Meeting Date: 05 / 18/ 10

ACTION	TYPE OF ITEM
☐ Approved Recommendation	☐ Info/Consent
☐ Ord. No(s). _____	■ Report
☐ Res. No(s). _____	☐ Public Hearing (Info/consent)
☐ Other _____	☐ Other _____

Prepared By: Martin R. Erickson MRE Agenda Item No. O-1

Reviewed By: City Manager City Attorney Finance Other *(Specify)*

DATE: May 7, 2010

TO: City Council

FROM: Martin R. Erickson, Legislative Affairs Manager
City Manager's Office

SUBJECT: **Gold Coast Transit (GCT) FY 2010/11 Capital and Operating Budget**

RECOMMENDATION

That City Council support the GCT Fiscal Year (FY) 2010/11 proposed capital and operating budget in an amount not to exceed $4,303,073 for fixed route service, senior and disabled paratransit service, and the capital program.

DISCUSSION

Gold Coast Transit (GCT) is the public transit provider for western Ventura County. GCT is a Joint Powers Agency (JPA) with five members: City of Oxnard, City of Ventura, City of Ojai, City of Port Hueneme and the County of Ventura.

GCT's budget responds to the most challenging environment for public transit in the last twenty years, and maintains the successful track record of recent service improvements and ridership increases. Some of the highlights are listed below:

- The budget before City Council is constrained in light of the challenging fiscal environment, yet it also includes service enhancement recommendations in the City of Oxnard.
- Oxnard's anticipated FY 2010/2011 Transportation Development Act (TDA) contribution to GCT is $4,303,073, an increase of 0.4 % over last year's amount.
- GCT's overall ridership has been increasing even after gasoline prices fell from their peaks. This is a positive sign that more people are choosing to ride the bus.
- GCT is attracting more "choice" riders, who are using transit instead of driving their automobile.

A significant challenge for GCT and the provision of all public transit in Ventura County is the sharp reduction in Transportation Development Act (TDA) funding, derived from the quarter cent sales tax collected statewide. Countywide revenues from TDA are down significantly from last fiscal year. Added to that, State Transit Assistance (STA) transit funding was eliminated from the State budget in February as the State attempted to shift costs to balance their budget. The net result of this funding situation is that revenues for transit have been reduced, and the City of Oxnard will expend all its TDA funding on transit purposes.

Fortunately, transit ridership is up for the year, showing that the recent service improvements have been effective. In early 2010, GCT staff prepared a Transit Service Strategy and Plan for potential service improvements, some components of which are included in the FY 10/11 budget proposal. They include improving trip time and more efficient route structure for various Oxnard lines of service. GCT staff in conjunction with the City will hold two public meetings (one on May 25 from 6-8 pm at the South Oxnard Community Center, and the other on May 27 from 6-8 pm at the Oxnard Transportation Center) to present the improvements and gather input.

Additionally, GCT staff has been working closely with City Development Services staff to condition developments to be more transit oriented. This is important not only for improving transit ridership, but also for reducing automobile traffic and improving air-quality. With the recent passage of SB 375 (Steinberg), reducing greenhouse gas emissions is now State policy; and transit will play a critical role in meeting the goals set forth by this legislation. One of the changes approved to the GCT JPA in 2007 allows member agencies to allocate non-TDA funds to GCT. This provides benefits to both the member agency (the City) and to GCT. For the City, it allows TDA monies to be used for additional City transit purposes and opens up the option of conditioning future developments to pay for specified transit services. For GCT, receiving non TDA revenues will help them exceed the 20% farebox requirement as it pertains only to TDA revenues. GCT is requesting $275,000 of non-TDA funds for FY 10/11, and City staff has identified air-pollution-buy-down funding as the source for this non-TDA revenue as it must be spent on activities linked to reducing air-pollution, such as transit.

FINANCIAL IMPACT

The City of Oxnard has historically funded GCT with its apportionment of Transportation Development Act (TDA) funds. Because TDA funds are intended for transit needs, staff projects adequate revenue to fund GCT at the proposed amount of $4,303,073. City staff will incorporate $275,000 of air-pollution-buy-down funds into the FY 10/11 TDA claim when it is submitted to City Council in October, 2010.