

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council:

SUBJECT: City Council Transportation Committee – Consider City of Torrance participation in the Municipal Area Express (MAX) program.

RECOMMENDATION:

Recommendation of the City Council Transportation Committee that City Council concur with the City of Torrance withdrawing from the Municipal Area Express (MAX) service effective July 1, 2013 and encourage the MAX Policy Steering Committee to approve the use of reserves to fund the 2012-2013 operating budget, otherwise, the City of Torrance will withdraw effective July 1, 2012.

Recommendation of Transit Director that City Council concur with the City of Torrance withdrawing from the Municipal Area Express effective June 30, 2012 in order to preserve the City of Torrance's rights and direct the Transit Director to give notice of the termination to the Policy Steering Committee. The Transit Director further recommends that if the Policy Steering Committee decides to fund the operating budget Municipal Area Express with reserves for the period of July 1, 2012 through June 30, 2013 with no contributions from any of member agencies or the lead agency, the City of Torrance do the following: (1) withdraw its notice of termination effective June 30, 2012, (2) participate in the Municipal Area Express for one final year from July 1, 2012 to June 30, 2013, and (3) give notice to the Policy Steering Committee that the City of Torrance will terminate its participation in the Municipal Area Express effective June 30, 2013.

FUNDING:

None required for this action.

BACKGROUND AND ANALYSIS:

Launched in 1990, the MAX is a joint venture of the cities of El Segundo, Lawndale, Lomita, Los Angeles, Torrance, and Los Angeles County. Torrance Transit serves as the lead agency for MAX, currently contracting the operation of the service to MV Transportation. The service consists of two fixed routes and one express route operating Monday through Friday during peak morning and afternoon hours. It does not run on weekends and major holidays. Line 2 runs from Torrance to El Segundo from 6:34 am-8:08 am and 4:40 pm-6:24 pm. Line 3 runs from San Pedro to El Segundo from 5:20 am-7:52 am and 3:30 pm-6:29 pm. Line 3X is a Freeway Express route which runs from San Pedro to El Segundo from 6:00 am-7:59 am and 3:40 pm-6:10 pm. Ticket booklets and monthly passes for MAX are purchased from the patron company's Employee Transportation Coordinator or from the West Annex Transit Store located at Torrance City Hall. The service provides South Bay residents quick, convenient travel to and from the El Segundo employment center.

The City of Rancho Palos Verdes officially withdrew from the MAX program as of June 30, 2011. As a result of their withdrawal, Line 2 service was reduced accordingly at the direction of the Policy Steering Committee. The Line 2 was truncated with Pacific Coast Highway and Hawthorne Bl. becoming its southern terminus in Torrance. In addition, due to the reduced demand for the Line 2 with Rancho Palos Verdes no longer participating, two morning and two afternoon runs were eliminated. These Line 2 changes took effect July 1, 2011.

The Torrance City Council, at its March 29, 2011 meeting, approved Torrance's continued participation in the Municipal Area Express (MAX) Program for Fiscal Year (FY) 2011-2012, with future participation in the program to be evaluated on an annual basis. It was recommended that the City continue to support MAX system through the next year but that the City share with the MAX Board the City's intention to encourage MAX to support its phasing out while seeking a replacement. The present Interagency Agreement for the program requires that the Lead Agency (Torrance) provide notice if it wishes to withdraw a minimum of 120 days prior to June 30, 2012. Therefore, Torrance has until March 2, 2012 to notify the partnering cities if it should wish to terminate participation in the program. All other participating agencies must provide notice of withdrawal a minimum of 90 days prior to June 30, 2012.

The current MAX Interagency agreement also requires that in January of each year the Technical Staff members review the previous calendar year's performance statistics. The purpose of this review is to determine the proposed formula for the operating and capital costs associated with the MAX program. This formula was developed as a joint effort with all member agencies based on the morning boardings and morning and afternoon mileage within each jurisdiction. The technical group met on January 10, 2012 and reviewed the statistical data for calendar year 2011, including the proposed participating agency shares for FY 2012-2013. Based on the data and subsequent analysis, staff made its initial recommendation to the Torrance Transportation Committee at its January 24, 2012 meeting that the City of Torrance withdraw from the MAX program effective June 30, 2012.

The staff recommendation to withdraw from the MAX program is based on the following:

- Annual Torrance boardings have decreased from approximately 17,000 in 2010 to 15,000 in 2011, a 12% reduction in annual boardings.
- The agency's annual participant share would increase from \$91,021 in FY 2011-2012 to \$131,418 in FY 2012-2013, an increase of 44%.
- The subsidy per passenger for Torrance during FY 2011-2012 based on calendar year 2011 boardings was approximately \$6.09. The projected subsidy per passenger during FY 2012-2013 is \$8.80, assuming boardings remain constant. Torrance Transit fixed route subsidy per passenger is approximately \$3.33 system wide, on weekdays.
- The MAX buses were purchased in 2002 partially utilizing Federal Transit Administration (FTA) funds. The expected useful life of these buses is 10 years or 350,000 miles. As of May 2012 the MAX buses will have reached their useful life and would not be subject to penalty of early retirement.
- The anticipated local match capital requirements to replace the MAX buses will cost approximately \$1.2 million. The Torrance share is estimated at approximately \$300,000.
- The funding utilized for the MAX program can be reallocated to address rising fuel costs and offset increasing Torrance Community Transit Program expenses.

Replacement Service Options

Current Torrance Transit service on Line #2 and Line #8 can adequately assist displaced MAX Line 2 Torrance residents. The Torrance Transit Line #2 serves the Anza Av. corridor between Torrance Bl. and Artesia Bl., overlapping the MAX Line #2. The Torrance Transit Line #8 serves along the Hawthorne Bl. corridor parallel to Anza Ave. where the MAX Line #2 serves, and provides service into the El Segundo area. Those patrons displaced to the Torrance Transit Line #2, could connect with the Torrance Transit Line #8 along Artesia Bl. for service to the El Segundo area.

Current service on Torrance Transit Line #5 can adequately assist the majority of displaced riders from MAX Line #3 along Crenshaw Bl. MAX Line #3 riders are typically found travelling significantly shorter average trip lengths when compared to the MAX Line #2 and Line #3X.

MAX Line #2 and #3X average trip lengths are 27% and 142% longer than MAX Line #3, respectively. This indicates a more traditional local service, as seen with Torrance Transit fixed route service. For those patrons travelling on the MAX Line 3, ridership data shows a large number of patrons alighting at the intersection of Manhattan Beach Bl. and Crenshaw Bl. (an intersection where Torrance Transit Line 5 serves). For those patrons with their trip originating in Torrance on Crenshaw Bl. and terminating in El Segundo, some major intersections with high boardings for the MAX 3 also have alternative service running east-west to connect with the Torrance Line 8, which provides service to El Segundo. The intersection of Crenshaw Bl. and Carson St. showed the highest boardings for the MAX Line 3 in Torrance. An alternative for this trip would be utilizing the Torrance Line 3 and transferring to the Torrance Line 8. Other intersections include Crenshaw Bl. and Artesia Bl. where the Metro 210 and 130 run east-west along Artesia Bl. and would provide a connection with the Torrance Line 8.

The staff recommendation was not made lightly. In October 2011, a survey of the MAX ridership was conducted some of the comments received can be seen below:

- 74% of riders have been riding for 1 year and up, indicating a dedicated ridership.
- 85% of riders ride 4+ days per week, which is consistent with 93% of respondents commuting on the service.
- 59% of riders receive some form of subsidy from their employer.
- 75% of riders indicate the quality of service for the MAX has either remained the same or improved in the past 6 months.
- 100% of riders would recommend the MAX to other people.
- 89% of riders have one or more vehicles in their household.

Staff noted at the January 24, 2012 Torrance Transportation Committee meeting that should the City of Torrance withdraw from the MAX program effective June 30, 2012 there could be potential costs associated with this decision. These costs could include the removal of MAX signs, creating new head signs for the buses, printing new schedules, and creating and applying stickers for remaining signage. These costs could vary widely given the various scenarios that could result from the withdrawal of the City of Torrance from the MAX program. These scenarios could include any number of possibilities ranging from no changes to the MAX service, the elimination of any number of runs for the MAX, or the entire elimination of MAX. As outlined in the justification for staff's recommendation, consideration has been given to the potential for a full elimination of MAX to ensure that riders are not stranded and provided alternatives to MAX.

At the January 24, 2012 Torrance Transportation Committee meeting staff was tasked with further examining Torrance's participation in the MAX program. It was noted that the subsidy for the MAX ridership was high and staff should review means to lower the subsidy to a cap \$5.00 per boarding. Staff was directed to research and analyze potential scenarios for reducing the per passenger subsidy of Torrance boardings. These scenarios included increased ridership, increases in fares and reductions in service. At the February 8, 2012 Transportation Committee meeting staff presented to following scenarios:

Increased Boardings Scenario:

The first method examined in reducing the subsidy paid per boarding on the MAX would be an increase in boardings. To accomplish a subsidy per passenger/boarding of no more than \$5.00 for the MAX Line 2 and 3 for Torrance this would require an extremely large increase in boardings. The projected Torrance subsidy for the MAX Line 2 and 3 is \$12.79 and \$6.61, respectively. The overall subsidy for Torrance on these two lines totals \$8.80. When examining the MAX Line 2 subsidy of \$12.79, the targeted subsidy (\$5.00) is \$7.79 lower than current projected levels. To achieve the requested \$5.00 subsidy per boarding it would require an increase in Line 2 boardings to 13,523 in Torrance. This would constitute a 156% increase in boardings over the CY 2011 figure of 5,288. When examining the MAX Line 3 subsidy of \$6.61, the targeted subsidy (\$5.00) is \$1.61 lower than current projected levels. To achieve the requested \$5.00 subsidy per boarding it would require an increase in Line 3 boardings to 12,760. This would constitute a 32% increase in boardings over the CY 2011 figure of 9,649. It should also be noted that should these increases in boardings occur, the subsidy per passenger of \$5.00 would only be met for one year, then as the formula was updated next year, Torrance's relative costs would increase, putting a larger burden of the operating budget on Torrance. The reason for this increase in Torrance's share of the formula is because 50% of the formula is based on the morning boardings in each jurisdiction, and unless the other cities experienced comparable increases, Torrance would experience greater relative increases, thus resulting in a higher share of the formula. Additionally, any additional revenues generated from this increase in boardings would be shared equally amongst agencies participating in the MAX as general farebox recovery and not solely benefit Torrance.

Fare Increase Scenario:

Another method of reducing the subsidy per passenger would be additional revenues through fare increases. The last fare increase on the MAX was in October 2010. Current fares are \$2.25 on Line 2, 1.75 on Line 3, and \$3.00 on the Line 3X. Torrance would need to increase revenues on the MAX Line 2 and 3 by \$41,000 and \$16,000, respectively, to achieve the requested subsidy levels. The industry standard for ridership deflection is for every 1% increase in fares a corresponding decrease of 0.33% in boardings should be expected. To generate the needed additional revenue, fares would have to be dramatically increased, thus reducing ridership tremendously. In order to generate an additional \$41,000 in revenue in Torrance on the Line 2 fares generated per boarding would need to be increased by \$7.79 in Torrance. This increase of \$7.79 in revenue per boarding does not even include the potential deflection in ridership you might see by raising the fares so high. With the dramatic 346% increase in fares for current ridership on Line 2, the deflection would far outweigh any additional revenue. With the large levels of deflection, fares would need to be increased even further to combat the reduction in boardings.

Furthermore, to increase fare revenues on the Line 3 in Torrance, fares would need to be increased by \$1.61, based on current levels of boardings. With fares increased 92%, a deflection in ridership would be unavoidable, therefore fares would need to be increased even more to overcome any loss in ridership. This loss in ridership would again outweigh the increase in revenue through boarding reductions, and ultimately the increase in revenues would not be met. It should also be noted that

these increases in revenues would not solely benefit Torrance and would be pooled in general farebox recovery for the system and be shared by all participants. As with the increase in ridership example, other agencies would also need to experience comparable increases in revenues. Furthermore, with fares potentially staying static on the Line 3X, this means the increases in revenues could theoretically help subsidize the Line 3X operation. Any fare increase examined would require public hearings, especially with the magnitude required for this situation. Since the Line 2 and 3 both travel through low income and minority communities a detailed Title VI Civil Rights analysis on the impact to low income and minority riders would also be required. Additionally, since Torrance is only one participating agency in the MAX, potential fare increase proposals would need to be approved by all participating agencies through the MAX Policy Steering Committee. Additionally, the potential fare increase changes would create a service where the local routes are charging far higher than its express counterparts (Line 3X).

Service Reduction Scenario:

Another method explored is the reduction in service which could decrease expenditures for the MAX program. If the line #2 were to reduce service by one run (bringing the service from its current 2 runs to 1 run) in the morning and evening a maximum potential savings of \$90,000 could be realized. If the Line #3 were to reduce its service by two runs (bringing its service from 4 to 2 runs) in the morning and afternoon a maximum potential savings of \$275,000 could be realized. However, with that said, it should be noted that this savings is the best case scenario. Currently, MV Transportation bills on a fixed and variable cost model. The previous figures assume their fixed costs could be adjusted proportionately downward, consistent with the reduction in service hours. If MV Transportation's fixed costs could not be lowered any further, then only a savings of approximately \$29,000 and \$89,000 could be achieved on the Line 2 and 3, respectively.

Furthermore, because of the nature of the current operating budget formula, savings would not be wholly realized by Torrance. If Line 2 were reduced by one run in the morning and afternoon and the optimistic savings level (\$90,000) were used, Torrance participating share would only be reduced by \$40,000. Additionally, by using service reductions, ridership would drop significantly, consistent with past reductions in service on the Line 2. If Torrance were to reduce service on the Line 2 by eliminating a run it could expect a loss of approximately 1,850 boardings in Torrance alone. This calculation was determined by using deflection levels witnessed from the July 1, 2011 reduction in service. The loss of the 1,850 boardings would not only account for loss in fare revenues, but a drop in ridership on the Line 2 for Torrance of 35%. With this loss of ridership and a recalculation of the current operating budget formula, the subsidy per boarding would still remain at almost \$9.00 on the Line 2 for Torrance.

Any service reduction would require public hearings and negotiation with the current operator, MV Transportation, regarding the corresponding impact to their employees. In July 1, 2011 when the city of Rancho Palos Verdes withdrew from the MAX, MV then reduced its contract by 16% or \$172,286. This included reductions in their fixed costs and variable cost per hour. Consistent with past practice, the Policy Steering Committee for the MAX program would need to task Lead Agency staff with entering negotiations of any contract adjustments in FY 12-13.

Conclusion/Recommendation:

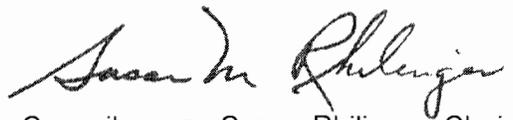
Based on the information and analysis provided Transit Director recommends that City Council concur with the City of Torrance withdrawing from the Municipal Area Express effective June 30, 2012 in order to preserve the City of Torrance's rights and direct the Transit Director to give notice of the termination to the Policy Steering Committee.

The Transit Director further recommends that if the Policy Steering Committee decides to fund the operating budget Municipal Area Express with reserves for the period of July 1, 2012 through June 30, 2013 with no contributions from any of member agencies or the lead agency, the City of Torrance do the following: (1) withdraw its notice of termination effective June 30, 2012, (2) participate in the Municipal Area Express for one final year from July 1, 2012 to June 30, 2013, and (3) give notice to the Policy Steering Committee that the City of Torrance will terminate its participation in the Municipal Area Express effective June 30, 2013.

With your Honorable Body's concurrence with staff's recommendation, staff will forward notification to the MAX participating agencies that the City of Torrance will withdraw from the MAX program effective June 30, 2012. At the March 5, 2012 Special MAX Policy Steering Committee meeting, staff will discuss the future of the MAX and the potential use of reserves to extend Torrance's participation for one additional year, through June 30, 2013.

Respectfully submitted,

CITY COUNCIL TRANSPORTATION COMMITTEE



Councilwoman Susan Rhilinger, Chair



Councilman Tom Brewer



Councilman Cliff Numark

- Attachments:
- A) January 24, 2012 Transportation Committee Meeting Item
 - B) January 24, 2012 Transportation Committee Meeting Minutes
 - C) February 8, 2012 Transportation Committee Meeting Item
 - D) February 8, 2012 Transportation Committee Meeting Supplemental Item
 - E) February 8, 2012 Transportation Committee Meeting Minutes
 - F) Additional Public Comments Received

CITY OF TORRANCE INTEROFFICE COMMUNICATION

DATE: January 18, 2012

TO: Members of City Council Transportation Committee
VIA: LeRoy J. Jackson, City Manager

FROM: Kim Turner, Transit Director

SUBJECT: City of Torrance Participation in the Municipal Area Express (MAX) Program

Background

Launched in 1990, the MAX is a joint venture of the cities of El Segundo, Lawndale, Lomita, Los Angeles, Torrance, and Los Angeles County. Torrance Transit serves as the lead agency for MAX, currently contracting the operation of the service to MV Transportation. The service consists of two fixed routes and one express route operating Monday through Friday during peak morning and afternoon hours. It does not run on weekends and major holidays. Line 2 runs from Torrance to El Segundo from 6:34 am-8:08 am and 4:40 pm-6:24 pm. Line 3 runs from San Pedro to El Segundo from 5:20 am-7:52 am and 3:30 pm-6:29 pm. Line 3X is a Freeway Express route which runs from San Pedro to El Segundo from 6:00 am-7:59 am and 3:40 pm-6:10 pm. Ticket booklets and monthly passes for MAX are purchased from the patron company's Employee Transportation Coordinator or from the West Annex Transit Store located at Torrance City Hall. The service provides South Bay residents quick; convenient travel to and from the El Segundo employment center.

The Torrance City Council, at its March 29, 2011 meeting, approved Torrance's continued participation in the Municipal Area Express (MAX) Program for Fiscal Year (FY) 2011-2012, with future participation in the program to be evaluated on an annual basis. It was recommended that the City continue to support MAX system through the next year but that the City share with the MAX Board the City's intention to encourage MAX to support the phasing out of MAX while seeking a replacement. The present Interagency Agreement for the program requires that the Lead Agency (Torrance) provide notice if it wishes to withdraw a minimum of 120 days prior to June 30, 2012. Therefore, Torrance has until March 2, 2012 to notify the partnering cities if it should wish to terminate participation in the program.

Analysis

The MAX Interagency agreement requires that in January of each year the technical staff members from each participating agency meet and review the previous calendar

year performance statistics. The purpose of the meeting is to determine the percentage share each agency will contribute for the next fiscal year based on boarding and miles within each jurisdiction. The technical group met on January 10, 2012 and reviewed the statistical data for calendar year 2011, including proposed participating agency shares for FY 2012-2013. Based on the data and subsequent analysis, staff is recommending that the City of Torrance withdraw from the MAX program effective June 30, 2012.

The recommendation is not made lightly. In October 2011 a survey of the MAX ridership was conducted some of the comments received can be seen below:

- 74% of riders have been riding for 1 year and up, indicating a dedicated ridership.
- 85% of riders ride 4+ days per week, which is consistent with 93% of respondents commuting on the service.
- 59% of riders receive some form of subsidy from their employer.
- 75% of riders indicate the quality of service for the MAX has either remained the same or improved in the past 6 months.
- 100% of riders would recommend the MAX to other people.
- 89% of riders have one or more vehicles in their household.

The staff recommendation to withdraw from the MAX program is based on the following:

- Annual Torrance boardings have decreased from approximately 17,000 to 15,000, a 12% reduction in annual boardings.
- The agency's annual participant share will increase from \$91,021 in FY 2011-2012 to \$131,418 in FY 2012-2013, an increase of 44%.
- The subsidy per passenger boarding for calendar year 2011 was approximately \$6.09. The projected subsidy per passenger boarding for calendar year 2012 is \$8.80, assuming boardings remain constant. Torrance Transit fixed route subsidy per passenger is approximately \$3.33 system wide, on weekdays.
- The anticipated local match capital requirements to replace the MAX buses will cost approximately \$1.2 million. The Torrance share is estimated at approximately \$300,000.
- Current Torrance Transit service on Line #2 and Line #8 can adequately assist displaced MAX Line 2 Torrance residents. The Torrance Transit Line #2 serves the Anza Av. corridor between Torrance Bl. and Artesia Bl., overlapping the MAX Line #2. The Torrance Transit Line #8 serves along the Hawthorne Bl. corridor parallel to Anza Ave. where the MAX Line #2 serves, and provides service into the El Segundo area. Those patrons displaced to the Torrance Transit Line #2, could connect with the Torrance Transit Line #8 along Artesia Bl. for service to the El Segundo area.
- Current service on Torrance Transit Line #5 can adequately assist the majority of displaced riders from MAX Line #3. MAX Line #3 riders are typically found travelling significantly shorter average trip lengths when compared to the MAX Line #2 and Line #3X. MAX Line #2 and #3X average trip lengths are 27% and

142% longer than MAX Line #3, respectively. This indicates a more traditional local service, as seen with Torrance Transit fixed route service.

- The funding utilized for the MAX program can be reallocated to address rising fuel costs and offset increasing Torrance Community Transit Program expenses.

Should the City of Torrance withdraw from the MAX program effective June 30, 2012 there could be potential costs associated with this decision. These costs could include the removal of MAX signs, creating new headsigns for the buses, printing new schedules, and creating and applying stickers for remaining signage. These costs could vary widely given the various scenarios that could result from the withdrawal of the City of Torrance from the MAX program.

With your honorable body's approval Transit staff would seek Council approval for the withdrawal of the City of Torrance, tentatively planned for during the February 7, 2012 City Council meeting. In addition, Transit staff would provide an update at the February 6, 2012 MAX Policy Steering Committee meeting. This update would explain the outcome of this Transportation Committee meeting and the recommendation Transit staff will be presenting at the Council meeting the following day. In addition to the February MAX Policy Steering Committee meeting update, we would also likely call a Special Meeting for the MAX Policy Steering Committee to discuss the outcome of the February 7, 2012 City Council meeting and discuss future plans of the MAX program beyond June 30, 2012. If the Policy Steering Committee should decide to modify or eliminate service given the City of Torrance withdrawal from the MAX program, public hearings would likely be required. As those future MAX Policy Steering Committee meetings occur, Transit staff will provide subsequent updates accordingly.



Kim Turner
Transit Director

CITY COUNCIL TRANSPORTATION COMMITTEE NOTES
Tuesday, January 24, 2012

COMMITTEE MEMBERS: Councilwoman Susan Rhilinger, Chair
 Councilman Tom Brewer
 Councilman Cliff Numark

CITY STAFF: Kim Turner, Transit Director
 Jim Mills, Transit Administration Manager
 Mary Giordano, Assistant City Manager
 Brian Sunshine, Assistant to City Manager
 Aram Chaparyan, Assistant to City Manager

CALL MEETING TO ORDER

The City Council Transportation Committee convened in a regular meeting, Councilwoman Susan Rhilinger called the meeting to order on Tuesday, January 24th, 2012 at 4:30 p.m. in the Third Floor Assembly Room.

TORRANCE PARTICIPATION IN THE MUNICIPAL AREA EXPRESS (MAX) PROGRAM

Discussion

Jim Mills from Transit Department gave an overview of staff recommendations on the issue of City's participation in the Municipal Area Express (MAX) Program. On behalf of the Transit Department, Mr. Mills proposed that City of Torrance withdraw from the MAX program based on the following factors:

1. Annual Torrance boardings have decreased from approximately 17,000 to 15,000, which equates to a 12% reduction.
2. Torrance annual participant share will increase from \$91,021 (FY 2011-2012) to \$131,418 (FY 2012-2013), a 44% increase.
3. Subsidy per boarding for calendar year 2011 was approximately \$6.09, while the projected subsidy per boarding for calendar year 2012 would be \$8.80, provided that the number of annual boardings remains constant. As a reference, Torrance Transit fixed route subsidy per boarding is approximately \$3.33 system wide on weekdays.
4. The anticipated Torrance share of local match for capital expenditure of replacing MAX buses will be approximately \$300,000, which amounts to a quarter of the total \$1.2 million.

Mr. Mills also presented a few potential solutions for in the case that MAX Line 2 and Line 3 were to be discontinued starting June 30, 2012. These recommendations included:

1. Current Torrance Transit Service Line 2 and Line 8 can assist MAX Line 2 riders. Residents may utilize Torrance Transit Line 2 and Line 8 along Artesia Blvd for service to the El Segundo area.
2. Current MAX Line 3 riders may use Torrance Transit Line 5 and local fix route services.

Aside from the proposals, Transit Department also examined the various financial impact of withdrawing from MAX program, specifically the relocation of the MAX funding and the post-withdrawal cost.

1. MAX funding of \$91,000 will be relocated to assist the rising fuel cost and the expense of Torrance Community Transit program.
2. Expenditure associated with the June 30, 2012 withdrawing from the MAX program will include costs of removal of MAX signs, new head signs for the buses, new schedules and new stickers for the remaining signage. This cost will vary pending on details.

In addition, Transit Department briefed the Committee, staff and guests on the background of MAX program: as a joint venture between several cities to provide South Bay residents quick and convenient travel to and from the El Segundo employment center, MAX program contains two fixed routes and one express route, operating from Monday to Friday during peak hours, with no service during weekends and holidays. Line 2 runs from Torrance to El Segundo, while Line 3 runs on a Freeway Express route from San Pedro to El Segundo.

Councilman Brewer questioned about the number of boarding in Torrance on a daily basis and how it has been impacted by the withdrawal of Rancho Palos Verdes (RPV) from MAX program. Mr. Mills explained, though there were little impact on the ridership, RPV's withdrawal did increase participating city's share of cost and reduced the number of MAX runs from 4 to 2. Councilman Brewer also inquired about the cost of fare and methods of payment. Mr. Mills clarified that bus fare ranged from \$1.75, \$2.25, and \$3, and can be paid by cash, regional easy pass or pre-purchased tickets. Furthermore, Mr. Mills responded to Chair Rhilinger's inquiry about the amount of subsidy per boarding. At the current moment, the City subsidizes \$6 per boarding; in the case that the City were to continue its participation in the MAX program, the City would have to subsidize roughly \$9 per boarding.

Public comments were received from resident, David, a MAX rider, who works for Los Angeles Air Force Base. He applauded the tremendous convenience MAX system has created for aerospace industry employees and emphasized the impact of discontinuing MAX buses. A Raytheon employee described the benefits of MAX system by offering a personal and emotional appeal to the audience, portraying the various MAX riders such as individuals in uniform, blue and white collar workers, students and etc. Citizens have suggested the possibility of purchasing Prop A fund and Federal grant fund at discounted price to cover transit subsidy, possibility of extending bus service to LAX in order to raise more revenue, and the possibility of raising bus fare on MAX 3X Freeway Express. Other attendees have shared with the audience about their transit subsidy of \$250/month.

Mr. Mills explained to the public, Max bus is a special 32-foot bus that costs up to \$600,000 each, the alternative of replacing buses and extending the list of bus will have to start with the use of current reserve funds but when replaced will require \$6.0 million funding. The current bus contract runs until 2013. Councilman Numark questioned about the possible source of the \$91,000 contribution to the MAX system, the additional \$40,000 contribution for FY 2011-2012, and the yearly capital expenditure contribution. In addition, he examined the financial impact of withdrawing from MAX by questioning where the \$91,000 would be distributed if the City were to withdraw. In the case the City were to continue MAX participation, the additional cost of \$40,000 for FY 2011-2012 would come from additional revenue or budget reductions; if the City were to discontinue MAX participation, the designated \$91,000 would return to Transit Fund to cover the skyrocketing fuel cost and to support senior and disabled in the City. If the City were to buy discounted Prop A money, it would have to use City's general fund to do so.

To expand on the finance side of MAX participation, Councilman Numark also inquired about the number of MAX riders, number of Torrance riders, and how Torrance contribution is determined. Based on actual ridership counts conducted, from January 2011 to December

2011, there were 84,000 MAX boarding and of which 15,000 boarding were made in the City of Torrance. Torrance MAX contribution is calculated based on the number of boarding in the City and the 50% of AMP mileage. Subsequently, Councilman Numark requested staff to produce a price increase analysis and research on possible source for the \$40,000 additional cost.

Councilman Brewer suggested the possibility of fare increase and questioned about relevant government regulations. The last fare rise took place in October 2010, and in terms of regulation, government has no restriction on raising bus fare. Mr. Mills added that MAX Line 2 and Line 3 typically operate at closer to 50% capacity while Line 3X is often filled as a result of high number of Air Force personnel riders. Councilman Brewer suggested that staff look at ways to raise fare to appropriate level and locate \$300,000 contribution for the replacement of fleet, assuming that the \$40,000 increase is secured.

Committee Discussion

Chair Rhilinger commented on the initial intention of MAX system, but was concerned about the \$40,000 additional subsidy. If the City were to withdraw from MAX program, she advocated that this equity including the \$40,000 and \$91,000 contribution would be able to assist seniors and disabled in Torrance.

Councilman Brewer made the motion to explore options to increase fare to various level, reduce number of routes/frequency, cap fare subsidy to \$5 per boarding in order to keep the MAX participation for another year. Councilman Numark amended the motion to hold evening meetings to encourage more public participation, which Councilman Brewer accepted as part of the motion. Motion then carried unanimously.

TORRANCE RAPID BUS PROGRAM PUBLIC HEARING REQUEST

Discussion

Jim Mills, Transit Administration Manager, on behalf of the Transit Department recommended the council to approve a public hearing request on Rapid Bus Program, a peak time bus service. Proposals about the Line 3 service that runs from South Bay Galleria to Mall and Redondo Beach to Mall included modifying the frequency of Line 3 service from every 20 minutes to every 15 minutes. Proposed revision in spring 2012 would require capital start up cost of \$7.9 million, which included \$6.4 million capital for the 8 alternative fuel buses and \$1.5 million operating cost for the 2-year period. Since Line 3 is funded by Federal fund, city staff is examining the saving that would result from reducing the service from 4 times to 3 times a day. Staff requests council to allow two (2) community meetings to be conducted to seek public input.

Committee Discussion

Council Committee members concurred with motion to accept staff recommendation.

ORALS

None

ADJOURNMENT

At 5:45 p.m. the meeting was adjourned.

**CITY OF TORRANCE
INTEROFFICE COMMUNICATION**

DATE: February 8, 2012

TO: Members of City Council Transportation Committee
VIA: ~~LeRoy Jackson, City Manager~~
FROM: Kim Turner, Transit Director
SUBJECT: City of Torrance Participation in the Municipal Area Express (MAX) Program

At the January 24, 2012 Transportation Committee meeting staff recommended that the city withdraw from the MAX program effective June 30, 2012.

The recommendation was based on the following:

- Annual Torrance boarding has decreased from approximately 17,000 to 15,000, a 12% decrease.
- The annual agency participation share will increase from \$91,021 in FY 11-12 to \$131,418 in FY 12-13, an increase of 44%.
- The subsidy per passenger boarding for calendar 2011 was approximately \$6.09. The projected subsidy for calendar year 2012 is projected at \$8.80. The Torrance transit subsidy per passenger is approximately \$3.33.
- The anticipated capital requirements to replace MAX buses will cost approximately \$1.2 million. The Torrance share is estimated to be approximately \$300,000.
- Current Torrance Transit service on Line#2, Line#5 and Line #8 along with other South Bay transit providers can adequately assist displaced MAX Torrance residents.

The Torrance City Council, at its March 29, 2011 meeting, approved Torrance's continued participation in the Municipal Area Express (MAX) Program for Fiscal Year (FY) 2011-2012 with future participation in the program to be evaluated on an annual basis. It was recommended that the City continue to support MAX system through the next year but that the City share with the MAX Board the City's intention to encourage MAX to support the phasing out of MAX while seeking a replacement. The present Interagency Agreement for the program requires that the Lead Agency (Torrance) provide notice if it wishes to withdraw at least 120 days prior to June 30, 2012. Therefore, Torrance has until March 2, 2012 to notify the partnering cities if we wish to terminate participation in the program.

At the January 24, 2012 meeting staff was directed to research and return to the committee with potential options to reduce the subsidy per passenger with a cap of \$5.00 per boarding. Staff was directed to analyze possible increases in revenue and/or reductions in expenditures by examining service on the MAX Line 2 and 3.

Increased Boardings Option

One method to reducing the subsidy paid per boarding on the MAX would be an increase in boardings. To accomplish a subsidy per passenger/boarding of no more than \$5.00 for the MAX Line 2 and 3 for Torrance this would require an extremely large increase in boardings. The projected Torrance subsidy for the MAX Line 2 and 3 is \$12.79 and \$6.61, respectively. The overall subsidy for Torrance on these two lines totals \$8.80. When examining the MAX Line 2 subsidy of \$12.79, the targeted subsidy (\$5.00) is \$7.79 lower than current projected levels. To achieve the requested \$5.00 subsidy per boarding it would require an increase in Line 2 boardings to 13,523 in Torrance. This would constitute a 156% increase in boardings over the CY 2011 figure of 5,288. While the additional 8,235 boardings would yield an increase in fare revenues totaling approximately \$18,529, only approximately 12.58% of the increase in fares would be recognized by Torrance, based on the current projected formula distribution. When examining the MAX Line 3 subsidy of \$6.61, the targeted subsidy (\$5.00) is \$1.61 lower than current projected levels. To achieve the requested \$5.00 subsidy per boarding it would require an increase in Line 3 boardings to 12,760. This would constitute a 32% increase in boardings over the CY 2011 figure of 9,649. As with the Line 2, fare revenues would increase approximately \$5,433. However, only approximately 11.87% would be recognized by Torrance, given the current projected formula distribution. It should also be noted that should these increases in boardings occur, the subsidy per passenger of \$5.00 would only be met for one year, then as the formula was updated next year, Torrance's relative costs would increase, putting a larger burden of the operating budget on Torrance. The reason for this increase in Torrance's share of the formula is because 50% of the formula is based on the morning boardings in each jurisdiction, and unless the other cities experienced comparable increases, Torrance would experience greater relative increases, thus resulting in a higher share of the formula.

Fare Increase Option

Another method of reducing the subsidy per passenger would be additional revenues through fare increases. The last fare increase on the MAX was in October 2010. Current fares are \$2.25 on Line 2 and 1.75 on Line 3 and \$3.00 on the Line 3X. Torrance would need to increase revenues on the MAX Line 2 and 3 by \$41,000 and \$16,000, respectively, to achieve the requested subsidy levels. The industry standard for ridership deflection is for every 1% increase in fares a corresponding decrease of 0.33% in boardings should be expected. To generate the needed additional revenue, fares would have to be dramatically increased, thus reducing ridership tremendously. In order to generate an additional \$41,000 in

revenue in Torrance on the Line 2 fares generate per boarding would need to be increased by \$7.79 in Torrance. However with an increase that dramatic (346%), the deflection in ridership would far outweigh any additional revenue. Furthermore, to increase fare revenues on the Line 3 in Torrance, fares would need to be increased by \$1.61. With fares increased 92%, a deflection in ridership of 30% could be expected. This would again outweigh the increase in revenue through boarding reductions, and ultimately the increase in revenues would not be met. In order to ensure the increases in revenues were met fares would need to be even further increased, however given the elasticity of ridership; equilibrium would not be met. Any fare increase examined would require public hearings, especially with the magnitude required for this situation. Since the Line 2 and 3 both travel through low income and minority communities a detailed Title VI Civil Rights analysis on the impact to low income and minority riders would also be required. Additionally, since Torrance is only one participating agency in the MAX, potential fare increase proposals would need to be approved by all participating agencies through the MAX Policy Steering Committee. Additionally, the potential fare increase changes would create a service where the local routes are charging far higher than its express counterparts (Line 3X).

Service Reduction Option

Another option explored is the reduction in service which could decrease expenditures for the MAX program. If the line #2 were to reduce service by one run (bringing the service from its current 2 runs to 1 run) in the morning and evening a potential savings of \$90,000 could be realized. If the Line #3 were to reduce its service by two runs (bringing its service from 4 to 2 runs) in the morning and afternoon a savings of \$275,000 could be realized. However, with that said, it should be noted that this savings is the best case scenario. Currently, MV Transportation bills on a fixed and variable cost model. The previous figures assume their fixed costs could be adjusted proportionately downward, consistent with the reduction in service hours. If MV Transportation were to already have their fixed costs reduced, then only a savings of approximately \$29,000 and \$89,000 could be achieved on the Line 2 and 3, respectively.

Furthermore, because of the nature of the current operating budget formula, savings would not be wholly realized by Torrance. If Line 2 were reduced by one run in the morning and afternoon and the optimistic savings level (\$90,000) were used, Torrance participating share would only be reduced by \$40,000. Additionally, by using service reductions, ridership would drop significantly, consistent with past reductions in service on the Line 2. If Torrance were to reduce service on the Line 2 by eliminating a run it could expect a loss of approximately 1,850 boardings in Torrance alone. This calculation was determined by using deflection levels witnessed from the July 1, 2011 reduction in service. The loss of the 1,850 boardings would not only account for loss in fare revenues, but a drop in ridership on the Line 2 for Torrance of 35%. With this loss of ridership and a recalculation of

the current operating budget formula, the subsidy per boarding would still remain at almost \$9.00 on the Line 2 for Torrance.

Any service reduction would require public hearings and negotiation with the current operator MV Transportation regarding the corresponding impact to their employees. In July 1, 2011 when the city of Rancho Palos Verdes withdrew from the MAX, MV then reduced its contract by 16% or \$172,286. Consistent with past practice, the Policy Steering Committee for the MAX program would need to task Lead Agency staff with entering negotiations of any contract adjustments in FY 12-13.

Conclusion

Based on the staff analysis, the potential of each option results in either unattainable targets or highly unlikely outcomes, and ultimately does not achieve the goals of the City of Torrance. The staff recommendation with your honorable body's concurrence is to forward to the city council that the City of Torrance withdraws from the Municipal Area Express (MAX) program effective June 30, 2012.


Kim Turner
Transit Director

- Attachment A): Public Comment Received
B): Transportation Committee meeting minutes from the January 24, 2012 City Council

PUBLIC COMMENTS RECEIVED

Chaparyan, Aram

From: Rhilinger, Susan
Sent: Wednesday, February 01, 2012 1:27 PM
To: Chaparyan, Aram
Subject: FW: I plead with you to keep the MAX bus running

Another for the public file.

Sent from my Windows Phone

From: Damon C. Perry
Sent: 2/1/2012 12:07 PM
To: Rhilinger, Susan
Subject: I-plead with you to keep the MAX bus running

TO: Susan Rhilincer
Councilwoman
Torrance City Hall
3031 Torrance Blvd
Torrance, CA 90503
SRhilinger@torranceca.gov

FROM: Damon C. Perry
28530 Bearhaven Ct.
Rancho Palos Verdes, CA 90275
perryecn@yahoo.com

Dear Ms. Rhilincer:

I attended the Transportation Committee meeting on Tuesday January 24, 2012 and I was pleased to hear your suggestion that a public hearing about the planned cancelation of MAX bus service be held in the evening. I know of several citizens that were unable to attend the January 24th meeting because it was held at 4:30 PM when they were sill either on the bus or at work.

If you are like me and tens of thousands of other commuters in Torrance, you spend lots of time stuck in traffic. These delays cause us stress, rob us of time with our family, create more air pollution, and prolonged noise pollution.

However, the MAX bus service offers a proven solution to these problems for hundreds of people. Some folks board or disembark in the city of Torrance, but hundreds more simple ride through Torrance. All these riders share several things in common -- they help to reduce pollution and traffic congestion -- and this benefits everyone.

By riding the MAX 3 bus from the San Pedro area to El Segundo over the past four years I alone have *not* burned roughly 768 gallons of fuel. Imagine what a cloud of smog 768 gallons of burned fuel would have made.

2/2/2012

The MAX bus offers me the best solution for our environment. Other buses are not an option because they would add well over an hour to my daily commute. A vanpool, even if it were available to me, would take only eight people off the road, not the dozens and dozens and dozens that the Max bus does.

I ride the bus because it conveniently stops in front of my house and my work. I plead with you to keep the MAX bus running not only for me but for hundreds of others in my situation.

Sincerely,

Damon C. Perry

Chaparyan, Aram

From: Rhilinger, Susan
Sent: Tuesday, January 31, 2012 8:03 PM
To: Chaparyan, Aram
Subject: FW: Cancellation of Max Bus Service 6/30/2012

Another for the public record..

Sent from my Windows Phone

From: Heidi Moore
Sent: 1/26/2012 5:05 PM
To: Rhilinger, Susan
Cc: Brewer, Tom; Numark, Cliff
Subject: Cancellation of Max Bus Service 6/30/2012

I was appalled to hear of the proposed cancellation of this service. Many of us depend on this service for our way to and from work. Especially with the increasing gasoline costs forecasted for this summer. Not only does this cancellation affect the commuters it also puts the loyal and dedicated drivers out of work unfair to all. I am casting my vote to keep the max bus lines in service even if a fare increase is needed to do so.

Thank you

Heidi Moore
U.S. Regional Manager
Sebamed USA
www.sebamedusa.com
310 707 6435 -Tel

Chaparyan, Aram

From: Rhilinger, Susan
Sent: Tuesday, January 31, 2012 8:01 PM
To: Chaparyan, Aram
Subject: FW: Planned Cancellation of MAX Bus
For the public record.

Sent from my Windows Phone

From: Mary.Andrews@faa.gov
Sent: 1/31/2012 1:26 PM
To: Rhilinger, Susan; Brewer, Tom; Numark, Cliff
Subject: Planned Cancellation of MAX Bus

I have been riding the MAX bus to work for 11 years now. It is a great alternative to driving. It is quite reasonable and saves on gas and pollution. I think one of the reasons that it is under utilized is because it is not advertised enough. I believe if more people knew about it they would take it to work.

I think it would be a real shame if the bus is not continued. In this day and age I believe that anything that helps communities go "green" is a good thing.

Mary Andrews

2/2/2012

Additional Public Comments for the
City Council Transportation Committee Meeting
of February 8, 2012



DEPARTMENT OF THE AIR FORCE
 HEADQUARTERS 61st AIR BASE GROUP (AFSPC)
 LOS ANGELES AIR FORCE BASE, CALIFORNIA

31 Jan 12

Colonel Frank W. Simcox
 Commander, 61st Air Base Group
 Los Angeles Air Force Base
 El Segundo, CA 90245

Torrance City Council
 3031 Torrance Blvd
 Torrance, CA 90503

Dear Honorable Mayor Scotto and Council Members,

Los Angeles Air Force Base has learned the City of Torrance is considering elimination of the Municipal Area Express (MAX) transit program which provides safe, environmentally-conscious transportation for military and civilian personnel between Los Angeles Air Force Base in El Segundo, California, and our Military Family Housing complexes in San Pedro, California. I would like to impress upon you the impact cancellation of this service would have on our work force and urge you to reconsider elimination of the MAX program.

The Air Force aggressively encourages the use of public transportation and ridesharing programs as part of our stewardship of the environment and our commitment to being a good neighbor in the communities in which we operate. For our service members living in Military Family Housing, there is no suitable alternative for the commuting capability provided by the MAX transit program. Further, elimination of the MAX program would exacerbate parking constraints at our facilities in El Segundo as we attempt to continue day to day operations and simultaneously serve as the primary service center for veterans and retirees in the greater Los Angeles area.

Los Angeles Air Force Base personnel will participate in upcoming meetings regarding this issue and will continue to support the MAX transit program to the greatest extent possible. Questions or comments regarding this subject may be directed to my Rideshare Program Manager, Mr. Christopher Turley, at (310) 653-5477 or by email at TurleyCJ@losangeles.af.mil.

Sincerely

FRANK W. SIMCOX, Colonel, USAF
 Commander

2012 FEB -6 PM 12:52
 MAYOR & COUNCIL
 OFFICE OF THE

17039 Delia Avenue
Torrance, CA 90504
Feb. 2, 2012

Susan M. Rhilinger
Torrance City Council, Transportation Committee
3031 Torrance Blvd.
Torrance, CA 90503

Dear Ms. Rhilinger,

I read with concern of Torrance's proposal to withdraw from the MAX bus service.

I have been a Torrance resident for more than 20 years, and have used the MAX service since its inception. It has been a major benefit in linking Torrance and South Bay residents to employment centers in El Segundo and the entire South Bay, and is also used by students, seniors, and a range of other user groups. In my experience (Route 3), the runs are well utilized except on some holidays.

I understand the argument that the MAX service is not supported by fares alone. No bus service is (nor is virtually any rail or other transit system). However, this doesn't mean they are a losing investment; balancing the direct cost of operation, there are benefits (reduced traffic congestion and pollution, improved driver and pedestrian safety, improved intercity relationships) that are hard to dollarize but no less real. (Several employers in El Segundo understand the benefits of public transit, and subsidize their employees' fares.) So the question is not simply whether the fares cover the direct operating cost, but whether the service provides a net benefit. I certainly believe it does.

Some of the arguments presented for withdrawal, including those by Mr. Mills of the city's Transit Department, are unsound. For example:

- Mr. Mills states that ridership (as measured by Torrance boardings) has declined 12% over some unspecified interval. This may well be attributable in part to cyclical declines in employment in El Segundo, driven by macro-economic factors and likely to rebound as the economy recovers.
- The Interoffice Communication dated 2/8/2012 asserts that, based on an "industry standard," ridership decreases by 0.33% for every 1% fare increase. Leaving aside the obvious question of whether this industry standard applies to a specialized service like MAX, we should still be very skeptical of wildly extrapolating this marginal rate (to 346%, in this case); social systems just don't respond linearly to such stimuli. I predict that there is a core ridership which will persist largely independent of fare increases.
- Lines 2, 3, and 3X are pooled together in many of the arguments, although your own data shows they have widely different cost profiles.

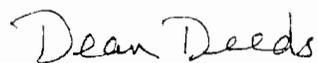
Finally, despite Mr. Mills's suggestions, there is no truly equivalent service combination available from Torrance Transit (or any other transit provider). Eliminating the MAX – and it's universally understood that, if Torrance withdraws, the MAX will soon be eliminated – leaves the users with no replacement.

It may well be that fares need to be adjusted (bearing in mind that they are not intended to defray the entire operating cost). If so, the correct solution is to make the needed adjustment (on a per-line, or even per-run, basis), not to abandon a resource whose value to the community has never been greater.

I hope you will support the responsible preservation of this resource.

Thank you for your attention.

Sincerely,

A handwritten signature in cursive script that reads "Dean Deeds".

Dean Deeds

Chaparyan, Aram

From: Rhilinger, Susan
Sent: Thursday, February 02, 2012 12:47 PM
To: Chaparyan, Aram
Subject: FW: MAX Bus lines 2, 2x, 3 and 3x

Another E-mail for the public file.

Sent from my Windows Phone

From: stewart90245@aol.com
Sent: 2/2/2012 12:40 PM
To: Rhilinger, Susan; Brewer, Tom; Numark, Cliff
Subject: Fwd: MAX Bus lines 2, 2x, 3 and 3x

To Whom All It May Concern:

Greetings. My name is Melisande Stewart and I am a 10+ year resident of El Segundo. I am a disabled citizen who uses Access Services, but whenever possible, I make use of public transportation.

Early last month, I decided to take a class at the South Bay Adult School. it is an evening class and with the winter hours, it has been dark when I leave and return. I did not know the route I should take until I called MTA information and that was when I learned that the blue MAX buses I had been noticing for the past 10 years, was a limited hour bus that I could take from Walnut & Sepulveda to Inglewood & Manhattan Beach Blvd(s). This route has been so convenient that I have been more than happy to pay the reduced disability fare of \$1.50 even though many transit companies accept my Access card for free trips.

Just this past Tuesday, a gentleman handed me a notice that the MAX lines are being planned for cancellation effective this June. I could not believe it. I just started using the services and have been noticing all the military and aerospace workers using the bus at business hours to get to and from work. Now that I have gotten familiar with this mode of transportation -which has worked out wonderfully for me- I am dismayed to read that it may be canceled.

I am writing your council members to please consider MAINTAINING the MAX lines. I heard people on the bus talking about how their commutes would go from an hour to two or three hours if the MAX bus is eliminated. I also heard how many military people use the bus to get to the LA USAF base on Aviation / Douglas and El Segundo Blvd. I fare increase or even fewer runs would be better than an all out cancellation.

Please consider the needs of the disabled, the military, and others who use the service not just for convenience, but for the sake of reducing traffic and doing their part to promote the "green" movement.

I hope the MAX will stay in service because now that I have discovered it, I certainly will be using it more often. The route is far more inclusive than having to take two or more connecting lines to get through the South Bay. The route is EXCELLENT and serves the needs of the community here.

Thank you for your time and consideration in this matter.

Sincerely,

Melisande Stewart
310 335 0425

2/2/2012

Chaparyan, Aram

Subject: FW: Add six of the MAX 3 stops to the MAX 3x route.
From: "Damon C. Perry" <perryecn@yahoo.com>
Date: January 29, 2012 10:07:38 PM EST
To: "Turner, Kim" <KTURNER@TorranceCA.gov>
Subject: Add six of the MAX 3 stops to the MAX 3x route.

TO: Kim Turner

Transit Director

Torrance City Hall

3031 Torrance Blvd

Torrance, CA 90503

KTurner@TorranceCA.Gov

FROM: Damon C. Perry
28530 Bearhaven Ct.

Rancho Palos Verdes, CA 90275
perryecn@yahoo.com

Dear Ms. Turner:

I attended the Transportation Committee meeting on Tuesday January 24, 2012 and was pleased to see the results of your staff's hard work. There is no doubt that countless hours of thought and action have gone into the proposed cancelation of the MAX bus service. Please let your staff know that their contribution to our community is appreciated. As citizens in a republic we rely not only on our elected officials, who come and go with election cycles, but also on the dedicated employees of our city government. It is workers like you and your team on the Transit Department, who contribute year after year, day in and day out, to the successful implementation of the city services that we all rely on and should not take for granted.

I understand that the city does face a substantial budgetary issue, and while I would like to see all MAX bus service continue uninterrupted, I would like you to consider the following suggestions when recommending alternatives to the Transportation Committee.

RECOMMENDATION: If you must cancel the MAX 3 bus, then add six of the MAX 3 stops to the MAX 3x route.

SUMMARY: Improve the Max 3x bus ridership by adding stops the for San Pedro passengers who would otherwise be displaced by the cancelation of Max 3 line. Do

2/3/2012

so without impacting the scheduled MAX 3x passenger boarding times, adding only 3.5 miles to the MAX 3x route, and retaining the cities stellar reputation for supporting our men and women in uniform.

DETAILS: In reviewing the location of where the MAX busses are parked overnight (Garfield and Rosecrans), I see an opportunity to add six of the existing Max 3 stops to the Max 3x line with minimal additional mileage (3.5 miles one way), minimal added cost, and increased ridership, and thus increased revenue. Assuming the bus gets only six miles to the gallon, and gas cost four dollars a gallon, the bus would only need to receive a few paid fares in order for the this change to make financial sense.

Besides good financial sense, this solution will help the City of Torrance retain its stellar, and well deserved, image of being supportive of our men and women in uniform. I have ridden the MAX 3x bus, and know it to be heavily utilized by or service men and women.

This recommendation makes sense also because it continues to provide some level of service to those folks living in the San Pedro area who are currently riding the MAX 3 bus, and are working in the aerospace industry. Such service would benefit the transit needs of the Aerospace Corporation, Boeing, Lockheed Martin, Northrop Grumman, and Raytheon, all of which have offices along the Max 3x route.

Finally, this makes sense because the added stops to the MAX 3x line would occur before and after the existing stops. Thus, this change does not impact the scheduled boarding times for the existing MAX 3x passengers.

WHICH MAX 3 STOPS to ADD TO THE MAX 3x

This recommendation suggests adding to the MAX 3x line only stops that are already serviced by the MAX 3 line and are not out of the way for the route of the MAX 3x line. The recommendation is to have the MAX 3x bus exit the 110 south at PCH and head west so it could then pick up passengers at the following six existing MAX 3 stops: 1) Western at PCH, and 2) Western at PV Dr. North, and 3) Western at Westmont/Delasonde, and 4) Western at Capitol, and 5) Western at First, and 6) Weymouth at Ninth. The bus would then proceed to the current start of the MAX 3x line at Western and 25th St. The same six stops could be visited during the buses return to the bus yard.

ADDITIONAL BENEFITS

No cost to add new signage. Instead of just removing the old signs (which would need to be done anyway) simply replace the olds signs with the new signs.

Retain existing boardings. I know of at least ten MAX 3 passengers who would get to where they need to if the above changes the MAX 3x were made.

FINAL THOUGHTS

By riding the MAX 3 bus from the San Pedro area to El Segundo over the past four years I have *not* burned roughly 768 gallons of fuel. MAX bus service has helped me to reduce air pollution, reduce traffic congestion and allowed me to make productive use of my commute time.

Sincerely, Damon C. Perry

Chaparyan, Aram

From: Dailey, Ian
Sent: Monday, February 06, 2012 10:16 AM
To: Chaparyan, Aram
Cc: Mills, Jim
Subject: FW: MAX Bus 3X Line
Importance: High

Hi Aram,

Please find below another email regarding the MAX that we just received. I am forwarding to you if you wanted to include in the supplemental.

Thanks,

Ian L. Dailey

Acting Administrative Analyst | Transit Department
City of Torrance | 20500 Madrona Avenue | Torrance, CA 90503 | 310.618.6234 Voice | 310.618.6229 Fax |
IDailey@TorranceCA.gov | www.TorranceCA.gov | www.facebook.com/TorranceTransit |
www.twitter.com/TorranceTransit

From: Gonzales, Mario V Civ USAF AFSPC SMC/ISOX [mailto:Mario.Gonzales@losangeles.af.mil]
Sent: Monday, February 06, 2012 9:58 AM
To: Dailey, Ian
Subject: MAX Bus 3X Line
Importance: High

To Whom It May Concern:

I am writing to let you know of my concern of the possible discontinuation of service for the MAX Bus 3X Line. I have been using this bus since my arrival to Los Angeles Air Force Base on March 2006. This has been my main source of transportation from my home in San Pedro to LAAFB and it would be a personal hardship if this line was discontinued. I request that you reconsider this change of service which I believe would not only affect me, but a very large number of passengers that depend on this service from San Pedro to the El Segundo area. If you have any questions, please contact the undersigned at the number below.

Very respectfully,

Mario Gonzales, Civ, DAF
Administrative Assistant
SMC/ISOX
Ph: DSN: 633.4443 Comm: 310.653.4443

2/6/2012

Chaparyan, Aram

From: Rhilinger, Susan
Sent: Monday, February 06, 2012 9:38 PM
To: Chaparyan, Aram; Turner, Kim
Subject: FW: Alternative solutions for MAX bus

More input

Sent from my Windows Phone

From: Robin L Morelock
Sent: 2/6/2012 8:44 PM
To: Numark, Cliff; Rhilinger, Susan; Brewer, Tom
Subject: Alternative solutions for MAX bus

To Torrance City Council members and Transportation Committee members Cliff Numark, Susan Rhilinger, and Tom Brewer,

Thank you for considering alternatives to the proposed cancellation of the MAX bus service. As you know, the MAX provides a convenient, direct, and relatively fast commute to the Redondo Beach/EI Segundo area, hence the name Municipal Area Express. It is also designed to relieve some of the gridlock and wear on South Bay roads and freeways. The buses are clean and the drivers are friendly. As you know from the rider surveys, most MAX customers are loyal riders. The typical MAX rider finds the commute time to be very reasonable and many would probably choose to drive if the MAX were not available.

Considering the impacts of the increased traffic on our roadways if the MAX were to be cancelled, it is conceivable that the apparent cost savings would be nullified by an increase in highway maintenance and traffic gridlock.

With some creative planning and study of the data, I believe some alternative solutions could be found to make the MAX service more cost-efficient.

For example, here are some ideas:

1. Create a "hybrid" run. In the morning, merge the MAX #3D run with the MAX #2B. This would skip the Crenshaw leg of the #3D. Instead of turning on Crenshaw, the bus would continue on PCH and proceed about 1.5 miles to the #2B terminus (PCH at Hawthorne). The bus would then follow the normal #2 route from there. This may result in increased boardings of target riders on the last run of the morning. A similar idea could be used for one of the evening runs.
2. Eliminate at least one MAX #3 and/or one MAX #3X run to reduce redundant service runs.
3. Work with the primary employers in Redondo Beach and EI Segundo to provide incentives for employees to ride the MAX.
4. Provide service only 4 days a week. Eliminate service on the day that has the least traffic and/or least number of riders.

As you can see, these are just a few ideas that can make the MAX more efficient. An analysis of the boarding data as well as surveys, bus routes, and traffic flow is required to determine a satisfactory solution.

Sincerely,

Robin Morelock
Torrance, CA

2/7/2012

Chaparyan, Aram

From: Dailey, Ian
Sent: Monday, February 06, 2012 10:16 AM
To: Chaparyan, Aram
Cc: Mills, Jim
Subject: FW: MAX Bus 3X Line
Importance: High

Hi Aram,

Please find below another email regarding the MAX that we just received. I am forwarding to you if you wanted to include in the supplemental.

Thanks,

Ian L. Dailey

Acting Administrative Analyst | Transit Department
City of Torrance | 20500 Madrona Avenue | Torrance, CA 90503 | 310.618.6234 Voice | 310.618.6229 Fax |
IDailey@TorranceCA.gov | www.TorranceCA.gov | www.facebook.com/TorranceTransit |
www.twitter.com/TorranceTransit

From: Gonzales, Mario V Civ USAF AFSPC SMC/ISOX [mailto:Mario.Gonzales@losangeles.af.mil]
Sent: Monday, February 06, 2012 9:58 AM
To: Dailey, Ian
Subject: MAX Bus 3X Line
Importance: High

To Whom It May Concern:

I am writing to let you know of my concern of the possible discontinuation of service for the MAX Bus 3X Line. I have been using this bus since my arrival to Los Angeles Air Force Base on March 2006. This has been my main source of transportation from my home in San Pedro to LAAFB and it would be a personal hardship if this line was discontinued. I request that you reconsider this change of service which I believe would not only affect me, but a very large number of passengers that depend on this service from San Pedro to the El Segundo area. If you have any questions, please contact the undersigned at the number below.

Very respectfully,

Mario Gonzales, Civ, DAF
Administrative Assistant
SMC/ISOX
Ph: DSN: 633.4443 Comm: 310.653.4443

2/7/2012

CITY COUNCIL TRANSPORTATION COMMITTEE NOTES
Wednesday, February 8, 2012

COMMITTEE MEMBERS: Councilwoman Susan Rhilinger, Chair
 Councilman Tom Brewer
 Councilman Cliff Numark

CITY STAFF: Kim Turner, Transit Director
 Jim Mills, Transit Administration Manager
 Mary Giordano, Assistant City Manager
 Brian Sunshine, Assistant to City Manager
 Aram Chaparyan, Assistant to City Manager

CALL MEETING TO ORDER

The City Council Transportation Committee convened in a regular meeting, Councilwoman Susan Rhilinger called the meeting to order on Wednesday, February 8, 2012 at 7:00 p.m. in the City Council Chamber.

TORRANCE PARTICIPATION IN THE MUNICIPAL AREA EXPRESS (MAX) PROGRAM

Discussion

Jim Mills from the Transit Department gave an overview of the various solutions available for Committee consideration during a PowerPoint presentation (Exhibit 1). Mr. Mills stated that at the January 24, 2012 Transportation Committee meeting staff recommended that the city withdraw from the MAX program effective June 30, 2012.

The recommendation was based on the following:

- Annual Torrance boarding has decreased from approximately 17,000 to 15,000, a 12% decrease.
- The annual agency participation share will increase from \$91,021 in FY 11-12 to \$131,418 in FY 12-13, an increase of 44%.
- The subsidy per passenger boarding for calendar 2011 was approximately \$6.09. The projected subsidy for calendar year 2012 is projected at \$8.80. The Torrance transit subsidy per passenger is approximately \$3.33.
- The anticipated capital requirements to replace MAX buses will cost approximately \$1.2 million. The Torrance share is estimated to be approximately \$300,000.
- Current Torrance Transit service on Line#2, Line#5 and Line #8 along with other South Bay transit providers can adequately assist displaced MAX Torrance residents.

The Torrance City Council, at its March 29, 2011 meeting, approved Torrance's continued participation in the Municipal Area Express (MAX) Program for Fiscal Year (FY) 2011-2012 with future participation in the program to be evaluated on an annual basis. It was recommended that the City continue to support the MAX system through the next year. But that the City also shared with the MAX Board the City's intention to encourage MAX to support the phasing out of MAX service, while seeking a replacement. The present Interagency Agreement for the program requires that the Lead Agency (Torrance) provide notice if it wishes to withdraw at least 120 days prior to June 30, 2012.

Therefore, Torrance has until March 2, 2012 to notify the partnering cities if we wish to terminate participation in the program. It should be noted that Torrance's departure would not necessarily mean

the end of the MAX program. Only Torrance's participation in MAX would cease. The remaining partner agencies may choose to continue the MAX.

At the January 24, 2012 meeting staff was directed to research and return to the committee with potential options to reduce the subsidy per passenger with a cap of \$5.00 per boarding.

Staff was directed to analyze possible increases in revenue and/or reductions in expenditures by examining service on the MAX Line 2 and 3.

Staff examined a number of options and would like to share with the committee its findings:

Increased Boardings Option

One method to reducing the subsidy paid per boarding on the MAX would be an increase in boardings.

To accomplish a subsidy per passenger/boarding of no more than \$5.00 for the MAX Line 2 and 3 for Torrance this would require an extremely large increase in boardings.

The projected Torrance subsidy for the MAX Line 2 and 3 is \$12.79 and \$6.61, respectively. The overall subsidy for Torrance on these two lines totals \$8.80.

When examining the MAX Line 2 subsidy of \$12.79, the targeted subsidy (\$5.00) is \$7.79 lower than current projected levels. To achieve the requested \$5.00 subsidy per boarding it would require an increase in Line 2 boardings to 13,523 in Torrance.

This would constitute a 156% increase in boardings over the CY 2011 figure of 5,288. While the additional 8,235 boardings would yield an increase in fare revenues totaling approximately \$18,529, only approximately 12.58% of the increase in fares would be recognized by Torrance, based on the current projected formula distribution.

When examining the MAX Line 3 subsidy of \$6.61, the targeted subsidy (\$5.00) is \$1.61 lower than current projected levels. To achieve the requested \$5.00 subsidy per boarding it would require an increase in Line 3 boardings to 12,760. This would constitute a 32% increase in boardings over the CY 2011 figure of 9,649.

As with the Line 2, fare revenues would increase approximately \$5,433. However, only approximately 11.87% would be recognized by Torrance, given the current projected formula distribution.

It should also be noted that should these increases in boardings occur, the subsidy per passenger of \$5.00 would only be met for one year, then as the formula was updated next year, Torrance's relative costs would increase, putting a larger burden of the operating budget on Torrance.

The reason for this increase in Torrance's share of the formula is because 50% of the formula is based on the morning boardings in each jurisdiction, and unless the other cities experienced comparable increases, Torrance would experience greater relative increases, thus resulting in a higher share of the formula.

Fare Increase Option

Another method of reducing the subsidy per passenger would be additional revenues through fare increases.

The last fare increase on the MAX was in October 2010. Current fares are \$2.25 on Line 2 and 1.75 on Line 3 and \$3.00 on the Line 3X.

Torrance would need to increase revenues on the MAX Line 2 and 3 by \$41,000 and \$16,000, respectively, to achieve the requested subsidy levels.

The industry standard for ridership deflection is for every 1% increase in fares a corresponding decrease of 0.33% in boardings should be expected. To generate the needed additional revenue, fares would have to be dramatically increased, thus reducing ridership tremendously.

In order to generate an additional \$41,000 in revenue in Torrance on the Line 2 fares generate per boarding would need to be increased by \$7.79 in Torrance, for a fare of \$10.04

However with an increase that dramatic (346%), the deflection in ridership would far outweigh any additional revenue.

To increase fare revenues on the Line 3 in Torrance, fares would need to be increased by \$1.61, or \$3.36.

With fares increased 92%, a deflection in ridership of 30% could be expected. This would again outweigh the increase in revenue through boarding reductions, and ultimately the increase in revenues would not be met.

In order to ensure the increases in revenues were met fares would need to be even further increased, however given the elasticity of ridership; equilibrium would not be met.

Any fare increase examined would require public hearings, especially with the magnitude required for this situation. Since the Line 2 and 3 both travel through low income and minority communities a detailed Title VI Civil Rights analysis on the impact to low income and minority riders would also be required.

Additionally, since Torrance is only one participating agency in the MAX, potential fare increase proposals would need to be approved by all participating agencies through the MAX Policy Steering Committee.

Additionally, the potential fare increase changes would create a service where the local routes are charging far higher than its express counterparts (Line 3X) of \$3.00.

Service Reduction Option

Another option explored is the reduction in service which could decrease expenditures for the MAX program.

If the line #2 were to reduce service by one run (bringing the service from its current 2 runs to 1 run) in the morning and evening a potential savings of \$90,000 could be realized.

If the Line #3 were to reduce its service by two runs (bringing its service from 4 to 2 runs) in the morning and afternoon a savings of \$275,000 could be realized.

However, with that said, it should be noted that this savings is the best case scenario. Currently, MV Transportation bills on a fixed and variable cost model.

The previous figures assume their fixed costs could be adjusted proportionately downward, consistent with the reduction in service hours. If MV Transportation were to already have their fixed costs reduced, then only a savings of approximately \$29,000 and \$89,000 could be achieved on the Line 2 and 3, respectively.

Furthermore, because of the nature of the current operating budget formula, savings would not be wholly realized by Torrance.

If Line 2 were reduced by one run in the morning and afternoon and the optimistic savings level (\$90,000) were used, Torrance participating share would only be reduced by \$40,000.

Additionally, by using service reductions, ridership would drop significantly, consistent with past reductions in service on the Line 2.

If Torrance were to reduce service on the Line 2 by eliminating a run it could expect a loss of approximately 1,850 boardings in Torrance alone.

This calculation was determined by using deflection levels witnessed from the July 1, 2011 reduction in service. The loss of the 1,850 boardings would not only account for loss in fare revenues, but a drop in ridership on the Line 2 for Torrance of 35%.

With this loss of ridership and a recalculation of the current operating budget formula, the subsidy per boarding would still remain at almost \$9.00 on the Line 2 for Torrance.

Any service reduction would require public hearings and negotiation with the current operator MV Transportation regarding the corresponding impact to their employees. In July 1, 2011 when the city of Rancho Palos Verdes withdrew from the MAX, MV then reduced its contract by 16% or \$172,286. Consistent with past practice, the Policy Steering Committee for the MAX program would need to task Lead Agency staff with entering negotiations of any contract adjustments in FY 12-13.

Conclusion

Based on the staff analysis, the potential of each option results in either unattainable targets or highly unlikely outcomes, and ultimately does not achieve the goals of the City of Torrance.

The staff recommendation with your honorable body's concurrence is to forward to the city council that the City of Torrance withdraws from the Municipal Area Express (MAX) program effective June 30, 2012.

Staff is available for any questions you may have.

PUBLIC COMMENTS

- Carl Jacobson (Councilman City of El Segundo) – Mr. Jacobson is a MAX Policy Steering Committee member. He suggested at the MAX meeting that the Steering Committee agree to extend the MAX service by one additional year and use reserves to fund the operation. The entire program will end on June 30, 2012. With this option, the impacted employers will have an opportunity to be notified and find alternative modes of transportation. Councilwoman Rhilinger inquired if the City of Torrance would be required to contribute next year for its share of the MAX program. Jim Mills responded that the City of Torrance will not have to contribute its share if the MAX Steering Committee approves the use of reserves to fund the program. According to Mr. Mills, the current reserve as of June 30, 2012 will be approximately \$665,000. Transit Service Expansion (TSE) funds are estimated to be \$345,000 and Capital Reserve funds at \$322,000. The participating agencies share for FY 12-12 is estimated to be approximately \$536,000.
- Councilman Numark suggested that MAX use any leftover funds to obtain the services of a professional who can work with various employers to communicate the change and seek solutions to assist with the transition.

- Several public comments were heard at the Committee meeting from employees and MAX riders representing Raytheon, the Aerospace Corporate, the Air Force Base, and Torrance residents. Member of the public were supportive of the MAX Bus Service and encouraged Committee members to consider extending Torrance's participation in MAX by one additional year.

COMMITTEE DISCUSSION

- Councilman Brewer stated that the support from passengers and riders in the audience was evident and asked staff if the viable alternative option of extending the service one more year is viable. Mr. Mills stated that a decision by Torrance needs to be made by March 2nd, to allow sufficient time per the current agreement for Torrance to withdraw from the MAX program. Mr. Mills also added that concurrence is required by the majority of members of the MAX Steering Committee to approve the usage of reserves to fund the service by one additional year which also corresponds with the expiration of the operating contract with MV Transportation.
- Councilman Numark suggested seeking legal opinion and pose motion which sets condition, such as, City of Torrance will pull out if the MAX Policy Steering Committee does not agree to extend by one year and by using reserves to fund the program.
- Chair Rhilinger stated that while all the riders loves the service, we are looking for a higher portion of subsidy. She further explained that the anticipated subsidy of \$9 per rider can help City serve others such as senior citizens. She sees employers role to seek alternative. She explained that by extending one year is delegating the inevitable. She stated that she will propose to eliminate the service now and use reserves to pay for final year as employers seek other options. She was in favor of eliminating the current funding and fund the final year with reserves.
- Councilman Brewer added that the participating agencies will not be contribution any funds towards bus replacements and that there will not be a reserve to buy or fix buses. This would be the final year of funding MAX.
- Councilman Brewer made the motion to use reserves in the MAX account pending ratification to keep MAX operating till end of the current contract.
- Councilman Numark stated that very little is left in the reserve and that he was concerned with pulling out now. He added that there is a period of time that a new model can be created for this transportation model. He added that there may be other options that must be considered. Councilman Numark said that it is premature to withdraw without seeking alternatives by employers. He challenged employers to come up with solutions to improve traffic and congestion in the South Bay.
- Chair Rhilinger stated that she will not support motion as phrased and that she disagrees with Councilman Numark. She further added that the Committee was representing the City of Torrance and not the MAX Policy Steering Committee. She stated that we must inform others that service is ending in a year and that a decision must be made now. Otherwise, there will be hope that there is reprise now.
- Councilman Numark added that this can be accomplished via communications such as the City of Torrance has decided to continue the service for one more year. If circumstances do not change, service will discontinue. Councilman Numark disagreed to make decision during the Committee meeting.

- Chair Rhilinger stated that we are in a position now to make a decision. If the Committee lets hope out there, there will be less of an incentive to come up with solutions. She added that making the decision now will give stakeholders incentive to come up with solutions.
- Councilman Numark added that when the City Council decided last year to explore options, they did not have sense that this was going to be the last year. He suggested that the City send out a strong message to employer community.
- Chair Rhilinger asked if there would be an objection to motion barring a solution, that program will end July 2013.
- Councilman Brewer stated that the motion was clear that the City of Torrance participation ends when the contract with MV Transportation ends. He added that once there is no reserves, there is not funds to further operate the service.
- Chair Rhilinger reminded everyone that motion was that City of Torrance will withdraw with expiration of contract in 2012 if the MAX Steering Committee covers the next year with reserves and uses reserves to fund another year. Also suggested that staff work with METRO to seek other alternatives such as Rapid bus service to replace the MAX bus service. Chair Rhilinger made the motion to recommend that City of Torrance withdraw from the MAX in June 2013 and encourage the MAX Steering Committee to use reserves to fund 2012-13 year.
- Councilman Numark stated that he will support if the City encouraged the MAX Policy Board and employers of El Segundo to work on a new model or alternatives to the MAX service.
- Councilman Brewer added that a statement of seeking alternative solutions with employers is not needed in the motion.
- Councilman Brewer made the following motion:
 - *Recommendation of the City Council Transportation Committee that the City of Torrance withdraw from the Municipal Area Express (MAX) service effective July 1, 2013 and encourage the MAX Policy Steering Committee to approve the use of reserves to fund the 2012-12 operating budget, otherwise, the City of Torrance will withdraw effective July 1, 2012.*
 - The motion was seconded by Chair Rhilinger. The motion was approved by a vote of 2 - 1.
- In closing, Chair Rhilinger encourage everyone to work together to find solutions.

ORALS

None

ADJOURNMENT

At 8:10 p.m. the meeting was adjourned.

MAX

M U N I C I P A L A R E A E X P R E S S



Municipal Area Express

Lead Agency Staff Recommendation –

- Withdraw from MAX on June 30, 2012:
 - Torrance Boardings decreased from 17,000 to 15,000
 - Agency share of expenditures to increase from \$91,021 to \$131,418
 - Per Passenger Subsidy will increase from \$6.09 to \$8.80
 - Cost to replace MAX buses is \$1.2M with Torrance’s share to be \$300,000
 - Torrance Transit’s fixed route service - Line 2, Line 5 and Line 8 – can assist displaced Torrance residents who ride MAX

Municipal Area Express

Background –

- Torrance City Council approved continued participation for FY2011-2012
- Lead Agency must submit notice to withdraw at least 120 days prior to June 30, 2012 (which is March 2, 2012)
- Torrance's departure does not necessarily mean the end of the MAX Program
- Remaining partner agencies may choose to continue MAX
- Torrance Transportation Committee asked staff to research the possibility of a \$5 per passenger subsidy

Municipal Area Express

Staff Research –

- POSSIBLE SOLUTION #1 - Increased Boardings
 - To attain \$5 per passenger subsidy, a 156% increase in ridership is needed for MAX Line 2 and 32% for MAX Line 3
 - Ridership must continue to increase annually to coincide with increases to the operating budget in future program years
 - 50% of the MAX Operating Formula is based on morning passenger boardings by City (e.g. - the more boardings within a City's boundaries means a higher share of the operating formula/budget)

Municipal Area Express

Staff Research –

- POSSIBLE SOLUTION #2 – Fare Increase
 - Last fare increase was October of 2010
 - Revenue would need to increase by \$41K on Line 2, and \$16K on Line 3
 - Line 2 Fare would be \$10.04 and Line 3 Fare would be \$3.36 – higher than other bus services in region
 - A 30% Deflection Rate is anticipated
 - Title VI Civil Rights Analysis and Public Hearing
 - MAX Policy Steering Committee must approve fare increase (Torrance is only one vote)

Municipal Area Express

Staff Research –

- POSSIBLE SOLUTION #3 – Service Reductions
 - Reduce Line 2 to one AM and PM run
 - Reduce Line 3 to two AM and PM runs
 - High loss of ridership (due to service cuts) is anticipated
 - Loss of ridership lowers fare revenue recovery – hence subsidy remains high
 - Public Hearing required
 - Service reductions must be negotiated with current Contract Provider and approved by MAX Policy Steering Committee

ADDITIONAL PUBLIC COMMENTS RECEIVED

February 16, 2012

Mr. Frank Scotto, Mayor
Torrance City Council
3031 Torrance Blvd
Torrance, CA 90503

Dear Mayor Scotto:

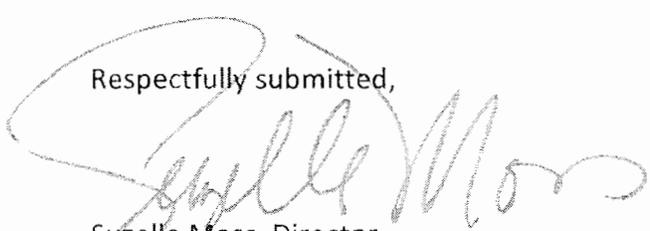
Raytheon is writing to encourage the Torrance City Council to explore options for retaining the MAX bus service and continue to provide funding for this important transit routing.

As one of the largest local employers in the area, Raytheon has a strong commuter program and has promoted the use of public transportation as an alternative to the solo commute. Through discounted pass sales and incentive programs, employees are encouraged to use high occupancy commute modes such as transit and vanpools. In addition, since August 2005, Raytheon has extended parking privileges to the MAX buses, where they stage for the afternoon return trips.

With over 700 Torrance residents working at Raytheon, the cancellation of this longstanding bus service will be sorely missed. The elimination of the route not only weakens the transit infrastructure in the South Bay, it puts people back in their cars, undoing years of work by the various employer commuter programs.

Raytheon encourages the Council to adopt the recommendation of the Transportation Board and extend the service through June-2013. We will continue to work closely with MAX and Torrance Transit to encourage and promote ridership. Please contact Commuter Services Manager, Rose Bennett, at 310-647-4162 for additional information.

Respectfully submitted,



Suzelle Moss, Director
Environmental Health & Safety

Dailey, Ian

From: Mills, Jim
Sent: Thursday, February 16, 2012 9:51 AM
To: Chaparyan, Aram; Dailey, Ian; Lee, James
Subject: FW: Extend MAX bus service through June 30, 2013

FYI.

From: City Clerk
Sent: Thursday, February 16, 2012 9:32 AM
To: Mills, Jim
Subject: FW: Extend MAX bus service through June 30, 2013

For the record.
 Sue Herbers

From: Damon C Perry [mailto:Damon_C_Perry@raytheon.com]
Sent: Thursday, February 16, 2012 9:16 AM
To: Scotto, Frank
Cc: Barnett, Gene; Brewer, Tom; Furey, Pat; Numark, Cliff; Sutherland, Bill; Herbers, Sue; Cortez, Dana
Subject: Extend MAX bus service through June 30, 2013

TO: Mayor Frank Scotto and Members of the Torrance City Council

Torrance City Hall
 3031 Torrance Blvd
 Torrance, CA 90503

FROM: Damon C. Perry
 28530 Bearhaven Ct.
 Rancho Palos Verdes, CA 90275
perryecn@yahoo.com

SUBJECT: Extend MAX bus service through June 30, 2013

Dear Honorable Council Members:

I and several other MAX bus riders have attended both the January 24 and February 8 meetings of the Torrance Transportation Committee and we remain quite active in working for a better solution than the Torrance Department of Transportation's proposed cancelation of all MAX bus service effective June 30, 2012.

On our own time, we are building up a team of supporters, mostly fellow MAX bus riders, to engage our employers and hometown city governments. Yet, even as I intentionally ride several different MAX bus lines in an effort to inform other riders of this situation, I continually come across MAX bus passengers who are unaware of the planned cancelation.

It is for these reasons that I encourage the entire honorable body of the Torrance City Council to accept the recommendation of the Transportation Committee to extend to the MAX bus service through June 30, 2013. In doing so, please carefully consider the idea of El Segundo City Councilmen Carl Jacobson, who sits on the MAX board, to use the money in reserves (some of which was set aside for future upgrades of buses) to keep the MAX bus running through June 30, 2013.

I am optimistic about Transportation Committee chair Councilwoman Susan Rhilincer's stated expectation that the City of Torrance can provide *support* to the *leadership* roles of employers, such as the Air Force, The Aerospace Corporation, Raytheon, Boeing, and others who would be actively engaged in finding alternatives to the MAX bus.

As for myself, I work for Raytheon and have been riding the MAX 3 for four years now. You may not be aware but, all the MAX buses are parked at Raytheon between their morning and evening runs. In addition to this support, Raytheon pays half of an employee's bus fare up to \$50 a month. And, while I cannot speak for Raytheon in any capacity, I feel confident that we can and will do more. However, we really do need the proposed one year extension to work out the details.

Meanwhile, I will continue to invite friends to ride the MAX busses, promote ridership at Raytheon events such as Earth Day, and enthusiastically promote the satisfaction that one enjoys when they do their part to reduce pollution and traffic congestion.

**SOUTHERN CALIFORNIA TRANSIT ADVOCATES**

3010 Wilshire #362, Los Angeles, CA 90010

☎ 213-388 2364 🌐 <http://www.socata.net>

Feb. 21, 2012

Municipal Area Express
Policy Steering Committee

Sirs:

On behalf of our members I wish to express our firm support for the continuation of the routes of the Municipal Area Express. It is a vital service for its riders and provides an important public benefit by encouraging use of mass transit for commuting to the El Segundo Employment Center, reducing congestion and air pollution.

We encourage the MAX participating jurisdictions to explore funding options (including regional, state and federal) to address operational and capital expenses as a means of providing relief to the stressed financial resources of the member agencies in meeting their apportioned share of continuing MAX services.

Thank you for your kind attention.

A handwritten signature in black ink that reads "Dana Gabbard". The signature is written in a cursive, flowing style.

Dana Gabbard
Executive Secretary
dgabbard@hotmail.com

cc: Councilwoman Susan Rhilinger
Chair, Torrance City Council Transportation Committee

Congresswoman Janice Hahn

Nick Green, Daily Breeze