

Agenda Report

December 11, 2017

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Department of Transportation

SUBJECT: AUTHORIZING THE CITY MANAGER TO SIGN ALL AGREEMENTS INCLUDING THE ASSURANCES AND UNDERSTANDINGS REQUIRED TO RECEIVE MEASURE M LOCAL RETURN FUNDS

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the following proposed action is exempt from the California Environmental Quality Act ("CEQA"), pursuant to State CEQA Guidelines per Section 15061 (b)(3), the "General Rule;"
2. Authorize the City Manager to sign all agreements, including the Assurances and Understandings required to receive Measure M Local Return Funds; and
3. Amend the Department of Transportation's Fiscal Year 2018 Operating Budget to recognize and appropriate \$1,756,776 in Measure M as described in the Fiscal Impact section for transit operations.

BACKGROUND:

In the November 8, 2016 general election, Los Angeles County voters passed Measure M, a half-cent sales tax measure to improve transportation and ease traffic congestion. These funds will be administered by the Los Angeles County Metropolitan Transportation Authority (Metro). The program does not sunset. One of the funding streams in Measure M is Local Return, which is allocated by formula to cities in Los Angeles County.

Eligible uses of Measure M Local Return funds include capital and operating funds for public transit, street and roads, traffic control measures, active transportation, transit oriented community investment, transportation marketing, transportation administration and local fund contributions.

The recommendation will authorize the City Manager to sign all agreements, including the Assurances and Understandings document required for the City to receive these Local Return funds in order to facilitate public transportation improvements.

The six day a week, six fixed route scheduled service operations of Pasadena Transit are currently funded almost entirely by the Local Return portions of the Los Angeles County Transportation Sales Taxes (Proposition A and C and Measure R). Substantial additional funding has been provided through a series of multi-year Job Access and Reverse Commute (JARC) grants from the federal government to enable enhanced frequencies of service on routes serving Northwest Pasadena (Route 20 and 31/32) and to reestablish limited Sunday service that was eliminated during the recession of 2008-2010. The JARC grants fund over a two to three year period and, as they expire, additional local funding is needed to maintain the level of service. As shown in Attachment A, which plots a multi-year history/forecast of current operating expenses and revenues, revenues have recently been growing at approximately one percent per year while operating expenses have been increasing at about three percent per year. Under the current pattern, expenses are anticipated to exceed revenues in FY 2020.

Options are currently under consideration for how to address the potential shortfall post FY 2020 and include use of fund balance currently reserved for transit fleet replacement (potentially possible by shifting transit capital to Measure M Subregional funds dependent upon Arroyo Verdugo and Metro concurrence), use of Measure M Local Return and potential curtailment of service in the absence of additional funds. Measure M Local Return is an available resource that can be used for transit operations and is yet to be committed. Measure M Subregional funds require programming by the Arroyo Verdugo and agreement by Metro via a process that may take a year or more to complete. Attachment B illustrates that use of Measure M Local Return for transit operations would extend the decision point to FY 2024. The additional time would provide a higher likelihood of obtaining Measure M Subregional funding for transit capital and for identifying additional sources of transit operations funds.

COUNCIL POLICY CONSIDERATION:

This proposed action supports the General Plan guiding principle, "Pasadena will be a city where people can circulate without a car" and will directly assist the Department of Transportation in implementing major objectives of the Mobility Element, including promoting a livable community and encouraging transit as a non-auto travel alternative.

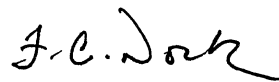
ENVIRONMENTAL ANALYSIS:

The recommended action is exempt from the California Environmental Quality Act ("CEQA"), pursuant to State CEQA Guidelines per Section 15061 (b)(3), the "General Rule" that CEQA only applies to projects that may have an effect on the environment.

FISCAL IMPACT:

The Measure M funding provided in Fiscal Year 2018 is \$1,756,776, though this amount may fluctuate in subsequent years. There is no local match required. Annual Measure M funding will be reflected in revenue account 24224043-653200 (Sales Tax Measure M) and will be appropriated in the expenditure account 24224043-871500 (Transfer To Prop C Local Transit) for annual transit operations.

Respectfully submitted,



FREDERICK C. DOCK
Director
Department of Transportation

Prepared by:



Sebastián Andrés Hernández
Senior Planner

Approved by:



STEVE MERMELL
City Manager

Attachments:(2)

Attachment A – Current Revenues and Current Expenses
Attachment B – Current Revenues plus Measure M and Current Expenses