

**TO THE COUNCIL OF THE
CITY OF LOS ANGELES**

Your

TRANSPORTATION

Committee

report as follows:

TRANSPORTATION COMMITTEE REPORT relative to the development of public-private partnerships and/or cost sharing opportunities that will allow the City to leverage public transit funds for the City's public transit services.

Recommendation for Council action, pursuant to Motion (Garcetti - Smith):

DIRECT the Los Angeles Department of Transportation (LADOT), in coordination with the Chief Legislative Analyst and the Mayor's Office, to develop public-private partnership(s) and/or cost-sharing opportunities that will allow the City to leverage public transit funds and help mitigate the projected deficit in the Proposition A fund to allow the continuation and possible expansion of the City's vitally needed public transit services.

Fiscal Impact Statement: Neither the City Administrative Officer nor the Chief Legislative Analyst has completed a financial analysis on this report.

Community Impact Statement: None submitted.

SUMMARY

Motion (Garcetti-Smith) provides background information on the City's Proposition A local return program, which is funded by a 1/2 cent sales tax measure approved by the voters of Los Angeles County in 1980. The City is estimated to receive \$64.7 million in Proposition A local return funds in FY 2008-09. These funds must be used exclusively to benefit public transit. A majority of the City's Proposition A funds are used to support the City's public transit program (DASH, Commuter Express, Cityride and Charter Bus). The LADOT recently reported that the Proposition A ten year forecast, based on the City's adopted FY 2008-09 Budget, indicates a projected shortfall of approximately \$260 million by FY 2017-18; and an average annual deficit of \$26 million beginning in FY 2011-12.

The Motion also notes that the City will need to make major cuts in its transit services and to implement fare increases in order to address the projected shortfall. It is incumbent upon the City of Los Angeles to examine public-private partnerships that could leverage dwindling public transit dollars and help to mitigate reductions in services. Such partnerships may, in some cases, actually improve transit programs and ridership. As an example, the Late Night Red Line program and the Late Night DASH service in Downtown Los Angeles, which operated on Friday and Saturday nights from November 21 to December 27, 2008, were funded entirely by private sector sponsorships. Both programs demonstrated a successful public/private partnership in which the public and the private sectors worked together to operate expanded transit services that benefited both riders and the business community.

At a regular meeting held on May 27, 2009, the Transportation Committee considered Motion (Garcetti - Smith) relative to the development of public-private partnerships and/or cost sharing opportunities that will allow the City to leverage public transit funds for the City's public transit services. Representatives from the LADOT and Council District 13 staff gave the Committee

background information on the matter. An opportunity for public comment was held. Afterwards, the Committee moved to approve the recommendation contained in the Motion. This matter is now forwarded to the Council for its consideration.

Respectfully submitted,
TRANSPORTATION COMMITTEE

| <u>MEMBER</u> | <u>VOTE</u> |
|---------------|-------------|
| GREUEL: | YES |
| LABONGE: | YES |
| ALARCON: | YES |
| PARKS: | YES |
| ROSENDAHL: | YES |

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Not Official Until Council Acts