore options to service the Mall and will return to the

City Council when a more reasonable proposal is presented.

CONCLUSION:

In conclusion, staff is requesting that City Council approve the renewal of a one-year cost sharing agreement to participate in Line 109, to continue to improve the service and serve the community's residents, businesses, and employers. The other participating cities of Hermosa Beach and El Segundo have already approved their one-year cost sharing agreements for Fiscal Year 2011-2012, and Redondo Beach is expected to take the agreement to their City Council after all Cities have approved their agreements.

Staff will continue to work cooperatively with the participating cities to identify and implement marketing strategies and service modifications as deemed necessary. Joyce Rooney, Transit Operations & Transportation Facilities Manager from the City of Redondo Beach will be in attendance at the Council Meeting to answer any questions that the Council may have regarding Beach Cities Transit and the cost sharing agreement.

Exhibits:

- A. Cost Sharing Agreement for Beach Cities Transit Fiscal Year 2011-2012
- B. Letter from Joyce Rooney dated April 14, 2011: Beach Cities Transit Line 109 Cost Sharing Contributions FY 2011-12
- C. Beach Cities Transit Line 109 Route Map

TRANSIT SERVICE OPERATION AGREEMENT

This Transit Service Operation Agreement ("Agreement") is entered into by and between the City of Manhattan Beach ("Manhattan Beach") and the City of Redondo Beach/Beach Cities Transit ("Redondo Beach" or "BCT").

RECITALS

WHEREAS, BCT currently provides transit services on Line 109;

WHEREAS, Manhattan Beach and Redondo Beach previously entered into that certain "Transit Service Operation Agreement" pursuant to which Manhattan Beach provides funding to Redondo Beach for the partial cost of operating Line 109; and

WHEREAS, the current "Transit Service Operation Agreement" expired as of June 30, 2011, and the parties desire to continue such agreement on the terms and conditions set forth below.

THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES CONTAINED HEREIN, THE PARTIES AGREE AS FOLLOWS:

1. TERM

This Agreement shall be effective as of July 1, 2011, and shall have a one (1) year term expiring on June 30, 2012. Manhattan Beach acknowledges that an agreement in similar form to this Agreement will need to be negotiated for continued Line 109 service beyond June 30, 2012. In the event Manhattan Beach intends to discontinue Line 109 service following the expiration of this Agreement, Manhattan Beach agrees that it will make a good-faith effort to notify BCT of its intent to discontinue such service.

2. SERVICE DESCRIPTION

- A. BCT shall operate Line 109 consistent with the map shown in **Attachment A**, which is attached hereto and by this reference incorporated herein ("Line 109" or the "Service").
- B. BCT shall operate Line 109 on the days of the week, spread of service, and frequencies of service equal to or better than that which was operated by BCT immediately prior to the effective date of this Agreement. The service schedule on Line 109 in effect on June 30, 2010, is shown as **Attachment B**, which is attached hereto and by this reference incorporated herein.
- C. BCT may adjust the route and schedule of Line 109; however, any changes or reductions to the Service in excess of 10% shall be brought to the City of Manhattan Beach in writing for review and comment prior to implementation.

D. BCT reserves its rights, at its sole discretion, to enter into contracts for Line 109 service with any other provider of its choice at any time without City of Manhattan Beach approval. BCT shall be responsible for any and all aspects of administration of the service contract, and shall assure that the contract includes provisions pertaining to insurance, age, maintenance and operation of vehicles, driver qualifications and other similar provisions typical of an agreement of that kind.

3. PASSENGER FARES

BCT may charge fares for the Service consistent with their existing fixed-route service. BCT will accept interagency transfers with adjacent transit operators and participate in the EZ Pass Program. BCT shall retain all farebox revenues. BCT Line 109 passenger fare revenues shall be used to offset operation expenses.

4. FUNDING

- A. For costs associated with the operation of Line 109, the City of Manhattan Beach shall pay the City of Redondo Beach in accordance with this Section. The City of Manhattan Beach shall not pay BCT for capital costs nor shall the City of Manhattan Beach provide equipment to operate the Service.
- B. Funding from Manhattan Beach shall be \$25,266 for fiscal year 2011-12. In no event shall Manhattan Beach's funding obligation pursuant to this Section 4B exceed the foregoing amount. In the event actual fiscal year 2011-12 Line 109 net operating costs are less than the estimated costs and/or actual 2011-12 net operating revenues are greater than the estimated revenues, all excess funds resulting from any such decreased costs or increased revenues, if any, shall be reconciled through the final 4th quarter invoice of the 2011-12 fiscal year.
- C. BCT is responsible for all marketing and promotion of the service. Notwithstanding the foregoing, the City of Manhattan Beach may advertise at its sole expense, but any reference to Beach Cities Transit must be approved in writing by the City of Redondo Beach prior to such reference. Only the Beach Cities Transit logo may be used to advertise or market the service.
- D. BCT will meet with Manhattan Beach to develop additional marketing strategies directed towards increasing BCT Line 109 ridership. Manhattan Beach shall provide assistance for public outreach and information to target Manhattan Beach residents and non-resident community members.

5. REPORTING/INVOICING

- A. BCT shall report to the City of Manhattan Beach on a quarterly basis, all of the following data for the Line 109 Service:
- passengers carried
 - revenue hours operated
 - revenue miles operated
 - total operating costs

- B. BCT shall submit said report to the Manhattan Beach City Manager in writing within fifteen (15) days after the end of each report quarter.
- C. BCT shall submit quarterly invoices and reporting requirement to the City Manager and City of Manhattan Beach shall pay to BCT on a quarterly basis 1/4th of the annual funds to be provided. City of Manhattan Beach shall pay BCT within thirty (30) days of receipt of each quarterly report from BCT. First payment shall be due on November 30, 2011, representing payment for July 1, 2011, through September 30, 2011.
- D. BCT shall incorporate Line 109 data into its Federal Transit Administration National Transit Data annual report for the entire Beach Cities Transit fixed route transportation system. BCT shall provide to Manhattan Beach annual NTD random sampling data which provides the statistics to estimate the number of passengers boarding and alighting by stop in Manhattan Beach, and the total estimated Manhattan Beach passengers. BCT shall be responsible for any and all aspects of administration of the service contract, and shall include provisions pertaining to insurance.
- E. City of Manhattan Beach retains the right to audit the BCT's records of Line 109 Service, and may periodically monitor the Service.
- F. BCT shall schedule quarterly joint meetings with the partnering Cities of El Segundo, Hermosa Beach and Manhattan Beach. BCT will provide a quarterly update of Line 109 services, and discuss coordinated marketing and public outreach efforts and operating and financing issues that affect BCT services.

6. INSPECTION OF RECORDS

Beach Cities Transit records relevant to this Agreement shall be available for inspection by City of Manhattan Beach at all reasonable times for a period of at least three (3) years for each year or after the termination date, whichever comes first.

7. NON-DISCRIMINATION

No person shall on the grounds of race, color, religion, national origin, ancestry, age, sex, physical or mental disability, be excluded from participation in, or be subject to discrimination in the operation of the Line 109 Service.

8. COORDINATION

- A. BCT shall coordinate their services, to the extent practical, so that passengers transferring between transit operators will have minimal waiting times. This coordination will require transit agencies to communicate with each other as many weeks as possible in advance of any planned schedule change to these services that may affect passenger transfers.

- B. The Manhattan Beach Project Manager for this project shall be the City Manager or his/her designee. BCT coordinator for this project shall be the Harbor, Business and Transit Director or his/her designee.

9. WAIVER OF BREACH

The waiver of each party of any breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach of that same or any other provision.

10. NOTICES

A. All notices, requests, demands, or other communications under this Agreement will be in writing. Notice will be sufficiently given for all purposes as follows:

- (1) Personal delivery. When personally delivered to the recipient: notice is effective on delivery.
- (2) First Class mail. When mailed first class to the last address of the recipient known to the party giving notice: notice is effective three mail delivery days after deposit in an United States Postal Service office or mailbox.
- (3) Certified mail. When mailed certified mail, return receipt requested: notice is effective on receipt, if delivery is confirmed by a return receipt.
- (4) Overnight delivery. When delivered by an overnight delivery service, charges prepaid or charged to the sender's account: notice is effective on delivery, if delivery is confirmed by the delivery service.
- (5) Facsimile transmission. When sent by fax to the last fax number of the recipient known to the party giving notice: notice is effective on receipt. Any notice given by fax will be deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a non-business day.

Addresses for purpose of giving notice are as follows:

Beach Cities Transit:

City of Redondo Beach
Harbor, Business and Transit Director
Attention: Line 109
415 Diamond St.
Redondo Beach, CA 90277-2836

Fax Number: 310-937-6621
With a copy to:

City Clerk
City of Redondo Beach
415 Diamond Street
Redondo Beach, CA 90277-2836

Fax Number: 310- 374-0220

City of Manhattan Beach:

City of Manhattan Beach
Mr. Richard Thompson
Director, Community Development
Attention: Line 109
1400 Highland Avenue
Manhattan Beach, CA 90266-4795

Fax Number: 310-802-5501
With a copy to:

City Clerk
City of Manhattan Beach
1400 Highland Avenue
Manhattan Beach, CA 90266-4795

Fax Number: 310-802-5051

- B. Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified, will be deemed effective as of the first date the notice was refused, unclaimed or deemed undeliverable by the postal authorities, messenger or overnight delivery service.
- C. Either party may change its address or fax number by giving the other party notice of the change in any manner permitted by this Agreement.



11. SEVERABILITY

Should any part, term or provision of this Agreement or any document required herein to be executed be declared invalid, void or unenforceable, all remaining parts, terms and provisions hereof shall remain in full force and effect and shall in no way be invalidated, impaired or affected thereby.

12. INTEGRATION; AMENDMENT

This Agreement represents the entire understanding of the City of Manhattan Beach and Beach Cities Transit as to those matters contained in it. No prior oral or written understanding will be of any force or effect with respect to the terms of this Agreement. The Agreement may not be modified or altered except in writing signed by both parties.

13. INTERPRETATION

The terms of this Agreement should be construed in accordance with the meaning of the language used and should not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction that might otherwise apply.

14. GOVERNING LAW; JURISDICTION

This Agreement will be administered and interpreted under the laws of the State of California. Jurisdiction of any litigation arising from the Agreement will be in Los Angeles County, California.

15. COMPLIANCE WITH STATUTES AND REGULATIONS

Beach Cities Transit will be knowledgeable of and will comply with all applicable federal, state, county and city statutes, rules, regulations, ordinances and orders.

16. NON-LIABILITY OF THE CITY OF MANHATTAN BEACH OFFICERS AND EMPLOYEES

No officer or employee of either City will be personally liable to the other, in the event of any default or breach thereunder.

17. INDEMNIFICATION

Redondo Beach hereby agrees to defend, protect, indemnify and hold harmless Manhattan Beach, its officers, employees, elected officials and members of boards and commissions from and against any and all loss, damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, and judgments, including reasonable attorney's fees, expert fees and costs of suit arising directly or indirectly from or in any manner related to or in connection with or caused by the performance or failure of Redondo Beach, its agents, servants or employees to perform the services required of Redondo Beach employees under the terms of this Agreement.

Manhattan Beach hereby agrees to defend, protect, indemnify and hold harmless Redondo Beach, its officers, employees, elected officials and members of boards and commissions from and against any and all loss, damages, costs, expenses, liabilities,

claims, demands, causes of action, proceedings, and judgments, including reasonable attorney's fees, expert fees and costs of suit arising directly or indirectly from or in any manner related to or in connection with or caused by the performance or failure of Manhattan Beach, its agents, servants or employees to perform the services required of Manhattan Beach employees under the terms of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement in Redondo Beach, California, as of this ____ day of _____, 2011.

CITY OF REDONDO BEACH/
BEACH CITIES TRANSIT

CITY OF MANHATTAN BEACH

By: _____
Mike Gin
Mayor

By: _____
David N. Carmany
City Manager

APPROVED AS TO FORM:

APPROVED AS TO FORM:


for Mike Webb, City Attorney


Christi Hegin
City Attorney's Office

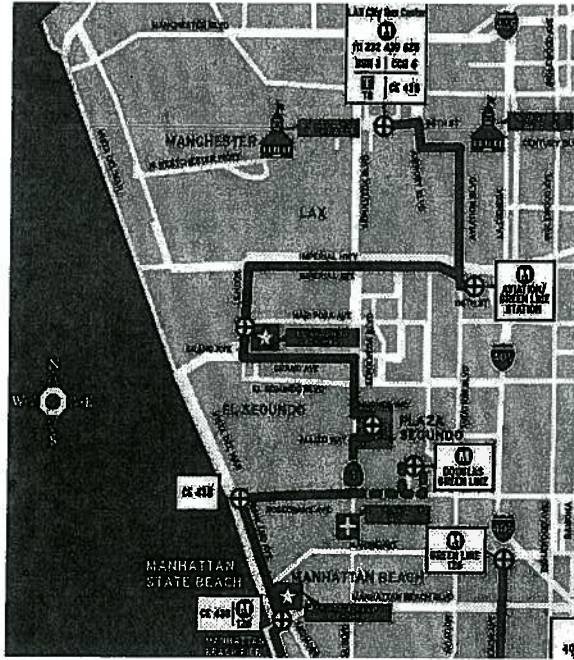
ATTEST:

ATTEST:

Eleanor Manzano, City Clerk

Liza Tamura, City Clerk

Attachment A: Line 109 Map



Revenue Service Mile Calculations

Revised Route Miles	NB Miles	%	SB Miles	%
Redondo Beach	2.4	12.90%	3.1	19.02%
Los Angeles	2.9	15.59%	2.8	17.18%
Hermosa Beach	2.2	11.83%	1.6	9.82%
Manhattan Beach	3.4	18.28%	3.2	19.63%
El Segundo	7.7	41.40%	5.6	34.36%
Total Miles	18.6	100.00%	16.3	100.00%

Revised Route Miles	NB Miles	%	SB Miles	%
Redondo Beach & Los Angeles	5.3	28.49%	6.9	42.33%
Hermosa Beach	2.2	11.83%	1.6	9.82%
Manhattan Beach	3.4	18.28%	2.2	13.49%
El Segundo	7.7	41.40%	5.6	34.36%
Total Miles	18.6	100.00%	16.3	100.00%

Revised Revenue Service Miles effective July 2010 (based on service changes effective June 28, 2009)

	Average Miles Per City	%
Redondo Beach & Los Angeles	6.1	34.95%
Hermosa Beach	1.90	10.89%
Manhattan Beach	2.8	16.05%
El Segundo	6.65	38.11%
Total Miles	17.45	100.00%

Attachment B: BCT Line 109 Time Schedule

BEACH CITIES TRANSIT 109						
REDONDO BEACH - HERNDON BEACH - MANHATTAN BEACH - EL SEBASTO - LAX CITY BUS CENTER						
ALL SERVICE STATIONS TO THE BEACHS						
MONDAY THROUGH FRIDAY NORTHBOUND						
PALM VERDE & VIA WALDENIA	HERNDON & 11TH	BOULEVARD STATION	PLAZA EL SEBASTO	MAIN & 94TH	JUNCTION STATION	LAX CITY BUS CENTER
6:00 AM	6:00 AM	6:00 AM	6:00 AM	6:00 AM	6:00 AM	7:00 AM
6:30 AM	6:30 AM	6:30 AM	6:30 AM	6:30 AM	6:30 AM	7:30 AM
7:00 AM	7:00 AM	7:00 AM	7:00 AM	7:00 AM	7:00 AM	8:00 AM
7:30 AM	7:30 AM	7:30 AM	7:30 AM	7:30 AM	7:30 AM	8:30 AM
8:00 AM	8:00 AM	8:00 AM	8:00 AM	8:00 AM	8:00 AM	9:00 AM
8:30 AM	8:30 AM	8:30 AM	8:30 AM	8:30 AM	8:30 AM	9:30 AM
9:00 AM	9:00 AM	9:00 AM	9:00 AM	9:00 AM	9:00 AM	10:00 AM
9:30 AM	9:30 AM	9:30 AM	9:30 AM	9:30 AM	9:30 AM	10:30 AM
10:00 AM	10:00 AM	10:00 AM	10:00 AM	10:00 AM	10:00 AM	11:00 AM
10:30 AM	10:30 AM	10:30 AM	10:30 AM	10:30 AM	10:30 AM	11:30 AM
11:00 AM	11:00 AM	11:00 AM	11:00 AM	11:00 AM	11:00 AM	12:00 PM
11:30 AM	11:30 AM	11:30 AM	11:30 AM	11:30 AM	11:30 AM	12:30 PM
12:00 PM	12:00 PM	12:00 PM	12:00 PM	12:00 PM	12:00 PM	1:00 PM
12:30 PM	12:30 PM	12:30 PM	12:30 PM	12:30 PM	12:30 PM	1:30 PM
1:00 PM	1:00 PM	1:00 PM	1:00 PM	1:00 PM	1:00 PM	2:00 PM
1:30 PM	1:30 PM	1:30 PM	1:30 PM	1:30 PM	1:30 PM	2:30 PM
2:00 PM	2:00 PM	2:00 PM	2:00 PM	2:00 PM	2:00 PM	3:00 PM
2:30 PM	2:30 PM	2:30 PM	2:30 PM	2:30 PM	2:30 PM	3:30 PM
3:00 PM	3:00 PM	3:00 PM	3:00 PM	3:00 PM	3:00 PM	4:00 PM
3:30 PM	3:30 PM	3:30 PM	3:30 PM	3:30 PM	3:30 PM	4:30 PM
4:00 PM	4:00 PM	4:00 PM	4:00 PM	4:00 PM	4:00 PM	5:00 PM
4:30 PM	4:30 PM	4:30 PM	4:30 PM	4:30 PM	4:30 PM	5:30 PM
5:00 PM	5:00 PM	5:00 PM	5:00 PM	5:00 PM	5:00 PM	6:00 PM
5:30 PM	5:30 PM	5:30 PM	5:30 PM	5:30 PM	5:30 PM	6:30 PM
6:00 PM	6:00 PM	6:00 PM	6:00 PM	6:00 PM	6:00 PM	7:00 PM
6:30 PM	6:30 PM	6:30 PM	6:30 PM	6:30 PM	6:30 PM	7:30 PM
7:00 PM	7:00 PM	7:00 PM	7:00 PM	7:00 PM	7:00 PM	8:00 PM
7:30 PM	7:30 PM	7:30 PM	7:30 PM	7:30 PM	7:30 PM	8:30 PM
8:00 PM	8:00 PM	8:00 PM	8:00 PM	8:00 PM	8:00 PM	9:00 PM

BEACH CITIES TRANSIT 109						
LAX CITY BUS CENTER - EL SEBASTO - MANHATTAN BEACH - HERNDON BEACH - REDONDO BEACH						
MONDAY THROUGH FRIDAY SOUTHBOUND						
LAX CITY BUS CENTER	JUNCTION STATION	MAIN & 94TH	PLAZA EL SEBASTO	HERNDON & 11TH	PALM VERDE & VIA WALDENIA	OPERATIONS TRAIL
6:00 AM	6:00 AM	6:00 AM	6:00 AM	6:00 AM	6:00 AM	
6:30 AM	6:30 AM	6:30 AM	6:30 AM	6:30 AM	6:30 AM	
7:00 AM	7:00 AM	7:00 AM	7:00 AM	7:00 AM	7:00 AM	
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BEACH CITIES TRANSIT 109						
REDONDO BEACH - HERNDON BEACH - MANHATTAN BEACH - EL SEBASTO - LAX CITY BUS CENTER						
SATURDAY, SUNDAY AND HOLIDAYS NORTHBOUND						
PALM VERDE & VIA WALDENIA	HERNDON & 11TH	BOULEVARD STATION	PLAZA EL SEBASTO	MAIN & 94TH	JUNCTION STATION	LAX CITY BUS CENTER
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BEACH CITIES TRANSIT 109						
LAX CITY BUS CENTER - EL SEBASTO - MANHATTAN BEACH - HERNDON BEACH - REDONDO BEACH						
SATURDAY, SUNDAY AND HOLIDAYS SOUTHBOUND - NO SERVICE TO BOULEVARD STATION						
LAX CITY BUS CENTER	JUNCTION STATION	MAIN & 94TH	PLAZA EL SEBASTO	HERNDON & 11TH	PALM VERDE & VIA WALDENIA	OPERATIONS TRAIL
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Harbor, Business & Transit
Department

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Redondo Beach, California 90277-0270
www.redondo.org

tel 310 318-0631
fax 310 937-6621

April 14, 2011



Nhung Madrid
Management Analyst, Community Development Department
City of Manhattan Beach
1400 Highland Avenue
Manhattan Beach, CA 90266

Re: Beach Cities Transit Line 109 Cost Sharing Contribution FY 2011-12

Dear Ms. Madrid,

It has been a pleasure working with you and Ms. Jester this past year as we have improved our cooperative team efforts for the success of Beach Cities Transit (BCT) Line 109. I appreciate your time, contributions, and commitment to the success of the service.

Over the past nine months the Cities have been involved with improving BCT public information and promoting the service to the Beach Cities communities. Our continued joint efforts are critical to achieving our regulatory compliance regarding environmental sustainability and the reduction of our communities' carbon footprint. Additionally our efforts can play a key role in the Beach Cities Vitality City Initiative.

In December 2010, Manhattan Beach requested the reconsideration of the route mile allocation. In my letter to the City, dated December 9, 2010, the reallocation was agreed to pending the completion of the transit services comprehensive operational analysis study that is currently in progress. Since the study is not yet completed, the fund estimates for FY 2011-12 are based on the percentage used for FY 2010-11.

In March 2011, Metro issued preliminary transit fundmarks that reflect an increase in the fund estimates for FY 2011-12 for transit operators. The BCT Line 109 contribution from the beach cities is estimated to be lower in than FY 2010-11; however State Budget issues that affect transportation funding under the State Transit Fund (STA) account will likely not be available in FY 2011-12. As a result, the net contribution amount for FY 11-12 for the City of Manhattan Beach is estimated to be \$25,266, slightly less than FY 2010-11 estimates. Attached is a brief summary of the BCT Line 109 service and cost projections for FY 2011-12.

We would like to finalize the BCT Line 109 renewal agreement by June 15, 2011, with all parties obtaining approval of the agreement by their respective City Councils by May 31, 2011. I will contact you next week to coordinate the agreement process. If you have any questions, please contact me at (310) 318-0631, ext. 2670. Thank you for your prompt attention.

Sincerely,

Joyce Rooney, Transit Operations and Transportation Facilities Manager

CC: Richard Thompson, Director, Community Development, Manhattan Beach
Pete Carmichael, Harbor, Business & Transit Director, Redondo Beach



Revised March 24, 2011

BCT Line 109

Service Statistics & Operating Information

The service expansions implemented in June 2009 have significantly increased ridership on the BCT Line 109. Ridership has increased nearly 60% since FY 2006-07. Statistics show that BCT Line 109 is a popular route for local commuters, residents and community members. Ridership is expected to continue to increase in future years as development and traffic congestion increases, and implementation of "Green Programs" become more important to the sustainability of the region.

	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Actual	FY 09-10 Actual	FY 10-11 Estimated	FY 11-12 Estimated
Service Hours	14,833	16,628	16,663	19,317	19,147	19,145
Operating Cost	\$796,358	\$888,727	\$846,106	\$1,027,029	\$967,450	\$987,439
Fare Revenues	\$97,646	\$137,506	\$145,000	\$158,190	\$150,000	\$150,000
Passenger Trips	124,698	174,991	193,350	194,345	195,000	195,000

Cost Sharing Investment History FY 2009-10 and FY 2010-11

While fare revenues for BCT Line 109 have increased, formula funding allocations received for operations decreased in Fiscal Years 2009-10 and 2010-11 as a result of the downturn of the economy as Metro's funding allocation distributions are based on sales tax revenue receipts. Regional funding estimates for FY 2011-12 are projected to increase; however, BCT is still experiencing a funding shortfall.

The investments made by the Cities for Fiscal Year 2010-11 were based on an application of a credit from the overestimated 2009-10 shortfall. The additional funds paid to Redondo Beach, in the amount of \$81,127 were credited to the estimated operations shortfall for FY 2010-11.

BCT Line 109 Shortfall Estimates FY 2010-11

Estimated Shortfall	\$255,074
Cost Sharing credit (FY 2010)	81,127
Estimated Shortfall Net of Credit	\$173,947

Cost Sharing Allocations FY 2010 and FY 2011

CITY	% INVESTMENT (avg. route miles/total route miles)	FY 2009-2010 INVESTMENT	FY 2010-11 INVESTMENT
Redondo Beach	34.95%	\$61,628	\$60,800
Hermosa Beach	10.89%	32,354	18,940
Manhattan Beach	16.05%	30,043	27,918
El Segundo	38.11%	72,412	66,289
TOTAL	100%	\$196,437	\$173,947



BCT Cost Estimates for FY 2011-12

The expenses included in the cost sharing estimates for BCT Line 109 include the operating expenses incurred from the transit contractor and fuel expenses.

Metro issued the draft transit formula funding allocation fundmarks for FY 2012 on March 23, 2011. Final cost sharing contributions will be determined in April after Metro approves the Formula Funding Allocations for the Municipal Operators. In addition, Metro legislative staff has informed the Municipal Operators that State Transit Assistance (STA) funding may not be available for operations in FY 2011-12 if the final State Budget does not include funding,

Based on the preliminary fund marks, two scenarios for the shortfalls and City contributions are listed in the chart below, base on STA allocations.

BCT Estimated Cost Sharing Allocations for FY 2011-2012

CITY	% OF ROUTE MILES	FY 2010-11 INVESTMENT	SCENARIO 1	SCENARIO 2
			NO STA FUNDS	WITH STA FUNDS
			FY 2011-12 INVESTMENT (excluding STA Funds)	FY 2011-12 INVESTMENT (including STA Funds)
Redondo Beach*	34.95%	\$60,800	\$ 55,043	\$ 36,305
Hermosa Beach	10.89%	18,940	\$ 17,145	\$ 11,308
Manhattan Beach*	16.05%	27,918	\$ 25,266	\$ 16,664
El Segundo	38.11%	66,289	\$ 60,006	\$ 39,578
Total 100%	100%	\$173,947	\$157,460	\$103,855

*Revised Mileage (westbound Rosecrans Avenue: Sepulveda Blvd. to Highland Avenue)

Scenario 1 Assumptions:

- 19,145 Service Hours
- Estimated increase in annual FAP fund allocations based on preliminary fund marks to cover transit operations expense
- Excludes STA formula fund; State tax extensions are not approved
- Transit Fare Revenues same as FY 2011

Scenario 2 Assumptions:

- 19,145 Service Hours
- Estimated increase in annual FAP fund allocations based on preliminary fund marks to cover transit operations expense

Beach Cities Transit 102 • 104 • 109

EXHIBIT C
City Council Mtg 4/21/11



102
Redondo Beach Pier
Redondo Union High School
Beach Cities Health District
South Bay Galleria
North Redondo Beach
Marine Green Line Station

104
Redondo Beach Pier
Calle Miramar
Riviera Village
South High
Torrance
Del Amo Fashion Center

109
Riviera Village
Redondo Beach Pier
Hermosa Beach Pier Avenue
Downtown Manhattan Beach
Downtown El Segundo
Aviation Green Line Station
LAX City Bus Center

MAP LEGEND		
102	104	109
	Timepoints	
		Gardena Municipal Bus Line
		METRO
		Municipal Area Express
		Torrance Transit
		Culver City Bus
		Big Blue Bus
		Commuter Express
		Palos Verdes Peninsula Transit Authority