





Metro

March 1, 2005

TO: BOARD OF DIRECTORS

THROUGH: ROGER SNOBLE 
CHIEF EXECUTIVE OFFICER

FROM: MATT RAYMOND 
CHIEF COMMUNICATIONS OFFICER

SUBJECT: CONSOLIDATION OF CUSTOMER SERVICE CENTERS

ISSUE

With the coming of UFS, a reduction of pass and token sales and increasing costs associated with leasing space for Metro Customer Service Centers, staff plans to consolidate operations from six centers down to four.

BACKGROUND

The Customer & Vendor Services unit currently operates six (6) Customer Service Centers (CSC) – East Portal, Wilshire, Baldwin Hills, East Los Angeles, Van Nuys and ARCO. ARCO and Van Nuys customer centers are scheduled for closure by June 1, 2005.

New management, at City National Plaza (formerly ARCO Plaza), plans to relocate the ARCO CSC from the present location on Level-C to Level-B to create a parking facility. The move coupled with renovation cost would require significant unbudgeted expenditures that fail to meet a favorable cost benefit analysis formula in view of diminishing sales and the future limited potential for an increased customer/sales base. Accordingly, it has been decided that this is the optimum time to close this location since occupancy is currently based on an extended month-to-month rental agreement pending the offer of a new lease. We anticipate being out by June 1, 2005 and will decline signing a new lease offer.

Current ARCO customers will have the option of twelve vendors within a 1-mile radius and utilization of East Portal Customer Center during the hours of 6 am – 6:30 pm. Presently take one brochures are being distributed to ARCO customers promoting the purchase of METRO or REGIONAL monthly passes on-line.

Van Nuys is also targeted for closure. It has become our least productive customer center largely due to the establishment of four retail stores located within a few blocks that are operated by vendor chains that also offer Metro passes.

In addition to Metro Customer Centers and contracted retail centers, customers now have the alternative of purchasing metro passes on line. Activity in online purchasing has nearly doubled in its first three months of operations with dramatic increases in growth anticipated as we move toward the implementation of UFS.

NEXT STEPS

Signs will be posted advising Customers of the near by stores selling passes/tokens and the option of purchasing passes on-line.

Prepared By: Gail M. Harvey, Director, Customer & Vendor Services