

Agenda Report

September 11, 2023

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Department of Transportation

SUBJECT: AUTHORIZATION TO EXECUTE TRANSIT SERVICE OPERATION AGREEMENT WITH LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY FOR THE NEXTGEN SERVICE AND AMEND FY2024-2028 CAPITAL IMPROVEMENT PROGRAM BUDGET TO RECEIVE UP TO \$30,476,143 IN FUNDING FOR PASADENA TRANSIT VEHICLES

RECOMMENDATION:

It is recommended that the City Council:

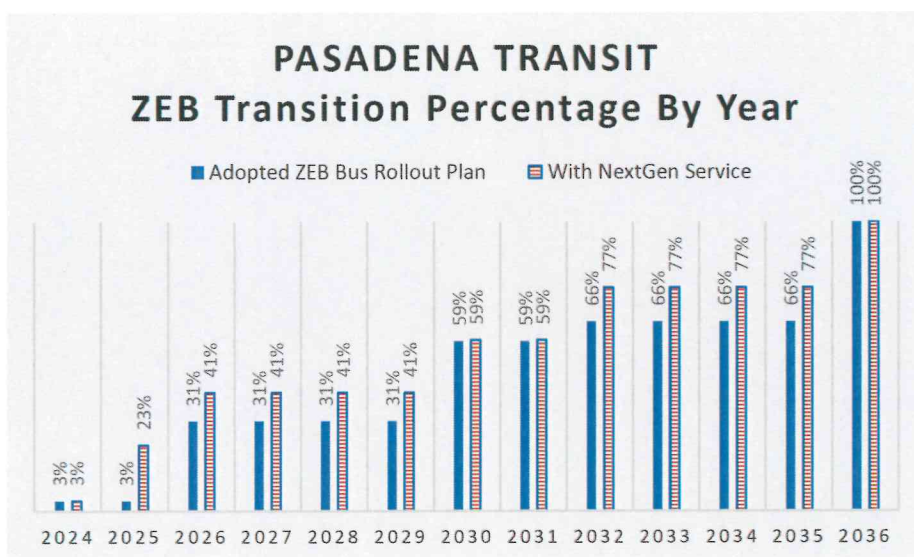
1. Find that the following proposed actions are exempt from review of the California Environmental Quality Act (CEQA), pursuant to CEQA Guidelines Section 15061(b)(3);
2. Authorize the City Manager to execute all agreements and time extensions with the Los Angeles County Metropolitan Transportation Authority (Metro) associated with the receipt of up to \$30,476,143, which includes \$4,546,716 in capital funds and \$25,929,427 in operating funds over a seven-year operating period for the Metro NextGen Service and execute any subsequent agreements related to this service; and
3. Amend the Fiscal Year (FY) 2024 – 2028 Capital Improvement Program (CIP) Budget to recognize \$4,546,716 in funding and appropriate \$4,546,716 to the Purchase of Replacement Transit Vehicles and Expansion Fixed Route Transit Vehicles Program (75085) in FY 2024.

EXECUTIVE SUMMARY:

On July 27, 2023, the Metro Board authorized its Chief Executive Officer (CEO) to establish an agreement between the City of Pasadena and Metro to fund the City to operate Metro Bus Lines 177 (Jet Propulsion Laboratory via Fair Oaks Ave. and Mountain St.) and 256 (Washington Blvd.). These routes are known as the NextGen Service.

Pending approval by the City Council, this proposed action will incorporate the NextGen Service into the Pasadena Transit network as early as FY 2025. Metro will fully fund the operation of the NextGen Service and contribute \$4,546,716 toward the purchase of nine zero-emission buses to be operated along the NextGen routes. This service will enhance public transit service in Northwest Pasadena by increasing the frequency of the existing Pasadena Transit service and accelerate the zero-emission transition of the Pasadena Transit fleet.

Graph A below shows a side-by-side comparison of the zero-emission bus (ZEB) fleet transition with and without the NextGen Service, illustrating how it will measurably accelerate the zero-emission transition of the Pasadena Transit fleet. The initial operating agreement is for seven years (FY 2025-2031) and is anticipated to continue beyond that timeframe with future agreements.



BACKGROUND:

Metro adopted the NextGen Bus Plan in October 2020 which reimagines their Countywide bus system to better meet the needs of current and future public transit riders in Los Angeles County. One of the basic tenets of the NextGen Bus Plan is to have lines that operate more as a local service rather than a regional service and be operated by local service providers. Metro bus Lines 177 and 256 were identified as two such lines operating in Pasadena. Metro bus Line 177 connects Caltech, Northwest Pasadena and the Jet Propulsion Laboratory (JPL) via Fair Oaks Ave and Mountain St.; Line 256 connects Highland Park Station, Northwest Pasadena, and the Sierra Madre Villa A (Gold) Line Station via Washington Blvd. On July 27, 2023, Metro's Board authorized its CEO to establish an agreement between the City of Pasadena and Metro to fund the City of Pasadena for the operation of the NextGen Service and a contribution of \$4,546,716 toward the purchase of nine zero-emission expansion vehicles.

Assumption of these lines would provide the City with the opportunity to interline and augment existing Pasadena Transit lines, thereby providing customers with enhanced

transit service. The NextGen Service currently provides transportation to riders from Highland Park to Pasadena and when assuming the service, Metro will continue to fund Pasadena to maintain the existing connection.

Pending City Council approval, it will ensure the continuation of transit service along the two routes. Both lines serve the most disadvantaged community in Pasadena, which includes portions of Northwest Pasadena. Attachment A is a map which show the current service area of Metro Lines 177 and 256. Attachment B are maps of the existing Pasadena Transit network and the network after adding the NextGen Service.

This Metro funded service is anticipated to start in FY 2025, which provides the time needed for the purchase and delivery of the new zero-emission buses, as well as the planning required to operationally and administratively integrate this additional service into the Pasadena Transit system. The following is a list of key transit improvements and benefits to the City of Pasadena by operating the NextGen Service.

- Will enhance the Pasadena Transit system by enabling increased bus frequencies on existing Pasadena Transit corridors.
- Metro is fully funding the City's operating costs.
- Metro is committing over \$4.5 million in capital funds toward the purchase of nine zero-emission buses which will help accelerate the zero-emission transition ahead of the adopted City Council adopted Zero Emission Bus Rollout Plan.
- By integrating the NextGen Service into the Pasadena Transit system, it will reduce the cost to passengers who depend on these two lines by reducing the base fare from Metro's \$1.75 to Pasadena's \$0.75.

Bus Purchase

Nine buses are required to operate Metro bus Lines 177 and 256, including five buses for Line 256, two buses for Line 177, and two spare buses, as we are federally required to provide. Metro has agreed to a one-time \$4.5 million funding contribution towards the purchase of transit vehicles. The City has secured the remaining \$5.6 million in grant funding to fully fund the nine ZEBs required for this service. The buses used for this Metro funded service will be branded as Pasadena Transit and the NextGen Service will operate as part of the Pasadena Transit network. The buses will be owned by the City and operated and maintained by the City's transit contractor. The initial agreement for the NextGen Service is for seven years and the buses are expected to have a useful life of 12 years. Future agreements extending the term for Pasadena to continue operating the NextGen Service will include operating funds only.

COUNCIL POLICY CONSIDERATIONS:

The proposed action will preserve and enhance public transit in Pasadena and, as a result, is consistent with the following goals of the Strategic Plan: Improve, Maintain and Enhance Public Facilities and Infrastructure, Improve Mobility and Accessibility throughout the City, and Support and Promote the Quality of Life and Local Economy. Additionally, this action accelerates the adopted Zero Emission Bus Rollout Plan to transition the City's public transit fleet to zero-emission.

ENVIRONMENTAL IMPACT:

The proposed action has been determined to be exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061 (b)(3), the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. No direct physical changes to the environment are proposed.

FISCAL IMPACT:

The NextGen Service over the seven years of this agreement is anticipated to cost \$39,429,427, of which, \$25,929,427 is for the operations of the service which will be 100% funded by Metro. The nine zero-emission vehicles will cost \$13,500,000. Metro will fund \$4,546,716 of the cost of the buses and Pasadena has secured \$3,496,409 in grant funding and anticipates receiving up to \$2,160,000 in vouchers for these buses. The remaining \$3,296,565 will come from City match of Local Return funds Proposition A (Fund 208) and Proposition C (Fund 209).

The table below shows the amount and percentage between the various funding sources to implement this service. The City's local match is 9% of the service budget, none of which is from the General Fund.

	Metro Funding	Grant Funding and Vouchers	City Match Prop A/C	Total
Bus Operations (FY25-FY31)	\$25,929,427	\$ -	\$ -	\$25,929,427
9 ZE Vehicles	\$ 4,546,716	\$ 3,496,409 TIRCP \$ 2,160,000 HVIP	\$ 3,296,565	\$13,500,000
Total Project	\$30,476,143	\$ 5,656,719	\$ 3,296,565	\$39,429,427

The requested action will recognize revenue from Metro of \$4,546,716 and appropriate \$4,546,716 to the Fiscal Year 2024 – 2028 Capital Improvement Program (CIP) Budget for the Purchase of Replacement Transit Vehicles and Expansion Fixed Route Transit Vehicles Program (75085) in FY24.

The NextGen Service will be operated and maintained under the City's transit operations contract. The operating cost of this service will be included in the Department of Transportation's Fiscal Year 2025 and beyond operating budgets.

Respectfully submitted,



LAURA RUBIO-CORNEJO
Director
Department of Transportation

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Approved by:



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Attachments (2):

- Attachment A – NextGen Service and Northwest Pasadena
- Attachment B – Current and Proposed Pasadena Transit Map