

MEMORANDUM - CITY OF PASADENA
DEPARTMENT OF TRANSPORTATION

DATE: March 24, 2011

TO: Transportation Advisory Commission

FROM: Frederick C. Dock *F.C. Dock*
Director of Transportation

RE: **Memorandum of Understanding with the Los Angeles County Metropolitan Transportation Authority (Metro) to receive new regional transit funds for ARTS Operations**

RECOMMENDATION:

It is recommended that the Transportation Advisory Commission support staff's recommendation to the City Council to authorize the City Manager to execute a Memorandum of Understanding (MOU) with the Los Angeles County Metropolitan Transportation Authority (Metro) for the Proposition A Growth Over Inflation (GOI) 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.

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" to receive Proposition A Growth Over Inflation (GOI) funds. The 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 their annual Transit Funds Allocations.

Proposition A GOI funds are derived from Proposition A 95% of 40% discretionary revenues' excess over the amount allocated to Included Operators (which is Proposition A revenues capped at CPI).

In May 2009 the Metro Board approved 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 LACMTA; 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. The Tri-Cities/LADOT, individually and together are considered by Metro as regionally significant

and have therefore been authorized to receive these funds. Pasadena ARTS currently connects with all the Metro Gold Line stations in Pasadena, Metro's Rapid Bus System, Foothill Transit, LADOT Commuter Express, and the Glendale Bee Line.

This is a three year contract beginning July 2010. The City of Pasadena will receive \$405,354 for the first year and then the funding marking will be established later for the subsequent two years. The amounts will be similar each year.

This new funding is in addition to the Proposition A Discretionary Incentive Grant Program funds we currently receive, less about 20% of this funding. The Incentive funds received in FY10 (for reporting year FY08) were \$323,444. This means that the City would forgo about \$60,000 in the Incentive funds while gaining a net increase of \$340,000 from these new Proposition A GOI funds. During the course of this three year agreement we will continue to receive our Incentive funds, less about 20%, in addition to these new funds.

As a Tier 2 Operator with Burbank, Glendale, and LADOT, Pasadena will fall under the Proposition A Local Return Guidelines which means that the City will make every effort to maintain our existing level of service and that major service changes are subject to the adopted Service Notification Policy; however, this process is similar to the process the Department currently follows when implementing service changes. The Proposition A GOI funds are only for operating assistance for the public fixed-route ARTS program (i.e., not Dial-A-Ride).