



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: Ariana Kennedy, Management Analyst

DATE: May 17, 2011

SUBJECT: Consideration of a Request for Continued Funding From Gateway To Los Angeles for Operation of the Ocean Express Shuttle

RECOMMENDATION:

Staff recommends that the City Council consider continuing to appropriate \$20,000 annually to Gateway To Los Angeles towards the operating costs of the Ocean Express Shuttle.

FISCAL IMPLICATION:

Three years ago the City Council authorized funding the Ocean Express from Proposition A funds at \$20,000 annually. In previous years the City's contribution to the Ocean Express Shuttle was taken from the City Council's Contingency fund. There are sufficient funds budgeted in the Fiscal Year 2011-2012 budget to utilize Proposition A funds for this expenditure.

BACKGROUND:

In October 2002 the Gateway to LA (a property-based Business Improvement District which includes a number of hotels along Century Boulevard) set up a shuttle to the Pier in Manhattan Beach called the Ocean Express. Shuttle service began with three hotel stops and one drop-off point (at the Pier). Since that time, four additional hotel stops have been added as well as a stop at the Manhattan Village Shopping Center and Plaza El Segundo. Ridership has continually increased; the shuttle averages 6,700 passengers a month during the summer and 5,300 passengers a month during the winter. Since its launch the shuttle has brought over 472,000 people to Manhattan Beach without increased traffic or parking.

DISCUSSION:

Attached to this staff report is a request from Gateway to LA requesting \$20,000 annually (July 2011 through July 2015) to be used to partially offset the current operating costs of the Ocean Express shuttle. As is detailed in the report, in addition to funding from the City of Manhattan Beach, Gateway to LA receives \$10,000 annually from both the Manhattan Beach Downtown Business and Professional Association and the Manhattan Village Shopping Center; \$150,000 annually from the Gateway to LA BID; and \$350,000 annually in ticket sales. The current annual operating budget is \$540,000.

CONCLUSION:

Staff recommends that City Council approve \$20,000 annually for the Ocean Express Shuttle for an additional four year term. Representatives from Gateway to LA will be present at the City Council Meeting to answer any questions.

Attached: Request for Support from Gateway to LA
Ridership Data 2002-2011



Request for Support for Ocean Express Service

Gateway to L.A. Business Improvement District, located directly adjacent to Los Angeles International Airport, represents 13 hotels, a dozen office buildings and other small businesses. These Century Boulevard-based businesses provide the highest concentration of hotel rooms in Los Angeles and employment to 14,000 workers.

Since 2002, Gateway to L.A. has been operating a shuttle service taking hotel guests and area workers to the dining, shopping and leisure activities in the City of Manhattan Beach. This is a private operation for the purpose of providing our visitors and workers easy and inexpensive transportation to the beach, restaurants and shopping. This service is operated in co-operation with the Manhattan Beach Downtown Association, Manhattan Village Shopping Center, Manhattan Beach Chamber of Commerce, and the City of Manhattan Beach, delivering riders to the heart of Manhattan Beach's Downtown area where they spend millions each year shopping and dining at Manhattan Beach businesses. In fact, surveys consistently show that the average rider spends \$60 dollars per visit or a staggering \$5 million dollars per year. These customers often arrive in the L.A. area without transportation and find their way to Manhattan Beach to support the local economy thanks strictly to the Gateway to L.A. shuttle. Operating two 32-passenger vehicles running 11 hours a day, more than 472,000 riders have used the shuttle to go to and from stops at 10th St. and Manhattan Avenue (downtown) and the Manhattan Village Shopping Center. The shuttle averages 6,700 passengers per month in the summer and 5,300 monthly riders during the winter months.

The SCAQMD has rated our service as effective Green Transit. We eliminated 70,837 auto trips and 574,567 miles through our last year of service, which represents the elimination of 630,000 pounds of carbon dioxide emissions.

Gateway to L.A. is requesting an extension of the annual contribution from the City of Manhattan Beach based on our current level of ridership, riders' spending levels and our commitment to operating an environmentally friendly service. Our current annual budget is \$540,000. We are in the process of renewing the operating contract through June of 2012 at which time we anticipate an increase of 15%.

- Gateway to L.A. \$150,000
 - Ticket Sales \$350,000
 - City of Manhattan Beach \$ 20,000
 - MB Downtown Assoc. \$ 10,000
 - MB Village Shopping Center \$ 10,000
- \$540,000

We are requesting a contribution of \$20,000 per year from the City of Manhattan Beach starting July 2011 through July 2015.

Ridership Totals for Ocean Express in Manhattan Beach

	Downtown	Village SC	Plaza El Segundo	Yearly Totals
2002	990	n/a		990
2003	12,141	6,759		18,829
2004	25,257	21,402		42,495
2005	33,147	20,151		49,322
2006	45,478	25,205		56,254
2007	51,199	29,151		64,690
2008	63,497	37,119	3,663	79,501
2009	59,501	28,771	6,787	74,639
2010	59,069	27,065	6,628	70,837
2011	12,516	5,741	1,423	14,524
Total	362,795	201,364	18,501	472,081