



## Staff Report

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### Honorable Mayor and Members of the Hermosa Beach City Council Regular Meeting of June 22, 2021

#### **PARTICIPATION IN BEACH CITIES TRANSIT (BCT) LINE 109 AGREEMENT, WITH NO REQUIRED FINANCIAL CONTRIBUTION FROM THE CITY FOR FISCAL YEAR 2021-2022, WITH THE CITIES OF EL SEGUNDO, MANHATTAN BEACH AND REDONDO BEACH, FUNDED FROM PROPOSITION A FUNDS**

(Community Development Director Ken Robertson)

#### **Recommended Action:**

Staff recommends City Council:

1. Approve participation for one year along with the other beach cities, with no required financial contribution from the City for Fiscal Year 2021-2022; and
2. Direct the Mayor to sign the Agreement on behalf of the City.

#### **Executive Summary:**

The Beach Cities Transit (BCT) Line 109 provides service for a portion of former Line 439 that was discontinued by Metro in 2006. Since that time, Hermosa Beach along with the cities of El Segundo, Manhattan Beach, and Redondo Beach have participated in a cost-share agreement to provide funding for BCT Line 109 operation. BCT Line 109 route runs from Redondo Beach Riviera Village to LAX City Bus Center. The City of Redondo Beach is a municipal transit operator and annually receives dedicated transit funds under the Formula Allocation Procedures (FAP), which incorporates transit performance data to allocate transit funding. The Los Angeles County Metropolitan Transportation Authority (MTA) allocates the FAP funds, consisting of dedicated Proposition A and C, Measure R and Measure M funds, in addition to other dedicated transit funding, to the municipal transit operators. BCT Line 109 is funded through this combination of regional FAP transit funds, fare revenues from riders, and dedicated Proposition A Local Return Transportation Funds. Redondo Beach estimates BCT Line 109 will be fully-funded by the dedicated transit funding and other State funds.

#### **Background:**

On July 1, 2006, Redondo Beach and Hermosa Beach entered into a Transit Service Operation Agreement to enable BCT Line 109 to take over public transportation services for the discontinued Los Angeles County MTA Line 439 for a two-year term. Redondo Beach and Hermosa Beach subsequently entered into new agreements relating to Line 109 in 2008, 2010, 2011, 2012, 2013, 2015, 2017, 2019, and 2020. The 2020 Agreement is set to expire on June 30, 2021, and the

participating cities desire to enter into a new agreement on the terms and conditions set forth in the attached agreement.

This Agreement would be effective as of July 1, 2021 and would have a one-year term expiring on June 30, 2022, given that there is not a need for City funding contribution for FY 2021-2022.

***Past Council Actions***

<b>Meeting Date</b>	<b>Description</b>
May 26, 2020	Approval of participation in Beach Cities Transit (BCT) Line 109 one-year agreement
May 28, 2019	Approval of participation in Beach Cities Transit (BCT) Line 109 one-year agreement
June 15, 2017	Approval of participation in Beach Cities Transit (BCT) Line 109 two-year agreement
June 9, 2015	Approval of participation in Beach Cities Transit (BCT) Line 109 two-year agreement
June 25, 2013	Approval of participation in Beach Cities Transit (BCT) Line 109 two-year agreement
June 16, 2012	Approval of participation in Beach Cities Transit (BCT) Line 109 one-year agreement
April 26, 2011	Approval of participation in Beach Cities Transit (BCT) Line 109 one-year agreement
July 27, 2010	Approval of participation in Beach Cities Transit (BCT) Line 109 one-year agreement
November 25, 2008	Approval of participation in Beach Cities Transit (BCT) Line 109 two-year agreement
June 1, 2006	Approval of participation in Beach Cities Transit (BCT) Line 109 two-year agreement

**Analysis:**

BCT initially estimated the FAP fund sources will fully cover the operating expenses and costs associated with the installation of Real-Time Information (RTI) capital equipment and systems, and related operation expenses. Therefore, the City's contribution for FY 2021-22 shall be \$0.

Coronavirus disease 2019 (COVID-19) has impacted BCT services since March 2020 and may continue into all or portions of FY 2021-22. Since the previous agreement, BCT has resumed a weekday schedule for Line 109, however, late trips remain cancelled. BCT has also resumed front door boarding and rear door exiting. Collection of fares is not being enforced at this time and

ridership on Line 109 continues to remain low. The ridership between June 2020 and February 2021 was 50,020, which is approximately 40%-50% of pre-COVID ridership.

Staff continues to monitor ridership, and COVID-19 emergency orders by the Redondo Beach City Manager, Los Angeles County, and the State to determine future BCT service schedules. Service will be restored to regular hours as soon as public health conditions improve in Los Angeles County. Public notices and all updates regarding the service modifications were provided to the beach cities partners, posted on the Beach Cities Transit webpage, and on Twitter page @RedondoBeachBCT.

Redondo Beach awarded a new agreement to Transportation Concepts, Inc. on May 5, 2020 for Fiscal Years 2020-2021 through 2022-2023 with an option to extend two years through Fiscal Year 2024-25. The new agreement with Transportation Concepts will increase service costs. However, Redondo Beach will have reduced Compressed Natural Gas (CNG) fuel costs, due to the new CNG fueling station that was recently installed at the Redondo Beach public works yard. While the impacts of COVID-19 on dedicated transit funding for the next year are still being determined, BCT will receive an allocation of the Federal Coronavirus Aid, Relief and Economic Security (CARES) Act, and the American Rescue Plan Act for funding to assist with the funding of COVID-19 related expenses such as operations, cleaning and supplies, and lost revenue.

BCT will fully fund the operating expenses incurred by the transit contractor, and fuel expenses. Operating expenses are incorporated in the service hour rates and include without limitation, driver wages, general administration and overhead, and maintenance costs. In addition, BCT awarded a contract to GMV Syncromatics to provide Real-Time Information (RTI) services on the transit buses and is in the process of installing Real-Time Information (RTI) capital equipment and systems, and related operation expenses. The system has been operational since September 2020. RTI System expenses include without limitation, capital equipment, passenger/administration interface programs, cellular and internet hosting of RTI services and report management programs. RTI allows passengers to receive real-time, up-to-date transit information provided by vehicle GPS tracking to predict when the next vehicle will arrive at any given transit stop, thereby reducing wait times and the reliance on schedules. This system improves customer service, increases customer satisfaction, and improves visibility of transit in the community. RTI can be received through phone, website, smartphone applications and SMS text messaging. RTI is also available to users of Google Maps which will include live arrival and departure times to bus stops and service alerts.

Redondo Beach is also moving forward with enhancing future public transit in the South Bay region. Construction of the new transit center, located at 1521 Kingsdale Avenue in Redondo Beach, is anticipated to be completed fall of this year. The transit center is planned to be operational by January 2022. It will include 12 bus bays, a passenger waiting area, automated transit ticket machine, driver operator lounge, bike facilities, and 339 parking spaces. The transit center will be a major transit connection, served by Metro, Torrance Transit, GTrans, Lawndale Beat, and BCT. In addition, this location is under consideration as a rail stop for the Metro Green Line Rail Extension.

### **General Plan Consistency:**

This report and associated recommendation have been evaluated for their consistency with the City's General Plan. Relevant Policies are listed below:

#### *Mobility Element*

**Goal 1. Complete Streets that serve the diverse functions of mobility, commerce, recreation, and community engagement for all users whether they travel by walking, bicycling, transit, or driving.**

Policy:

- **1.1 Consider all modes.** Require the planning, design, and construction of all modes of travel to create safe, livable and inviting environments for all users of the system.

**Goal 3. Public right-of-ways supporting a multimodal and people-oriented transportation system that provides diversity and flexibility on how users choose to be mobile.**

Policy:

- **3.4 Access opportunities.** Provide enhanced mobility and access opportunities for local transportation and transit services in areas of the city with sufficient density and intensity of uses, mix of appropriate uses, and supportive bicycle and pedestrian network connections that can reduce vehicle trips within the city's busiest corridors.

### **Fiscal Impact:**

It was determined that there are no funding shortfalls for the transit service, therefore Redondo Beach is not requesting a City contribution for FY 2021-2022. Since there is no contribution required for FY 2021-2022, no request to appropriate Proposition A funds for BCT Line 109 will be included the 2021-22 Preliminary Budget.

#### **BCT Line 109 Cost-Sharing Estimates Discussion for Fiscal Year 2021-2022**

The estimated annual operating cost to operate regular service for BCT Line 109 is approximately \$1,665,000. The services would be funded by Relief and Economic Security (CARES) Act, Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA), American Rescue Plan Act (ARPA), and Proposition A Local Return Funds. However, due to the current COVID-19 pandemic, BCT services and projected revenues have been impacted.

On March 23, 2020, BCT Line 109 services were modified to operate on reduced service hours, a suspension of pass sales and fare collections, and decreased ridership. At this time, Redondo Beach staff anticipates this operation model to continue into the next year, pending directives by the City, the Los Angeles County Public Health Department, and the State.

In the past BCT Line 109 budget estimates have been provided, however due to the COVID-19 impacts on service hour operations, fare revenues, and FAP and Local Return Funding, the FY 2021-

22 budget estimates are uncertain. While BCT will also receive Federal CARES Act funding, the fund distribution estimates have not been finalized by MTA at the time of this report. Redondo Beach will provide an estimated budget when the information becomes available.

Agreement Request		
Request Amount	FY 2021-22 Budget Dept. Account	Total Contract Amount
\$0	145-3412-4251	\$0

**Attachments:**

1. Transit Service Operation Agreement for Fiscal Year 2021-2022

**Respectfully Submitted by:** Carlos Luis, Associate Planner

**Concur:** Ken Robertson, Community Development Director

**Noted for Fiscal Impact:** Viki Copeland, Finance Director

**Legal Review:** Mike Jenkins, City Attorney

**Approved:** Suja Lowenthal, City Manager