



Agenda Item # _____

Staff Report

City of Manhattan Beach

TO: Honorable Mayor Fahey and Members of the City Council

THROUGH: Geoff Dolan, City Manager

FROM: Richard Thompson, Director of Community Development
Rob Osborne, Management Analyst

DATE: October 4, 2005

SUBJECT: Consideration of a Proposal from Beach Cities Transit to Participate in Funding Operation of a Replacement for the 439 Bus Line for Two Years in Conjunction with the Cities of Hermosa Beach and El Segundo

RECOMMENDATION:

Staff recommends that the City Council authorize the City Manager to enter into an agreement with Beach Cities Transit to fund a replacement line for two years.

FISCAL IMPLICATION:

The estimated cost of funding the City's portion of the 439 replacement line is \$86,640 per year for two years. Local Transportation Proposition A funds are available to fund the project, with no appropriations required at this time.

The City receives approximately \$450,000 per year in Prop A funds. These funds are used primarily for the Dial-A-Ride program. Excess balances, typically about \$150,000 per year, are sold to other cities in exchange for General Funds, at a rate of roughly .6 to 1. Use of Prop A funds for the 439 replacement line may result in the deferral of the sale of excess funds as scheduled for FY 2005-2006 and beyond.

The 2005-2007 Work Plan includes an analysis of creating a weekend and summer shuttle service. Should the Council elect to implement such a service it would be a candidate for Prop A funds.

BACKGROUND:

MTA line 439 has provided bus service through the South Bay beach cities in some capacity since the early 1900s. The line runs from south Redondo Beach to downtown Los Angeles, passing through Hermosa Beach, Manhattan Beach, El Segundo and LAX. The route runs through Manhattan Beach along Manhattan Avenue and Highland Avenue and makes 12 stops within the City. The line operates roughly between the hours of 5:00am and 10:00pm on weekdays and 7:00am and 9:00pm on weekends. It passes the Manhattan Beach locations every 30 to 60 minutes depending on the time of day.

The portion of the line between south Redondo Beach and LAX has been identified by MTA as “regionally underperforming” and has been under review for over a year. MTA policy requires a minimum of 30 boardings per hour for a line to be considered viable. The identified segment of line 439 operates at about 17 boardings per hour. The South Bay Sector Governance Council has considered cancellation of the line at several public hearings and has indicated that it will be discontinued in May 2006.

Beach Cities Transit, a community-based transit system that operates out of the City of Redondo Beach, believes the 439 line is critical in providing mobility and mitigating vehicular congestion in the South Bay. They are proposing to include a replacement for the line in their system, with the beach cities collaborating to provide funding. The replacement line would mirror the 439 line in route and schedule.

DISCUSSION:

Issues to be considered in evaluating this proposal include the following:

Projected Costs

The estimated net cost of operating the line is approximately \$567,600 per year. The portion of the cost proposed to be allocated to Manhattan Beach, based on mileage the route covers in each city, would be approximately \$86,600 each year. The projected costs and contributions from each city are as follows:

City of Los Angeles	93,312
El Segundo	183,279
Manhattan Beach	86,639
Hermosa Beach	74,984
Redondo Beach	129,416

Total	\$567,630

The allocations for Manhattan Beach, Hermosa Beach and Redondo Beach include a \$5,000 contribution toward the stretch of Vista Del Mar within the City of El Segundo.

Beach Cities Transit has stated that after two years the line will qualify for funding from Los Angeles County MTA and will no longer require subsidy funding from the beach cities. They have also acquired \$1.8 million in federal transportation funds to purchase the necessary vehicles.

Line Usage

Based on MTA ridership data the 439 line provides approximately 200,000 total passenger trips per year, with an estimated 34,000 riders getting on or off at one of the stops in Manhattan Beach. The data indicates that a large percentage of the local usage is comprised of reverse

commuters – those who work in Manhattan Beach but live elsewhere. Other users include Manhattan Beach residents traveling to employment centers to the north. As mentioned previously, Beach Cities Transit feels the line provides a valuable service and is critical in controlling northbound/southbound congestion through Manhattan Beach.

Other Bus Lines

Bus service within Manhattan Beach is fairly limited. In addition to the 439 the following lines are currently in operation:

MTA 232 - Runs along Sepulveda Boulevard through the City

MTA 126 - Runs along Manhattan Beach Boulevard through the City

LADOT 438 - A commuter express line that runs along Highland Avenue and Manhattan Avenue. It provides peak hour service only, northbound in the morning and southbound in the afternoon

Ocean Express Trolley – Provides service between the airport area and Manhattan Village, via Highland Avenue, Manhattan Beach Boulevard and Sepulveda.

These routes are illustrated on the attached map.

Other Beach Cities

The cities of Hermosa Beach and El Segundo are also considering Beach Cities Transit's proposal. At a recent meeting staff from both cities indicated that they intend to recommend to their city councils that their cities participate in the program. El Segundo's City Council will consider the matter on October 18. It will be presented in Hermosa Beach on October 25. The City of Redondo Beach is reportedly in support of the proposal.

CONCLUSION:

Staff feels participation in the replacement line program would be beneficial to Manhattan Beach. It appears the line provides a valuable service to both residents and visitors to the City. Highland Avenue and Manhattan Avenue frequently experience congestion as commuters travel in and out of the City. Failure to provide a replacement for the 439 bus line would likely result in increased northbound/southbound traffic volumes and exacerbate congestion problems.

It is recommended that the Council authorize the City Manager to enter into an agreement with Beach Cities Transit to fund the proposed portion of the 439 line, subject to the following:

- The City's participation would be contingent on the cities of Redondo Beach, Hermosa Beach and El Segundo also participating. Manhattan Beach would participate as a co-partner with the other cities.
- The agreement would cover a period of two years.

A sample of the type of contract that would be utilized is attached.

Terisa Price, Transit Manager for Beach Cities Transit, will present the proposal for the Council's consideration at the October 4 meeting and be available to answer any questions.

- Attachments:
- A. Proposal letter from Beach Cities Transit
 - B. Existing bus lines map
 - C. 439 line route and schedules
 - D. Sample contract



May 4, 2005

Geoff Dolan
City of Manhattan Beach
1400 Highland Avenue
Manhattan Beach, CA 90266

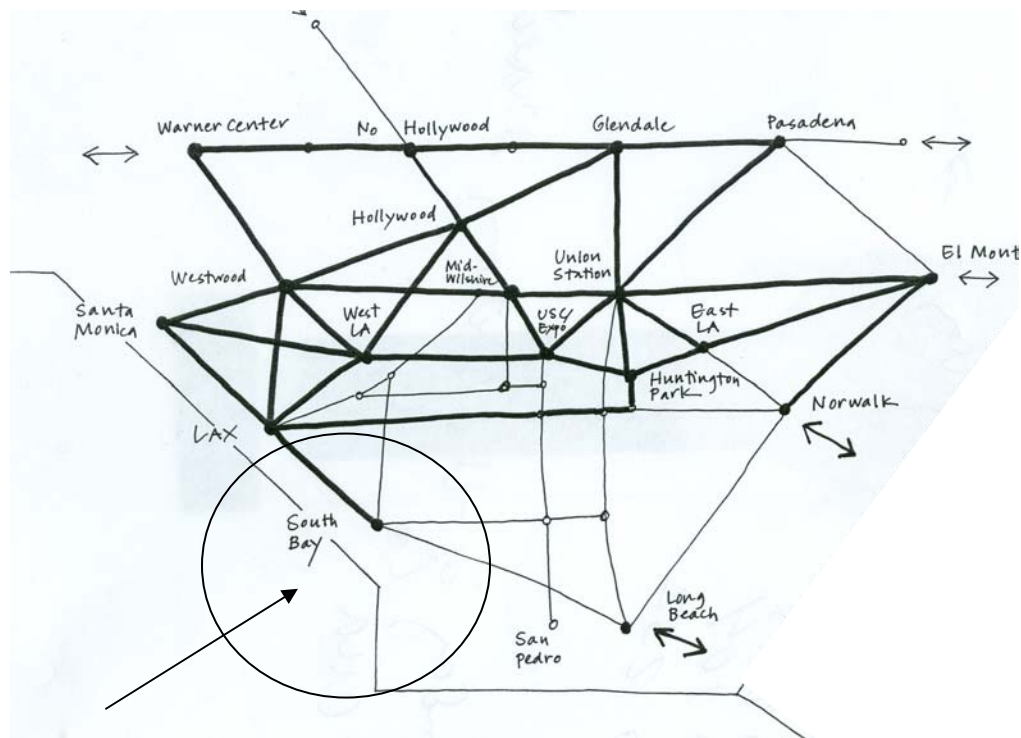
Dear Geoff:

We're pleased to announce that Beach Cities Transit is up and running. We have had steady increases in ridership since our inception in January of this year and it is gratifying to see residents and visitors at bus stops awaiting our service. We are now seeking start-up funding for Phase II of the system and at the same time our subregion is facing a significant loss of mobility.

Metro Connections Impacts

As the MTA moves forward with the realignment of the regional bus system, our subregion is going to experience changes and losses of existing regional transportation services. It is the goal of Metro Connections to truncate their services and coordinate with existing municipal providers to provide subregional/local community transit services.

The sketch below illustrates a draft of the Metro Connections regional and subregional "hubs." We are fortunate to have been able to have the South Bay Galleria Transit Terminal dedicated as a regional hub wherein transit users will be able to transfer from the regional provider to the local transit providers in our area. Beach Cities Transit is preparing to provide the local services that will ensure that our subregion retains, at least, our current levels of mobility.



Loss of Regional Service

The MTA Line 439 has been operating from south Redondo Beach to downtown Los Angeles via the Beach Cities (Redondo Beach, Hermosa Beach, Manhattan Beach and El Segundo) in some capacity since the early 1900's.

The portion of the line from the LAX City Bus center south to the terminus in the Riviera Village was identified by the MTA South Bay Sector 12 months ago as underperforming and currently has six (6) months left on an 18 month review process. MTA transit policies establish criteria for regional service at a minimum of 30 boardings per revenue service hour – the identified segment of line 439 is operating at approximately 17 boardings per hour. The cancellation of this line has been through two (2) public hearings of the South Bay Sector Governance Council and will be agendized again for cancellation in December 2005.

While this segment doesn't meet the criteria for Regional service, at approximately 197,000 passenger trips annually, it certainly meets the criteria for local service. There are commuters from our area that use this service to travel to northern employment centers and there is a large contingency of users consisting primarily of domestics and service workers that reverse commute into our area employed by our restaurants, hotels, child care, offices, etc. The impact of losing public transit as a mode of transportation along this corridor would create a hardship on these transit using individuals, the employers they serve and facilitate additional vehicle trips into and out of our area.

Congestion in the subregion is a primary concern of the policy makers in our City and I'm assuming in yours as well. SCAG projections indicate that by 2010 there will be 30,000 travel trips per day from the South Bay to LAX. Geographically we are confined by the ocean to our west and there are minimal north/south transportation corridors within our subregion that serve the El Segundo employment centers and the LAX airport. Eliminating a viable transit route

along this corridor would only serve to significantly increase vehicle trips within this already congested area. By 2010 it is anticipated that this service would skim approximately 4% or 438,000 travel trips annually.

As a result of the impending MTA cancellation, we, at Beach Cities Transit have:

1. obtained \$1.8 million in federal capital transportation funds for the purchase of vehicles to operate this service,
2. created a start-up costs analysis based on service miles within each of the effected municipalities
3. approached the LACMTA for additional funding to operate the line
4. calculated revenue projections for long term funding of the service

Route 439

Mileage Allocation

LAX City Bus Center/Redondo Beach

Location	Mileage	total mileage	# of trips	cost per mile
LAX Bus Center	0	255,908.80	17528	\$2.21
Aviation Station	2.4			Fuel costs \$60,500
Manhattan Beach City Limits	7.5			
Hermosa Beach City Limits	9.6			Administrative Costs \$105,581
Redondo Beach City Limits	11.4			
End of Line	14.6			
Total	14.6			

Cities	Mileage	Percent	Percent (05 06)	Exc. LA	Fuel	Administration (Sr Mgt Analyst)	Advertising/mar keting	Subtotal Per City	Projected Farebox	Net Cost Per City	Prop A
City of Los Angeles	2.4	16.44%			\$93,040	\$9,946	\$17,358	\$120,344	\$27,033	\$93,312	
El Segundo Miles	5.1	34.93%	41.80%		\$197,711	\$21,133	\$36,879	\$255,723	\$57,444	\$198,279	\$245,332
Manhattan Beach Miles	2.1	14.38%	17.21%		\$81,410	\$8,700	\$15,183	\$105,293	\$23,653	\$81,639	\$532,888
Hermosa Beach Miles	1.8	12.33%	14.75%		\$69,780	\$7,460	\$13,018	\$90,258	\$20,274	\$69,984	\$284,643
Redondo Beach Miles	3.2	21.92%	26.23%		\$124,054	\$13,262	\$23,143	\$160,459	\$36,043	\$124,416	
Total Cost					\$565,996	\$60,500	\$105,581	\$732,077	\$164,448	\$567,629	
					Calculated at a contracted cost of \$34.59 per revenue service hour						
Total Miles (Excluding LA)	12.2										

To clearly view table- I increase screen to 150%

Table-I demonstrates the approximate start-up costs per city for Beach Cities Transit to operate duplicative 439 services.¹ These costs would be incurred by the cities for a period of two (2) years. As you can see the identified costs are not fully loaded costs – the Advertising/Marketing could be done by each city and/or collectively for an additional fee. This does not include capital costs or fully loaded overhead costs. Additionally, farebox projections were allocated according to the mileage percentages as opposed to actuals. The goal of Beach Cities Transit is not to profit from the start-up of this service but merely to ensure mobility and stay congestion within our subregion.

At the end of the second year of operation, the service would become eligible for funding from Formula Allocation Program (FAP). The City of Redondo Beach is one (1) of 16 “included” transit operators within the Los Angeles County area. As an “included” municipal transit operator, Beach Cities Transit is eligible and receives Formula Allocation Program (FAP) Funding through the LACMTA. FAP funding allocations are determined by using a formula which incorporates the Transit operator’s vehicle service miles, passenger revenues, base fare,

¹ The proposed Beach Cities Transit service will mirror the regional service currently provided by the MTA and does not include the 7-12 minute coastal shuttles that were initially included in the draft transit plan - we continue to seek revenues to address this seasonal service.

and number of fare units. FAP allocations fluctuate depending on the amount of service provided and the efficiency of the system. Growing, well-run systems with reasonable fares can expect their formula allocation funding to increase with the expansion of the service.

Beach Cities Transit Formula Allocation Projections are based on very conservative fixed-route ridership estimates of 15 trips per hour and are calculated in conjunction with currently operated Beach Cites Transit lines (102 & 104). Based on these conservative projections we anticipate FAP allocations which exceed the operating costs by a minimum of \$200,000 annually and as such would no longer require subsidy funding from the four (4) cities. The anticipated revenues in excess of operating costs can/will be used as matching funds for the purchase of capital equipment or as operating funds for the addition of new service.”

Beach Cities Transit Plan Build-out

As an aside we have also calculated the long term revenue projections associated with the provision of all fixed route services including the Hermosa Beach and Manhattan Beach Shuttles (excluding the commuter express) that were proposed within the Draft Transit Plan which was previously presented to your City Council.

Once the lines are established ²FAP projections under worst case scenarios would require a Proposition A subsidy (split between each of the four (4) cities of \$68,000 or approximately \$17,000 per city. This of course does not include any administrative or overhead costs which would need to be added, but the costs would be well under the Proposition A allocations received by each of the Beach Cities.

Thank you for your consideration. I would be pleased to meet with you, a subcommittee of your City Council or present to an appropriate commission to discuss the future mobility of our subregion and these proposals. Feel free to contact me at (310) 372-1171 ext 2670 should you have any questions regarding this information.

Sincerely,

Terisa Price

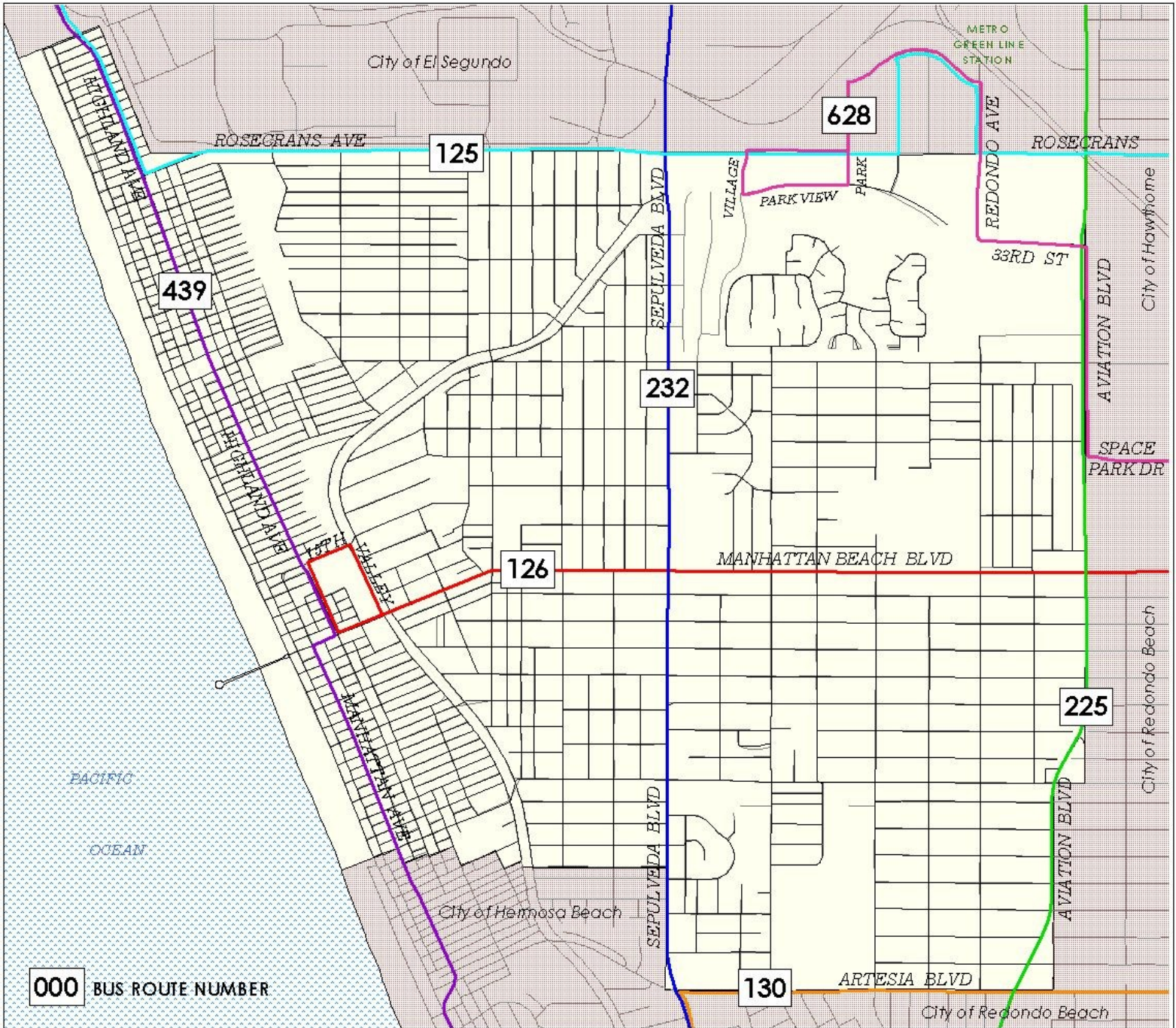
Terisa Price
Transit Manager
Beach Cities Transit

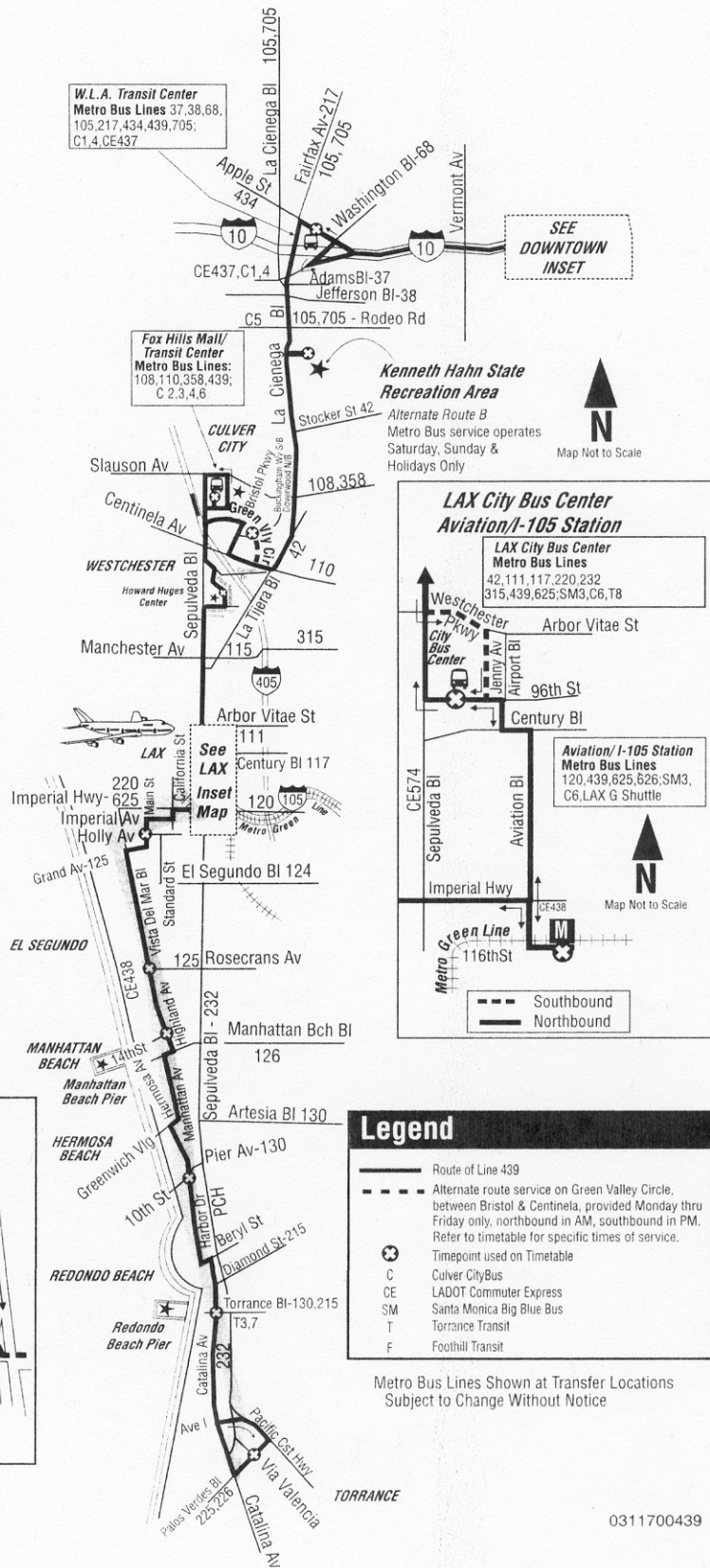
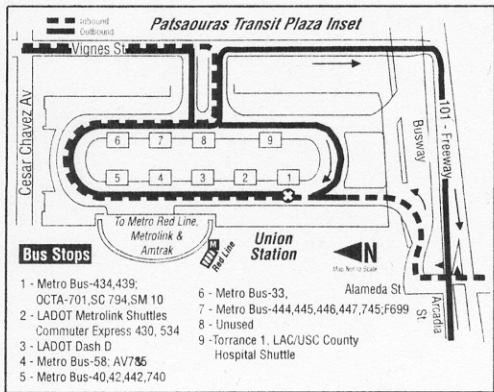
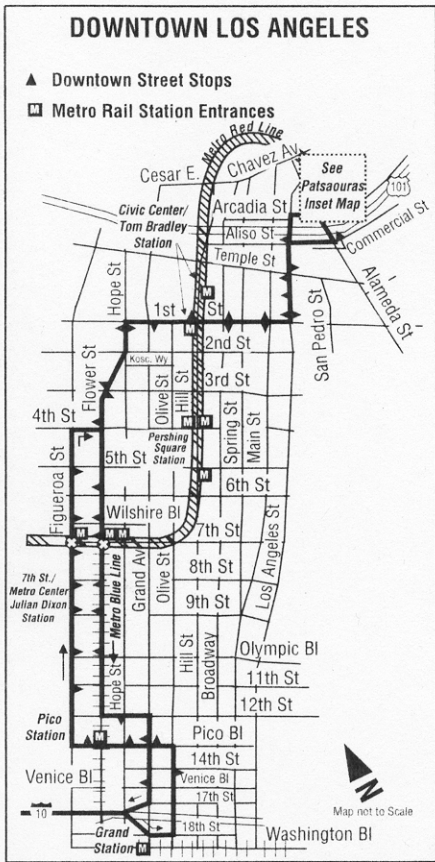


² Following the initial two-year start up period.

BUS ROUTES

in the
City of Manhattan Beach





LINE 439

MONDAY THROUGH FRIDAY SCHEDULE

NORTHBOUND

Saturday and Sunday schedule will be operated on New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

12/19/04

APPROXIMATE TIMES												
REDONDO BEACH		HERMOSA BEACH	MANHATTAN BEACH	EL SEGUNDO		LAX	WEST CHESTER	CULVER CITY		LOS ANGELES		
Palos Verdes & Via Valencia	Catalina & Torrance	Hermosa & 10th	Highland & 14th	Main & Holly	Aviation/ I-105 Station	City Bus Center	Howard Hughes Center	Fox Hills Mall Transit Center	Green Valley & Doverwood	W.L.A. Transit Center	Figueroa & 7th	Patsaouras Transit Plaza
....	....	....	....	....	....	507A	514A	517A	....	538A	553A	605A
445A	451A	457A	504A	512A	525A	533	540	543	550A	606	622	635
512	518	524	531	539	552	600	608	611	618	636	652	705
540	546	552	559	608	623	632	640	643	650	709	731	745
618	625	631	638	648	703	713	722	725	732	753	816	830
703	709	715	723	733	749	759	808	811	818	842	906	920
806	812	818	826	837	853	903	912	915	....	940	1003	1015
906	912	918	926	937	953	1003	1013	1016	....	1041	1058	1110
1005	1012	1018	1026	1036	1052	1102	1112	1115	....	1140	1157	1210P
1106	1113	1119	1127	1137	1153	1203P	1213P	1216P	....	1240P	1257P	110
1206P	1213P	1219P	1227P	1237P	1253P	103	113	116	....	140	157	210
1256	103	109	117	127	143	153	203	206	....	230	247	300
126	133	139	147	157	213	223	233	236	....	300	322	335
158	205	211	219	229	245	255	305	308	....	334	356	410
227	234	240	248	258	314	324	334	337	....	403	426	440
301	308	315	324	334	350	400	410	413	....	443	506	520
346	353	400	409	420	436	446	456	459	....	529	552	605
435	442	449	458	509	525	535	545	548	....	616	638	650
525	532	539	548	559	614	624	633	636	....	702	719	730
607	614	620	629	639	654	703	712	715	....	738	755	805
652	659	705	713	723	738	746	755	758	....	817	830	840
800	805	811	818	828	839	847	855	858	....	917	930	940
901	906	912	919	929	940	948	956	959	....	1017	1030	1040

LINE 439

MONDAY THROUGH FRIDAY SCHEDULE

SOUTHBOUND

Saturday and Sunday schedule will be operated on New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

APPROXIMATE TIMES

APPROXIMATE TIMES												
LOS ANGELES			CULVER CITY		WEST CHESTER	LAX	EL SEGUNDO	MANHATTAN BEACH	HERMOSA BEACH	REDONDO BEACH		
Patsaouras Transit Plaza	Flower & 7th	W.L.A. Transit Center	Green Valley & Bucking ham	Fox Hills Mall Transit Center	Howard Hughes Center	City Bus Center	Aviation/ I-105 Station	Main & Holly	Highland & 14th	Hermosa & 11th	Catalina & Torrance	Palos Verdes & Via Valencia
455A	503A	522A	....	537A	540A	552A	601A	616A	626A	633A	639A	645A
550	559	618	....	633	636	648	657	712	722	729	735	742
620	629	648	....	703	706	718	727	743	753	800	806	813
655	704	723	....	741	744	758	807	823	833	840	846	853
730	739	801	....	819	822	836	845	901	911	919	925	932
810	821	843	....	901	904	918	927	943	953	1001	1007	1014
850	901	923	....	941	944	958	1007	1023	1033	1041	1047	1054
940	951	1013	....	1031	1034	1048	1057	1114	1124	1132	1139	1146
1035	1046	1106	....	1124	1127	1141	1151	1208P	1218P	1226P	1233P	1240P
1135	1147	1203P	....	1221P	1224P	1239P	1249P	106	116	124	131	138
1235P	1247P	103	....	121	124	140	150	207	217	225	232	239
125	137	153	....	212	215	232	242	259	309	317	324	331
210	222	238	....	257	300	317	327	344	354	402	409	416
250	302	318	....	337	340	357	407	424	435	443	450	458
330	342	358	....	417	420	436	446	502	513	521	528	536
400	412	429	448P	452	455	510	520	536	547	555	602	610
430	442	505	524	528	531	546	556	612	623	631	637	645
500	512	535	554	558	601	616	624	640	651	659	705	712
545	557	620	635	639	642	657	705	720	731	739	745	752
630	642	703	718	722	725	737	745	800	809	816	822	828
730	741	757	....	815	818	828	837	850	859	906	912	918
820	830	845	....	903	906	915	923	....	....	....	....	....
920	930	944	....	959	1002	1011	1019	....	....	....	....	....
1020	1030	1044	....	1059	1102	1111	1119	....	....	....	....	....
1120	1130	1144	....	1159	1202	1211A	1219A	....	....	....	....	....

LINE 439 EXPRESS SERVICE — From Palos Verdes & Via Valencia to W.L.A. Transit Center, buses operate in local service. From W.L.A. Transit Center to Olive & Venice buses operate non-stop via Santa Monica Fwy. From Olive & Venice to north terminal, passengers may board and alight at all stops shown on the downtown inset map.

NOTE — Services Kenneth Hahn Recreation Area on Saturday, Sunday and holidays only.

— Originates at Grand and Standard one minute before time shown.



metro.net

**SATURDAY, SUNDAY
AND HOLIDAY SCHEDULE**

Saturday and Sunday schedule will be operated on New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

SOUTHBOUND

APPROXIMATE TIMES

LOS ANGELES			Kenneth Hahn Recreation Area (NOTE)	CULVER CITY Fox Hills Mail Transit Center	WEST CHESTER Howard Hughes Center	LAX City Bus Center	Aviation/ I-105 Station	EL SEGUNDO Main & Holly	MANHATTAN BEACH Highland & 14th	HERMOSA BEACH Hermosa & 11th	REDONDO BEACH Catalina & Torrance Palos Verdes & Via Valencia	
555A	603A	618A	....	633A	636A	645A	653A	702A	711A	717A	722A	727A
650	702	718	....	733	736	746	754	804	814	821	828	834
730	742	758	....	813	816	826	835	845	855	902	909	916
820	832	850	857A	909	912	923	932	942	952	959	1006	1013
920	934	952	959	1011	1014	1025	1034	1045	1055	1102	1109	1116
1020	1034	1052	1059	1111	1114	1125	1134	1145	1155	1202P	1209P	1216P
1120	1134	1152	1159	1211P	1214P	1225P	1234P	1245P	1255P	102	109	116
1220P	1234P	1254P	101P	113	116	127	136	147	157	204	211	218
120	134	154	201	213	216	227	236	247	257	304	311	318
220	234	254	301	313	316	327	336	347	357	404	411	418
320	334	354	401	413	416	427	436	447	457	504	511	518
420	434	454	501	513	516	527	536	547	557	603	609	616
520	534	554	601	613	616	626	635	646	656	702	708	715
620	633	652	....	709	712	722	731	742	752	758	804	810
720	733	752	....	808	811	821	830	841	850	857	903	909
820	830	845	....	900	903	912	920	....	....	....	....	....
920	930	944	....	959	1002	1011	1019	....	....	....	....	....
1020	1030	1044	....	1059	1102	1111	1119	....	....	....	....	....
1120	1130	1144	....	1159	1202A	1211A	1219A	....	....	....	....	....

**SATURDAY, SUNDAY
AND HOLIDAY SCHEDULE**

Saturday and Sunday schedule will be operated on New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

NORTHBOUND

APPROXIMATE TIMES

REDONDO BEACH		HERMOSA BEACH	MANHATTAN BEACH	EL SEGUNDO	LAX	WEST CHESTER	CULVER CITY	Kenneth Hahn Recreation Area (NOTE)	W.L.A. Transit Center	LOS ANGELES		
Palos Verdes & Via Valencia	Catalina & Torrance	Hermosa & 10th	Highland & 14th	Main & Holly	Aviation/ I-105 Station	City Bus Center	Howard Hughes Center	Hills Mail Transit Center	....	Figueroa & 7th	Patsaouras Transit Plaza	
....	....	....	....	#545A	556A	604A	613A	616A	....	635A	648A	700A
557A	603A	608A	615A	624	636	644	653	656	....	715	728	740
655	701	706	713	722	734	742	751	754	....	814	828	840
750	756	801	809	819	832	840	849	852	903A	912	928	940
846	853	859	907	917	931	940	949	952	1003	1012	1028	1040
940	947	953	1001	1013	1027	1036	1046	1049	1100	1109	1127	1140
1040	1046	1053	1101	1113	1127	1136	1146	1149	1159	1209P	1227P	1240P
1139	1145	1152	1201P	1213P	1227P	1236P	1246P	1249P	100P	109	127	140
1238P	1244P	1251P	100	113	126	135	146	149	200	209	227	240
137	143	150	159	212	225	234	245	248	300	309	327	340
237	243	250	259	312	325	334	345	348	400	409	427	440
341	347	354	403	414	427	435	445	448	500	509	527	540
441	448	455	504	515	528	536	546	549	....	609	627	640
543	550	557	606	617	629	637	647	650	....	711	727	740
654	701	707	715	725	737	746	755	758	....	817	830	840
800	805	811	818	828	839	847	855	858	....	917	930	940
901	906	912	919	929	940	948	956	959	....	1017	1030	1040

LINE 439 EXPRESS SERVICE — From north terminal to Grand & Venice, passengers may board and alight at all stops shown on the downtown inset map. From Grand & Venice buses will operate non-stop via Santa Monica Fwy. to W.L.A. Transit Center. From W.L.A. Transit Center to south terminal passengers may board and alight at all stops.

NOTE — Services Kenneth Hahn Recreation Area on Saturday, Sunday and holidays only.

TRANSIT SERVICE OPERATION AGREEMENT

RECITALS

This Agreement is between the City of Manhattan Beach and the City of Redondo Beach/Beach Cities Transit.

WHEREAS, LACMTA has operated transit service on Line 439; and,

WHEREAS, Line 439 has been discontinued by LACMTA and is more appropriately operated and planned by the local communities it serves; and,

WHEREAS, on November 23, 2004, the City Council of the City of Torrance approved the transfer of Line 4 to the Grantee; and,

WHEREAS, Torrance Transit has agreed to fund the Grantee for the partial cost of operating the service;

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

I. TERM

This Agreement shall be effective on (date), or as soon as the Agreement is executed by all parties, and shall have a two (2) year term. Either party may terminate this agreement at any time by providing the other party with a written notice of termination 180 days prior to termination.

II. SERVICE DESCRIPTION

- A. Beach Cities Transit shall incorporate replacement service for the MTA Line 439 into its fixed route transportation system. MTA Line 439 replacement service BCT Line #105 shall be incorporated into the Beach Cities Transit fixed route transportation system consistent with the map shown in **Attachment A**, which is attached hereto and by this reference incorporated herein (“Line 105” or the “Service.”).
- B. BCT shall operate Line 105 on the days of the week, spread of service, and frequencies of service equal to or better, than that which was operated by LACMTA Transit as Line 439. The service on Line 439 that is in effect on December 31, 2005 is shown as **Attachment B**, which is attached hereto and by this reference incorporated herein.
- C. Beach Cities Transit may adjust the route and schedule of Line 105; however, any changes or reductions to the Service in excess of 10% shall be brought to the City of Manhattan Beach for review and comment prior to implementation.

- D. BCT reserves its rights, at its sole discretion, to enter into contracts for Line 105 service with any other provider of its choice at any time without City of Manhattan Beach approval.

III. 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.

IV. FUNDING

- A. For costs associated with the operation of Line 105, the City of Manhattan Beach shall pay the City of Redondo Beach in accordance with this Section IV. 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 shall be \$_____ per year for each year of the contract term. Provided that, if compensation is not payable monthly, if Manhattan Beach shall terminate this Agreement pursuant to the provisions of Section I herein this amount shall be refunded on a pro rata basis for each full month remaining after the effective date of termination in the year for which the payment was made.
- D. BCT shall retain all farebox revenues. Should annual farebox revenues exceed initial projections the difference
- E. BCT is responsible for all marketing and promotion of the service.

V. REPORTING/INVOICING

- A. BCT shall report to the City of _____ on a quarterly basis, all of the following data for the Line 105 service:
- passengers carried
 - revenue hours operated
 - revenue miles operated
 - total operating costs
 - other data as required for compliance with National Transit Database (NTD) reporting requirements.
- B. BCT shall submit said report to (Position at your organization) in writing within fifteen (15) days after the end of each report quarter.
- C. BCT shall submit quarterly invoices and reporting requirement to (Position at your organization) and City of _____ shall pay to BCT on a quarterly basis 1/4th of the annual funds to be provided. City of _____ shall pay BCT within thirty (30) days of receipt of each quarterly report from BCT. First payment shall be due on _____, representing payment for July 1, 2006, through September 30, 2005.

- D. BCT shall incorporate Line 105 data into its NTD report for the entire Beach Cities Transit fixed route transportation system.
- E. City of _____ retains the right to audit the BCT's records of Line 105 service, and may periodically monitor the service.

VII.INSPECTION OF RECORDS

- A. Beach Cities Transit records relevant to this Agreement shall be available for inspection by City of _____ at all reasonable times for a period of at least three (3) years for each year or after the termination date, whichever comes first.
- B. Records of BCT relevant to the operation of Line 105 under this Agreement shall be available for inspection by Torrance Transit at all reasonable times for a period of at least three (3) years for each year or after the termination date, whichever comes first.

VIII.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 105 service.

IX. 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. (Position in your organization) for this project shall be the _____ or her/his designee. BCT coordinator for this project shall be the Beach Cities Transit Manager or his/her designee.

X. Insurance

Beach Cities Transit shall not commence service under this Agreement until it has obtained City of Manhattan Beach approved insurance. Before beginning service hereunder, during the entire period of this Agreement, for any extensions hereto, and for periods after the end of this Agreement as indicated below, Beach Cities Transit must have and maintain in place, all of the insurance coverages required in this Section X. Beach Cities Transit's insurance shall comply with all items specified by this Agreement. Any subcontractors shall be subject to all of the requirements of this Section and Beach Cities Transit shall be responsible to obtain evidence of insurance from each subcontractor and provide it to the City of Manhattan Beach

before the subcontractor commences work.

All insurance policies used to satisfy the requirements imposed hereunder shall be issued by insurers authorized to do business in the State of California. Insurers shall have a current A.M. Best's rating of not less than A-VII unless otherwise approved by the City of Manhattan Beach .

B. Coverages, Limits and Policy Requirements. Beach Cities Transit shall maintain the types of coverages and limits indicated below:

(1) COMMERCIAL GENERAL LIABILITY INSURANCE - a policy for occurrence coverage, including all coverages provided by and to the extent afforded by Insurance Services Office Form CG 0001 ed. 11/88 or 11/85, with no special limitations affecting City of Manhattan Beach . The limit for all coverages under this policy shall be no less than one million dollars (\$1,000,000.00) per occurrence. City of Manhattan Beach , its employees, officials and agents, shall be added as additional insureds by endorsement to the policy. The insurer shall agree to provide the City of Manhattan Beach with thirty (30) days prior written notice of any cancellation, non-renewal or material change in coverage. The policy shall contain no provision that would make this policy excess over, contributory with, or invalidated by the existence of any insurance, self-insurance or other risk financing program maintained by City of Manhattan Beach . In the event the policy contains such an "other insurance" clause, the policy shall be modified by endorsement to show that it is primary for any claim arising out of the work performed under this Agreement. The City of Manhattan Beach Insurance Endorsement Form No. 1 (General Liability) must be executed by the applicable insurance underwriters.

(2) COMMERCIAL AUTO LIABILITY INSURANCE - a policy including all coverages provided by and to the extent afforded by Insurance Services Office form CA 0001, ed. 12/93, including Symbol 1 (any auto) with no special limitations affecting the City of Manhattan Beach . The limit for bodily injury and property damage liability shall be no less than one million dollars (\$1,000,000) per accident. City of Manhattan Beach , its employees, officials and agents, shall be added as additional insureds

by endorsement to the policy. The insurer shall agree to provide the City of Manhattan Beach with thirty (30) days prior written notice of any cancellation, non-renewal or material change in coverage. The policy shall contain no provision that would make this policy excess over, contributory with, or invalidated by the existence of any insurance, self-insurance or other risk financing program maintained by City of Manhattan Beach . In the event the policy contains such an “other insurance” clause, the policy shall be modified by endorsement to show that it is primary for any claim arising out of the work performed under this Agreement. The City of Manhattan Beach Insurance Endorsement Form No. 2 (Auto) must be executed by the applicable insurance underwriters.

(3) WORKERS’ COMPENSATION INSURANCE - a policy which meets all statutory benefit requirements of the Labor Code, or other applicable law, of the State of California. The minimum coverage limits for said insurance shall be no less than one million dollars (\$1,000,000) per claim. The policy shall contain, or be endorsed to include, a waiver of subrogation in favor of CITY.

C. Additional Requirements. The procuring of such required policies of insurance shall not be construed to limit Beach City Transit’s liability hereunder, nor to fulfill the indemnification provisions and requirements of this Agreement. There shall be no recourse against City of Manhattan Beach for payment of premiums or other amounts with respect thereto. City of Manhattan Beach shall notify Beach Cities Transit in writing of changes in the insurance requirements. If Beach Cities Transit does not deposit copies of acceptable insurance policies with City of Manhattan Beach incorporating such changes within sixty (60) days of receipt of such notice, Beach Cities Transit shall be deemed in default hereunder.

Any deductibles or self-insured retentions must be declared to and approved by City of Manhattan Beach . Any deductible exceeding an amount acceptable to City of Manhattan Beach shall be subject to the following changes:

- (1) either the insurer shall eliminate, or reduce, such deductibles or self-insured retentions with respect to City of Manhattan Beach and its officials,

employees and agents (with additional premium, if any, to be paid by Beach Cities Transit) ; or

- (2) Beach Cities Transit shall provide satisfactory financial guarantee for payment of losses and related investigations, claim administration, and defense expenses.

D. Verification of Compliance. Beach Cities Transit shall furnish City of Manhattan Beach with original endorsements effecting coverage required by this Agreement. The endorsements are to be signed by a person authorized by the insurer to bind coverage on its behalf. All endorsements are to be received and approved by City of Manhattan Beach before work commences. Not less than fifteen (15) days prior to the expiration date of any policy of insurance required by this Agreement, Beach Cities Transit shall deliver to City of Manhattan Beach a binder or certificate of insurance with respect to each renewal policy, bearing a notation evidencing payment of the premium therefor, or accompanied by other proof of payment satisfactory to City of Manhattan Beach.

XI. Indemnification

Beach Cities Transit agrees to indemnify, defend, and hold harmless City of Manhattan Beach and its elective or appointive boards, officers, agents, attorneys and employees from any and all claims, liabilities, expenses, or damages of any nature, including attorneys' fees arising out of, or in any way connected with performance of, the Agreement by Beach Cities Transit, its agents, officers, employees, subcontractors, or independent contractor(s) hired by Beach Cities Transit. This indemnity shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by Beach Cities Transit.

X. 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 of any other provision.

XI. 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
Ms. Terisa Price
Transit Manager
415 Diamond St.
Redondo Beach, CA 90277-2836
Attention: Line 105

Fax Number: 310-372-8021

City of _____: Agency
Contact person
Attention: Line 105
Address
City, State, Zip

Fax Number: 310-

With a copy to:

City Clerk
City of _____
Address
City, State, Zip

Fax Number: 310-

- 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.

XII. 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.

XIII. 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.

XIV. 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.

XV. 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.

XVI. 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.

XVII. 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.

IN WITNESS THEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers.

BEACH CITIES TRANSIT

CITY OF _____

BY: _____

BY: _____

DATE: _____

DATE: _____

APPROVED AS TO FORM:

APPROVED AS TO FORM:

City Attorney

BY: _____

BY: _____

Attachment A: Line 4 Map

Attachment B: Line 105