

Agenda Report

April 11, 2011

TO: Honorable Mayor and City Council
FROM: Department of Transportation
SUBJECT: Authorization to Execute a Memorandum of Understanding with the Los Angeles County Metropolitan Transportation Authority (Metro) for the Proposition A Growth Over Inflation Funds

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the execution of the Proposition A Growth Over Inflation (GOI) Funds Memorandum of Understanding with Metro is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15301, Existing Facilities.
2. Authorize the City Manager to execute a Memorandum of Understanding (MOU) with Metro for the Proposition A Growth Over Inflation Funds in order to receive funding as a Tier 2 Operator. This MOU shall be in effect from July 1, 2010 until June 30, 2013. The City is eligible to receive \$405,354 for the current fiscal year and similar amounts in Fiscal Years 2012 and 2013 as determined by Metro.

ADVISORY COMMISSION RECOMMENDATION:

On March 24, 2011, the Transportation Advisory Commission recommended that the City Council support staff's recommendation to become a Tier 2 Operator and receive the Proposition A GOI Funds from Metro.

BACKGROUND:

In April 2010, the Metro Board approved the cities of Pasadena, Glendale, and Burbank, along with the City of Los Angeles Community DASH Services (collectively known as "Tri-Cities/LADOT") as "Tier 2 Operators" and made these transit operators eligible to receive Proposition A GOI Funds. The Metro Board authorized the allocation of \$6 million per year for three years beginning FY2011 to the above transit operators to be included and approved through its annual Transit Funds Allocations.

In May 2009 the Metro Board moved to set aside Proposition A Discretionary GOI Funds should Tier 2 Operator status be approved for the Tri-Cities/LADOT. Subsequent to this motion, a task force was formed that included representatives from Pasadena, Glendale, Burbank, and LADOT; a representative from the Local Transit Systems Subcommittee of Metro; and representatives from the Included and Eligible Operators.

The City of Pasadena, along with the other transit operators, is recognized as a Tier 2 Operator and able to receive this new funding because the Pasadena Area Rapid Transit System (ARTS) provides a significant contribution to the regional transit network. Pasadena ARTS currently connects with each of the Metro Gold Line stations in Pasadena, Metro's Rapid Bus System, Foothill Transit, LADOT Commuter Express, and the Glendale Bee Line.

The MOU with Metro is a three year contract beginning July 2010. The City of Pasadena will receive \$405,354 for the first year. Metro has not yet established the funding marks for the subsequent two years. Metro has indicated that the amounts for the second and third years are anticipated to be similar to the first year. The City of Pasadena has the option to stop participating in the program.

This new funding is in addition to the Proposition A and C Local Return Program Funds and the Proposition A Discretionary Incentive Grant Program Funds the City of Pasadena currently receives. However, the Tier 2 MOU requires that the amount the City receives from the Proposition A Discretionary Incentive Grant Program be reduced by 20% whenever the Proposition A GOI Funds are received. The Incentive Funds received in FY10 (for reporting year FY08) were \$323,444. This means that the City would forgo approximately \$64,000 in the Incentive Funds while gaining a net increase of just over \$340,000 from the \$405,354 of new Proposition A GOI Funds. During the course of this three year agreement the City will continue to receive Incentive Funds at the 80% level, in addition to the new Proposition A GOI Funds.

The use of Proposition A GOI Funds will be subject to the Proposition A Local Return Guidelines, which means that the City will make every effort to maintain the existing level of fixed-route transit service and that major service changes are subject to the Service Notification Policy adopted by the Metro Board. The Service Notification Policy process is similar to the process the Department of Transportation currently follows when implementing service changes. The Proposition A GOI Funds are only for operating assistance for the public fixed-route Pasadena ARTS program (i.e., not Dial-A-Ride).

COUNCIL POLICY CONSIDERATION:

The proposed action is consistent with the following goals of the Strategic Plan: Maintain Fiscal Responsibility and Stability and Improve Mobility and Accessibility throughout the City. The MOU enables the City to invoice Metro for reimbursement of Proposition A GOI Funds; these funds will be used to operate the Pasadena ARTS.

ENVIRONMENTAL ANALYSIS:

The project has been reviewed for compliance with the California Environmental Quality Act (CEQA) and is exempt per Section 15301, Existing Facilities. The proposed project is an MOU to allow the continuation of existing service operated by the Pasadena ARTS and will not result in any significant change or increase in services.

FISCAL IMPACT:

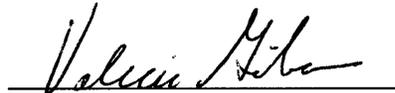
Per this MOU, the City of Pasadena will receive \$405,354 for the first year (Fiscal Year 2011) toward the operation of the Pasadena ARTS. Funding marks will be established prior to the beginning of each subsequent Fiscal Year that is included in this MOU (i.e., FY2012 and FY2013). The amounts will be similar each year. The City would forgo about \$64,000 in Incentive Funds that are currently received from Metro during the term of this agreement. Overall, in the first year, a net increase of approximately \$340,000 would result from this agreement.

Respectfully submitted,



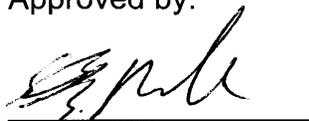
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