

Agenda Report

TO: CITY COUNCIL

April 2, 2001

FROM: CITY MANAGER

SUBJECT: RESOLUTION AUTHORIZING PARTICIPATION IN JOINT POWERS
AGREEMENT TO STUDY WEST SAN GABRIEL VALLEY
TRANSPORTATION ZONE

RECOMMENDATION

It is recommended that the City Council:

1. Adopt the attached Resolution authorizing the City Manager to enter into the agreement titled "Joint Exercise of Powers Agreement to Establish an Interim Transportation Zone to Plan and Establish the West San Gabriel Valley Transportation Zone".
2. Approve the expenditure of up to \$38,000 from Prop C transit funds to provide the City's proportional share of costs to complete the study for the West San Gabriel Valley Transportation Zone.

TRANSPORTATION ADVISORY COMMISSION REVIEW

The Transportation Advisory Commission (TAC) heard this item at their March 8, 2001 meeting. TAC took the following action:

1. Approved staff recommendation that the City of Pasadena enter into a Joint Exercise of Powers Agreement to establish an Interim Transportation Zone to plan and establish the West San Gabriel Valley Transportation Zone.
2. Approved a motion to recommend to City Council that the Council direct TAC and staff to prepare a report within 90 days on the creation of a Transit Finance Authority for the City of Pasadena. The purpose of the Transit Finance Authority is to discover, develop and implement new sources of revenue for the City's transit projects within the City of Pasadena. The TAC and staff report should look at what the Transit Finance Authority should be in terms of structure (i.e., an independent agency or other type of governmental agency or should it be quasi-private), as well as examine what revenue sources have been used by other cities.

While TAC supports the concept of a Transportation Zone for the west San Gabriel Valley, there is a concern that the City may be required to help finance the study using limited Proposition C transit funds. The TAC is aware that there are very limited resources in the Proposition A and C Funds and that the use of these funds may impact the City's ability to expand service on the ARTS transit program. For this reason, TAC seeks to establish a Transit Finance Authority that can secure funding for ARTS and other public transit programs in the City.

The need to examine new funding sources to meet the increased needs of the City's transit programs is supported by the Public Works & Transportation Department. However, it is the Department's view that the City's existing structure can support the goal of a separate finance authority without creating another agency. The Department will continue to explore new funding opportunities and work with the City Manager to determine which revenue sources are appropriate for the City of Pasadena.

BACKGROUND

During 1997 and 1998, the San Gabriel Valley Council of Governments (COG) conducted a study of bus transportation in the West San Gabriel Valley for the nine-city area (Alhambra, Montebello, Monterey Park, Pasadena, Rosemead, San Gabriel, San Marino, Sierra Madre and South Pasadena) and unincorporated communities still served by the Los Angeles County Metropolitan Transportation Authority (MTA). This study concluded that the existing and future transit needs of the West San Gabriel Valley were not being met and that a 70% increase in current level of basic service was needed over the next twenty years to meet existing unmet needs and future population growth. This amounted to approximately \$33 million in 1998 dollars in unmet inter-city transit services. The study also noted that given MTA's financial position and recurring operating deficit, it is unlikely that any additional funds would be forthcoming from MTA to address the significant and mounting transportation needs in the West San Gabriel Valley. At the conclusion of the Transit Restructuring Study, the COG's Transit Restructuring Committee voted to pursue expansion of the Foothill Transit Zone to include the nine remaining cities in the San Gabriel Valley and to transfer MTA identified bus services.

On November 2, 1998, the Pasadena City Council heard a staff report on the San Gabriel Valley Council of Governments regional transit restructuring recommendations. The City Council voted unanimously to adopt a resolution endorsing the recommendation of the COG to expand the Foothill Transit Zone to add nine western cities, including Pasadena, to the zone. Prior to City Council action, the study recommendations were reviewed by the City's Transportation Advisory Commission (TAC) on October 16, 1998, and unanimously approved.

In December 1998, a formal pre-application for the expansion of the Foothill Transit Zone was submitted to MTA. Simultaneously, the cities of Burbank, Glendale, San Fernando, Calabasas, Agoura, Westlake Village and Los Angeles voted to create yet another transportation zone serving the San Fernando Valley.

In April 1999, the MTA adopted revised guidelines and procedures for the formation of transportation zones. During this pre-application and review period, SB 1101 (Murray) was signed by the Governor. This new legislation requires new transportation zones to accept the existing collective bargaining agreements of the MTA unions for a period of at least four years. This involves five existing MTA unions: UTU – Drivers/Schedule Makers; ATU – Mechanics/Service Workers; TCU – Clerks; AFSCME – Supervisors/Dispatchers; and Teamsters – Security.

Based on this above legislative action, the Foothill Transit Governing Board decided not to pursue the zone expansion application any further because of the inherent problems associated with the legislation's requirements and their existing labor relations environment. Since the Foothill Zone expansion was the preferred option at that time, the COG's committee decided not to pursue the issue any further.

In December 2000, based on an updated financial feasibility analysis using the new requirements of SB 1101, the Interim Joint Powers Authority for the San Fernando Valley Zone decided to continue to explore the feasibility of creating a transportation zone in the San Fernando Valley. They urged the San Gabriel Valley to revisit the issue as well. The COG updated the financial analysis of the study and determined that under a variety of scenarios the new West San Gabriel Valley zone would operate at a reduced cost to MTA. However, because of the requirements specified in SB 1101, the new Zone's cost will be approximately 25% higher than Foothill's operating costs for the first four years. The new Zone would not begin to receive the full benefit of the reduced cost for transit services until the fifth year of operation. Finally, the short and long-term viability of the zone rests on the specific terms and conditions yet to be negotiated with MTA regarding the new zone startup costs.

After much discussion, the COG's Transit Restructuring Committee recommended exploring the feasibility of creating a West San Gabriel Transportation Zone. This can only be done by the creation of an Interim JPA, which can also serve as the agent for the Zone in negotiating the terms and conditions of the separation from MTA. The Interim JPA would be comprised of the nine cities, Los Angeles County and the COG. Should it be determined that all of the issues can be resolved to everyone's satisfaction, a permanent JPA would have to be created to oversee the organization and operation of the zone.

There are both positive and negative impacts from forming a West San Gabriel Valley Transportation Zone. The benefits include:

- More local control over the transit service provided
- Opportunity over time to provide more cost-effective service
- Control over fare structure
- Opportunity to provide more service to meet the transit needs

The disadvantages include:

- Administering a large transit operation
- MTA transition issues
- Union negotiations
- Funding issues with MTA

At its February 15th meeting, the COG Governing Board, voted unanimously to recommend to cities the Interim JPA agreement and evaluate the feasibility of creating a permanent Transit JPA to serve the West San Gabriel Valley area.

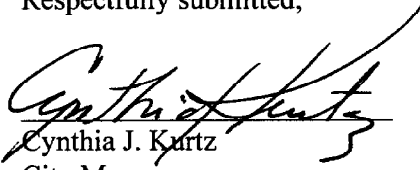
FISCAL IMPACT

The San Gabriel Valley Council of Governments has estimated that it will cost \$400,000 in consultant and legal fees to complete the next phase of the feasibility analysis. At their February 15th meeting, the SGVCOG Governing Board voted to amend the 2000-2001 budget and transfer \$220,000 previously allocated to Phase II of the Trucking Study to support this effort. In addition, there is currently \$30,000 in unspent funds available from the initial study, which together would provide \$250,000 in contributed capital for the study effort. The COG will endeavor to secure the remaining balance as part of the 2001-2002 budget request from SCAG's transportation planning funds. However, in the event, they are not successful in securing the needed funds, it will be necessary for the nine cities and the County to contribute a proportionate share. Based on a per capita basis, the estimated contribution may be as follows:

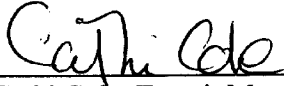
City	Amount
Alhambra	\$24,433.91
Montebello	17,114.27
Monterey Park	17,746.18
Pasadena	37,888.36
Rosemead	15,086.90
San Gabriel	10,953.13
San Marino	3,686.15
Sierra Madre	3,080.57
South Pasadena	6,845.71
Los Angeles County	<u>13,164.82</u>
	\$150,000.00

The City of Pasadena can use Proposition A or C funds for this. However, there are currently no uncommitted Proposition A funds available. There are available uncommitted Proposition C funds, however, the use of these funds will have a minor impact on proposed service expansion. The Department of Public Works & Transportation is developing plans for expanding the City's ARTS transit program. While these plans have not been brought to the City Council for approval at this date, the use of uncommitted funds reduces monies available for this program.

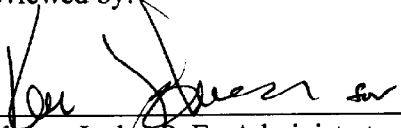
Respectfully submitted,


Cynthia J. Kurtz
City Manager

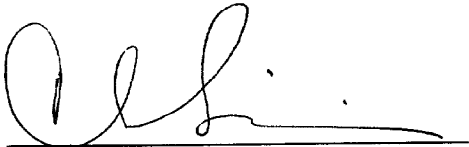
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