



CITY OF GLENDALE, CALIFORNIA REPORT TO THE CITY COUNCIL

AGENDA ITEM

Report: Authorization to Submit Request to the Los Angeles County Metropolitan Transportation Authority (Metro) for Included Municipal Operator designation

1. Motion authorizing the City Manager, or a designee, to submit a request to Metro for Included Municipal Operator designation for the City of Glendale.

COUNCIL ACTION

Item Type: Action Item

Approved for April 15, 2025 **calendar**

EXECUTIVE SUMMARY

The City of Glendale began operating Beeline fixed-route and Dial-A-Ride service in 1984, after the passage of the first transportation ½-cent sales tax, Proposition A. The City of Glendale has continued its commitment to, and prioritization of, public transit services by constructing City-owned dedicated bus maintenance, operations, and administrative facilities and expanding fixed-route service to meet the unmet transit needs within our region.

The Cities of Glendale and Pasadena are requesting designation as Included Municipal Operators for regional transit operations funding to provide regional transit services in Glendale and neighboring cities where our riders depend on them, with the goal of improving transit services.

RECOMMENDATION

Pass a motion authorizing the City Manager to submit a joint request to Metro for Included Municipal Operator designation for the Cities of Glendale and Pasadena.

ANALYSIS

The City of Glendale and the City of Pasadena have prepared an application to request designation as Included Municipal Operators to continue providing regional transit services in Glendale, Pasadena, and neighboring cities that our riders depend on. Since becoming Tier II operators in 2011, Glendale and Pasadena have continued the Cities' commitment to, and prioritization of, public transit services by:

Glendale - Constructing a City-owned dedicated bus maintenance, operations, and administrative facility and expanding fixed-route service to meet the unmet transit needs within our region.

Pasadena – Designing and preparing to construct a city-owned dedicated bus maintenance and operations facility; designing and building a hydrogen fueling station; and expanding fixed-route service and fleet to meet the unmet transit needs within their region, including operating two recently transferred Metro routes.

Transit Operations Funding

As the designated County Transportation Commission, Metro has the authority to program all regional transportation funds to itself and other agencies within LA County. The primary sources of transit operations funding that Metro allocates are the four voter-approved county transportation sales taxes: Proposition A, Proposition C, Measure R, and Measure M, as well as the State of California TDA Article 4 and STA.

Metro distributes the state and local operating subsidies to Included Municipal Operators. Metro established Included Municipal Operators in the 1970s and added four new Included Municipal Operators in the 1990s. The Formula Allocation Procedure (FAP) adopted by Metro and legislated through SB1755 allocates transit operations funding. The FAP comprises state funds (STA and TDA Article 4) and Proposition A 40% Bus Transit funding. The following table shows the original Included Municipal Operators and the new Included Municipal Operators.

Original Included Operators		New Included Operators
Metro	La Mirada	Antelope Valley
Arcadia	Long Beach	LADOT*
Claremont	Montebello	Santa Clarita
Commerce	Norwalk	Foothill BSCP
Culver City	Redondo Beach	* <i>Select Service</i>
Foothill Transit	Santa Monica	
Gardena	Torrance	

The Public Utilities Code (PUC) section 99285 allows for new Included Municipal Operators that meet the new operator criteria established by the former Los Angeles County Transportation Commission (LACTC), now Metro. New Included Municipal Operators meeting the requirements must be approved by at least nine votes of the Metro Board.

CRITERIA FOR NEW INCLUDED MUNICIPAL OPERATORS

Any transit system seeking designation as an “included municipal operator” under PUC section 99207(d) is required to meet specific criteria:

1. Length of continuous operation for a minimum of three years.

2. The municipal system shall have been available for use by the general public during the same three-year period.
3. During this same, entire three-year period, the system's operating expenses shall have been supported at least 50 percent by one or more of the following funding sources: fare, city general funds, or federal UMTA programs. Monies received under the 25% Local Return provisions of Proposition A are not to be considered part of "city general funds" for this criterion.
4. The municipal system's Short Range Transit Plan has been approved by Metro.
5. The municipal system is reasonably meeting a transportation need that would otherwise not be met and is providing a transit service that cannot be effectively provided by an operator that is currently receiving TDA assistance.
6. The municipal system is integrated and coordinated with intersecting or adjoining public transit systems.
7. The municipal system has management information and accounting systems adequate to meet the data gathering and reporting requirements of the Transportation Development Act and Section 15 of the Urban Mass Transportation Act, as amended.
8. Notwithstanding the criteria numbered (1), (2), and (3) above, a transit system may be made eligible for TDA funding immediately after its creation if it consists substantially of a reorganization or replacement of another transit system(s) which were previously eligible for TDA funds and provides service substantially similar service to service which previously received TDA subsidies.

Notwithstanding criteria 1, 2, and 3 an operator may be designated an Included Operator for specific service previously funded through an LACTC demonstration grant by nine affirmative votes of the LACTC.

Potential Increase in Funding

The Beeline and the Pasadena Transit services meet all the eligibility criteria to move from Tier II operators to Included Municipal Operators. The Cities of Glendale and Pasadena anticipate that Metro will use Proposition A Bus Transit Growth Over Inflation (GOI) funds to provide the Cities' increased funding allocation as the newer Included Municipal Operators, also known as Eligible Operators. The GOI is a subset of Proposition A Bus Transit funding to specifically fund Eligible Operators, so as not to harm the original Included Municipal Operators financially.

The first draft of the Metro FY 2026 Transit Fund Allocations shows a surplus of \$37.6 million in GOI funding that can be used for new Included Municipal Operators. Below is an estimate of the funding allocations for each city that includes the FAP and other funding

allocations distributed to Included Municipal Operators

	FAP	Other Allocations	Total
Glendale	\$6,834,054	\$4,783,837	\$11,617,891
Pasadena	\$2,968,946	\$2,078,262	\$ 5,047,208
Total	\$9,803,000	\$6,862,099	\$16,655,099

This funding is needed to continue to provide Glendale Beeline and Pasadena Transit services and any new services that the Glendale Comprehensive Operational Analysis may recommend, such as late-night service and added weekend service.

Finally, with the unprecedented January wildfires, funding Arroyo Verdugo transit agencies is critical to maintaining transit services in the area, as rebuilding Altadena may take years. Having stable funding to operate transit during the rebuilding is key to ensuring that mobility is available to all.

STAKEHOLDERS/OUTREACH

Glendale Beeline operates nine routes and carried over 98,000 passengers in February which is 111% of pre-pandemic ridership. The passengers depend on service and would benefit from additional funding.

FISCAL IMPACT

There is no fiscal impact associated with this report, which seeks authorization to submit an application to Metro. If this action results in the Glendale Beeline eventually becoming an Included Operator, staff will return to Council with additional details on the expenditures and Special Revenue funding sources associated with this designation.

ENVIRONMENTAL REVIEW (CEQA/NEPA)

The action being considered does not constitute a “project” within the meaning of CEQA pursuant to CEQA Guidelines section 15378(b)(5), as it constitutes an organizational or administrative activity of the government that will not result in direct or indirect physical changes in the environment; thus, it is not subject to CEQA pursuant to CEQA Guidelines section 15060(c)(3).

CAMPAIGN DISCLOSURE

This item is exempt from campaign disclosure requirements.

ALTERNATIVES TO STAFF RECOMMENDATION

Alternative 1: The City Council may elect not submit the request for Included Municipal Operator designation, such that the City will remain a Tier II operator.

Alternative 2: The City Council may consider any other alternative not proposed by staff.

ADMINISTRATIVE ACTION

Submitted by:

Daniel Hernandez, Director of Public Works

Prepared by:

Martha D'Andrea, Transit Manager

Approved by:

Roubik R. Golanian, P.E., City Manager

EXHIBITS/ATTACHMENTS

Exhibit A – Included Municipal Operator Application