

**City of Culver City, California
Agenda Item Report**

Meeting Date: 7/27/09		Item Number: PH-2	
CITY COUNCIL AGENDA ITEM: PUBLIC HEARING – (1) Adoption of a Resolution Approving Fare Changes for the Culver CityBus System and Rescinding Resolution No. 2000-R118; and (2) Approval of Proposed Service Changes to Line Seven.			
Contact Person/Dept.: Samantha M. Blackshire/Transportation		Phone Number: (310) 253-6535	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☐ No ☒	
Public Hearing: ☒		Action Item: ☐ Attachments: ☒	
Commission Action Required: Yes ☐ No ☒		Date: _____	
Public Notification: (E-Mail) Meetings and Agendas – City Council (07/22/09); (E-Mail) Ongoing Topics – Culver CityBus (7/22/09); (Published) Culver City News (6/4/2009); (Published) Culver City Observer (6/4/09); (USPS) Stakeholders (6/1/09); Two (2) Public Meetings (7/8/09); Culver CityBus website; City of Culver City website.			
Department Approval: Art Ida (07/16/09)		City Attorney Approval: Carol Schwab (by H. Baker) (07/22/09)	
Chief Financial Officer Approval: Jeff Muir (07/22/09)		City Manager Approval: Mark Scott (07/22/09)	
<u>RECOMMENDATION:</u> Staff recommends the City Council (1) adopt a Resolution approving the Culver CityBus proposed fare increase (effective August 24, 2009) and rescinding Resolution No. 200-R118; and (2) approve service changes to Line 7 (effective September 14, 2009). <u>PROCEDURE:</u> 1. Mayor seeks motion from Council to receive and file the affidavits of publication and posting of notices, and correspondence received in response to the public hearing notices; and, 2. Mayor calls for a staff report and the City Council Members may pose questions to staff as desired; and, 3. Mayor seeks motion to open the public hearing; and, 4. Mayor seeks motion to close the public hearing after all public testimony has been presented; and, 5. City Council discusses the item and arrives at its decision.			

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BACKGROUND:

Culver CityBus operates seven routes, serving approximately 6 million riders annually with a service area encompassing 25.5 square miles, which includes the following Westside communities: Venice, Westchester, Westwood, West Los Angeles, Palms, Marina Del Rey, Rancho Park, Mar Vista, Century City, and Culver City.

Fares

Founded in 1928, Culver CityBus has weathered several periods of economic difficulty, including the current unprecedented economic recession. Staff has been making difficult decisions in order to focus on upholding our commitment to quality customer service to the community. We have not modified the Culver CityBus fare structure since January 2001. Over the course of the past eight years, we have seen an increase in operating costs, as well as an increase in ridership. Presently, Culver CityBus is partially funded by State and Federal funds, sales and gas taxes, and farebox revenue. Farebox revenue accounts for only approximately 18% of the total operating budget. Due to economic difficulties, the State has reallocated transportation funds to reduce its deficit. It is estimated that Culver CityBus will lose roughly \$5 million in funding over the course of the next five years. In addition, sales tax revenues have decreased, which will in turn affect other transportation funding.

Line 7

The City Council approved the creation of Line 7 in 2006, which was once a portion of Metro's Line 220. Line 220 had a history of having extremely low ridership. The City agreed to adopt a portion of Line 220, and both Metro and the City agreed to decrease headways from 60 minutes to 40 minutes. At the time, Culver CityBus's base fare was \$0.25 less than Metro's base fare.

By offering greater frequency and a reduced fare, staff hoped ridership would increase. However, this has not been the case. Line 7 runs along Culver Boulevard from Fisherman's Village in Marina Del Rey to Venice Boulevard / Culver Boulevard. Metro's Line 220 extends from Venice Boulevard / Culver Boulevard into West Hollywood. Both Culver CityBus and Metro service runs Monday through Saturday.

Due to the current economic climate, other transit agencies have been forced to make difficult decisions regarding fares and service levels. Specifically, Metro proposed dropping its Line 220 service. After several discussions with staff, Metro proposed keeping the service and increasing its headways to 60 minutes, which reverts back to their 2005 service levels.

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DISCUSSION:

Public Notification

In compliance with Federal Transit Administration (FTA) requirements, the City published a public notice in the Culver City News and the Culver City Observer on June 4, 2009. Furthermore, to comply with Metro's notification policy, staff sent letters describing the proposed fare increase and Line 7 service change to stakeholders, which include the Culver City Unified School District and other affected local schools and universities, Metro and other transit agencies, and regional hospitals on June 1, 2009.

We posted English and Spanish versions of notices via placards and take-one flyers in buses and at businesses where Culver CityBus schedule holders are located; provided several means to accept customer response, which included US Mail, E-mail and voicemail. Staff also posted notification about the proposed changes on the Culver CityBus website and the main City of Culver City website. In addition, two (2) public outreach meetings were held on July 8, 2009.

Fares

In order to maintain Culver CityBus service commitments, a fare increase is necessary to help compensate for some of the federal, state, and local funding losses mentioned above.

The originally proposed fare increases took into account 1) the amount of revenue required to maintain service levels, and 2) an analysis of fares from other transit providers within the region. Through the public comment process, customers provided additional information, which staff took into consideration and upon which our final proposal is based.

The majority of the public comments reflected that the local transfer cost increase from no charge to \$0.40 was too much at one time. Staff determined that charging the same price for local and inter-agency transfers (IAT) would create a level of confusion for customers and could also create operational issues.

Staff recently received information that our new farebox system, installed in February 2008, may have the capability to issue a day pass. If this farebox function proves to be feasible, we will begin implementation planning within the next year. At that time, we will incorporate a new revised local transfer value.

The current, original, and revised fare change proposals are as follows:

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Cash Fares	Current (Effective January 2001)	Proposed (original) (Effective August 24, 2009)	Proposed (revised) (Effective August 24, 2009)
Adult (Base)	\$ 0.75	\$ 1.00	\$ 1.00
Student (K-12)	\$ 0.50	\$ 0.75	\$ 0.75
Senior (62+ years)	\$ 0.35	\$ 0.35	\$ 0.35
Disabled	\$ 0.35	\$ 0.35	\$ 0.35
Blind	Free	Free	Free
Transfers			
Local Transfer:			
Base (Adult/Student) IAT	Free	Use IAT	\$ 0.25
Senior (62+ years) IAT	Free	Use IAT	\$ 0.10
Disabled IAT	Free	Use IAT	\$ 0.10
Inter-Agency Transfers (IAT):			
Base (Adult/Student) IAT	\$ 0.25	\$ 0.40	\$ 0.40
Senior (62+ years) IAT	\$ 0.10	\$ 0.20	\$ 0.20
Disabled IAT	\$ 0.10	\$ 0.20	\$ 0.20

Staff believes that an increase in fares now will prevent future service cuts at a time when transit ridership is on the rise. It would be a greater detriment to the community should Culver CityBus' services become unavailable to the public in the future.

Line 7

The City strives to facilitate efficient connections for our riders. Therefore, in order to provide connectivity with Metro's Line 220 service change, staff is proposing to increase headways from 40 minutes to 60 minutes. This proposal is in the best interests of Culver CityBus and Metro customers. Staff will continue to monitor the ridership of Line 7. We hope that the ridership will increase with the introduction of the Expo Rail Line which will directly connect with Line 7.

FISCAL ANALYSIS:

The fiscal impact analysis primarily relates to community interest. If the fare changes are approved, Culver CityBus foresees a potential \$750,000 increase in farebox revenue for FY2009-2010 provided that ridership levels remain relatively constant.

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In the case the City Council determines a fare increase is not desired at this time, staff would immediately look at other ways to reduce costs of operations, including modifications to some of our less productive services and return in the near future to the City Council with these proposals for the Council's consideration.

This projected increase in fare changes was reflected in the adopted interim fiscal 2009-10 budget, but will be revised for the final budget per revisions in fare changes noted in this staff report.

ATTACHMENTS:

Resolution Amending the Fares for Culver CityBus.

MOTION:

That the City Council:

1. Adopt a resolution approving a new fare structure for Culver CityBus effective at 2:00 AM on August 24, 2009 and rescinding Resolution No. 2000-R118; and,
2. Approve service changes to Culver CityBus Line 7 as proposed effective at 2:00 AM on September 14, 2009.