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**PLANNING AND PROGRAMMING COMMITTEE
FINANCE AND BUDGET COMMITTEE
SEPTEMBER 16, 2009**

**SUBJECT: UPDATE ON REQUESTS FROM CITIES OF LOS ANGELES,
GLENDALE, PASADENA, AND BURBANK FOR CONSIDERATION
OF ELIGIBLE MUNICIPAL OPERATOR STATUS**

ACTION: RECEIVE AND FILE

RECOMMENDATION

Receive and file this update on requests from the Cities of Los Angeles, Glendale, Pasadena and Burbank for consideration of eligible municipal operator status.

ISSUE

The Cities of Los Angeles (Los Angeles Department of Transportation [LADOT] Community DASH Services), Glendale, Pasadena and Burbank have requested that the Los Angeles County Metropolitan Transportation (MTA) consider eligible municipal operator status for them. The Board of Directors has asked us to review and report on the Cities' request.

BACKGROUND

At its May 29, 2009 meeting, the Board of Directors approved a motion to set aside \$18 million, should eligible operator status be approved for LADOT, Glendale, Pasadena and Burbank in fiscal year (FY) 2010. The motion also directed us to convene a task force with the current Los Angeles County municipal and local transit operators to review the requests and return to the Finance and Budget Committee in September 2009.

An "eligible operator" is a Los Angeles County bus transit service provider that we have designated to receive formula-equivalent funds allocable for transit operating purposes. These formula-equivalent funds are provided from local sources other than those specifically included in the Los Angeles County Formula Allocation Procedure (FAP). The FAP allocates transit subsidy funds (State Transit Assistance [STA], Transportation Development Act [TDA] Article 4, and Proposition A Discretionary) according to policies that the MTA has adopted and the State has legislated through

SB 1755 (Calderon – 1996). Currently, there are four eligible operators and they include Antelope Valley Transit Authority (AVTA), Foothill Transit, LADOT (Commuter Express Services and some DASH Services) and Santa Clarita Transit.

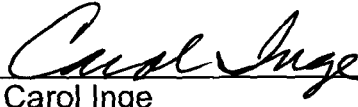
In response to the May 2009 Board motion, we formed a task force consisting of representatives from LADOT, Glendale, Burbank and Pasadena; a representative from the local transit operators; and representatives from the current municipal and eligible operators. To-date, the task force has reviewed and discussed the designation requirements of both becoming an eligible operator and the compliance and reporting requirements of being an eligible operator. As we continue to meet with the task force, we plan to analyze some key elements such as:

1. Current level of funding and funding allocation approach ;
2. Proposition A/Growth Over Inflation/Proposition C 40% Discretionary and/or other local funds available in the next five years;
3. Cities' service levels and fare structure options for next three to five years;
4. Funding allocation procedure to ensure that current municipal and eligible operators are not impacted negatively from adding new eligible operators; and
5. Long-term policy implications for other Los Angeles County cities.

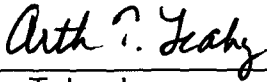
NEXT STEPS

Later this year, we will return to the Board of Directors with our analyses and options.

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