



Agenda Item # _____

Staff Report

City of Manhattan Beach

TO: Honorable Mayor Fahey and Members of the City Council

THROUGH: Geoff Dolan, City Manager

FROM: Sherilyn Lombos, Deputy City Manager

DATE: December 20, 2005

SUBJECT: Consideration of a Request for Funding From Gateway to Los Angeles for Operation of the Ocean Express Shuttle

RECOMMENDATION:

Staff recommends that the City Council consider appropriating \$20,000 from the City Council Contingency to Gateway to Los Angeles for operation of the Ocean Express Shuttle.

FISCAL IMPLICATION:

Last year the City Council authorized funding for Ocean Express from Proposition A funds; however, this year the City's Prop A funding has been designated for the 439 bus line replacement solution and discussions of a City trolley service. In previous years, however, the City's contribution to Ocean Express was taken from the Council's Contingency fund. There are sufficient funds available in the Council's contingency to fund the Gateway to LA request.

BACKGROUND:

In October 2002 the Gateway to LA (a property-based Business Improvement District which includes a number of hotels along Century Blvd.) set up a shuttle to the Pier in Manhattan Beach called Ocean Express. They started the shuttle service with three hotel stops and one drop-off point (at the Pier). Since that time, they have added three additional hotel stops and two additional drop-off points, one at the Village Shopping Center, the other at Rosecrans and Highland in the North End. Their ridership has steadily increased, from 257 in October 2002 to over 6,800 passengers in July 2005. The shuttle averages nearly 4,000 passengers a month and since its launch three years ago has brought over 100,000 people to Manhattan Beach without increased traffic or parking.

DISCUSSION:

Attached to this staff report is a package from Gateway to LA requesting \$20,000 to be used to offset the current operating costs of the Ocean Express shuttle. As is detailed in the report, in addition to funding from the City, Gateway to LA representatives have received commitments from the Downtown Business Association (\$10,400), the Manhattan Village Shopping Center (\$3,200), the Chamber of Commerce (\$2,000) and the North End Merchant (\$1,000) totaling \$16,600.

CONCLUSION:

Representatives from Gateway to LA will make a presentation at tonight's meeting regarding the Ocean Express Shuttle and will request \$20,000 from the City to help fund a portion of the operation costs.

Attachment: Funding request from Gateway to LA

November, 2005

City of Manhattan Beach

To Whom It May Concern:

Gateway to L.A. Property-Based Business Improvement District (PBID) located directly adjacent to Los Angeles International Airport, represents 13 hotels – the highest concentration of hotel rooms in Los Angeles county; 12 office buildings; and numerous restaurants, small businesses and off-airport parking operators serving the 60 million travelers utilizing LAX.

As a way to better service the visitors utilizing this area, Gateway to L.A. has been operating a free shuttle service taking hotel guests and area workers to the dining, shopping and leisure activities offered by the city of Manhattan Beach. We are requesting a grant in the amount of twenty thousand dollars that would be used to offset the current operating costs. Gateway to L.A. has conducted surveys of our passengers and believes that our shuttle services are beneficial to not only our passengers, but to the businesses of Manhattan Beach.

Thank you for your time and consideration of this grant proposal. Please contact me if there is other information I can provide.

Contact name and number

Laurie Hughes
Executive Director
Gateway to L.A.
6151 W. Century Blvd., Ste. 121
Los Angeles, CA 90045
(310) 216-7328

lhughes@gatewaytola.org

Gateway to L.A.

Mission

To economically and aesthetically revitalize the properties and businesses within the boundaries of the district and to create a meaningful and recognizable “Gateway” to the city of Los Angeles.

Century Boulevard, with its proximity to the Los Angeles International Airport, is the primary gateway to the city of Los Angeles. **More than 67 million people travel through the Gateway to L.A. district annually.**

Established in 1998, the *Gateway to L.A.* Property-Based Business Improvement District (PBID) three-year pilot program was a tremendous success. In August 2000, with a majority of area property owners’ support, the Los Angeles City Council voted 12-0 in favor of the plan to renew and expand the *Gateway to L.A.* PBID through 2005. The district’s annual operating budget is \$690,000.

The PBID has successfully created a unified voice for concerned property owners and hotel operators who now work together to develop a cohesive, thriving and welcoming identity for the area.

The airport business district is a hub for visitors and businesses. The 4.4 million square foot PBID area features 12.3 million square feet of improvements, including a collection of 13 hotels, office buildings, restaurants, services, small businesses and several major parking facilities which serve area businesses and LAX. More than 12,000 people work in the PBID area.

With almost four million square feet of institutionally owned office space, the airport business district is a favored location for travel and air transportation-related companies. It is home to more than a dozen major hotels catering to both business and leisure travelers as well as serving event and meeting needs of the city. Collectively the hotels represent 7,298 rooms and 5,200,000 guests and visitors annually.

In October of 2002, Gateway to L.A. launched the Ocean Express shuttle service to the beach, shops and attractions of downtown Manhattan Beach. This free service has made quite an impression on area employees and visitors averaging nearly 4,000 passengers a month in its third year of operation and more than **100,000** riders total since its launch. In April of 2005, a 3rd stop was added on Highland Avenue near Rosecrans at the request of the merchants in that area. Operating only one vehicle, July of 2005 enjoyed the largest ridership yet at over 6,800 passengers.

In 2005, despite the record rainfall in Los Angeles County, the number of passengers traveling to Manhattan Beach increased 17% over ridership in 2004. (See Appendix A)

In April 2005, we surveyed 298 passengers who traveled to Manhattan Beach. Seventy-nine percent of those surveyed rated the service of the Ocean Express as excellent. The remaining twenty-one percent rated the service as good, with no one reporting poor service or other concerns. The surveyed passengers reported that while in Manhattan Beach, they shopped, dined in restaurants, went to the beach and attended movies or other local attractions. While in Manhattan Beach, 58% of the visitors surveyed spent between twenty and hundred dollars, and another 19% spent over \$100 (see Appendix B). The Ocean Express is a measurable asset to Manhattan Beach's commerce. As a by-product of the steady increases in the number of passengers who utilize the Ocean Express, we predict an increase in taxable revenue for the city of Manhattan Beach.

The current Ocean Express 35 passenger trolley has an annual operating expense of \$150,000 (\$38 per operating hour) representing nearly 22% of our annual budget. In 2005, the following contributions towards operating costs have been received and/or promised:

Manhattan Beach Downtown Association	\$10,400
Manhattan Village Shopping Center	\$3,200
Manhattan Beach Chamber of Commerce	\$2,000
North Manhattan Beach Merchants	<u>\$1,000</u>
	\$16,600

In the spirit of partnership, Gateway to L.A. respectfully requests a grant in the amount of twenty thousand dollars from the City of Manhattan Beach.

Ocean Express
Monthly Passenger Count

Date	Stop 1	Stop 2	Stop 3	Stop 4	Stop 5	Stop 6	Total
October-02	42	193	0	0	22	0	257
November-02	126	222	0	0	28	0	376
December-02	100	201	0	0	56	0	357
January-03	114	351	0	0	70	0	535
February-03	164	495	0	0	118	0	777
March-03	174	485	0	0	328	0	987
April-03	184	474	0	0	331	0	989
May-03	309	459	0	0	313	0	1081
June-03	500	800	0	0	299	0	1599
July-03	674	1081	0	0	327	0	2082
August-03	635	965	0	0	673	0	2273
September-03	510	703	32	131	569	0	1945
October-03	583	663	17	411	584	0	2258
November-03	522	576	187	525	209	0	2019
December-03	563	567	97	589	270	198	2284
January-04	590	613	125	530	212	184	2254
February-04	584	1078	273	142	417	314	2808
March-04	578	1727	766	83	173	322	3649
April-04	705	1605	574	157	94	283	3418
May-04	705	1632	375	712	142	489	4055
June-04	777	1778	442	433	201	371	4002
July-04	1097	1568	274	794	244	572	4549
August-04	1108	1695	205	776	271	631	4686
September-04	857	1585	275	732	195	602	4246
October-04	708	1226	287	609	278	382	3490

Manhattan Beach	Manhattan Village	Total
252	0	252
379	0	379
348	0	348
517	0	517
752	0	752
978	0	978
947	0	947
797	282	1079
1139	511	1650
1446	603	2049
1440	808	2248
1047	972	2019
1076	1182	2258
1097	1011	2108
905	1390	2295
797	1456	2253
1091	1587	2678
1642	2060	3702
1581	1724	3305
2140	1738	3878
2103	1755	3858
2521	2024	4545
2721	1946	4667
2133	2053	4186
1592	1774	3366

Total	12909	22742	3929	6624	6424	4348	56976
Percentage	22.66%	39.92%	6.90%	11.63%	11.27%	7.63%	

31441	24876	56317
55.83%	44.17%	

Ocean Express
Monthly Passenger Count

Date	5249 W. Century	Century & Concourse	5757 W. Century	Century & Airport	Century & Avion	Century & Vicksburg	Total	Avg P/Trip	Rosecrans & Highland	Manhattan Beach	Manhattan Village
Nov-04	321	546	789	287	174	408	2525	8.4	0	1044	1368
Dec-04	377	206	1259	534	127	310	2813	9.1	0	892	1917
Jan-05	315	514	996	181	452	389	2847	9.2	0	1089	1704
Feb-05	184	329	969	149	597	352	2580	9.2	0	1083	1423
Mar-05	315	586	1309	138	760	437	3545	11.4	0	1725	1664
Apr-05	363	534	1195	186	620	447	3345	11.2	4	1661	1650
May-05	415	400	1404	242	931	496	3888	12.5	179	1886	1642
Jun-05	675	566	1921	579	1037	571	5349	13.7	100	3797	2066
Jul-05	739	965	2042	781	1462	844	6833	17.0	238	5069	2180
Aug	749	573	1685	456	1037	525	5025	12.5	126	4480	1644
Sep-05	498	593	1860	550	944	651	5096	13.1	116	4130	1774
Total	4951	5812	15429	4083	8141	5430	43846				
Percentage	11.29%	13.26%	35.19%	9.31%	18.57%	12.38%					

Total Surveys	298		
What did you do in Manhattan Beach?			
Shop	193		
Eat	174		
Beach	135		
Other	17		
How much money did you spend?			
<\$20	68	22.82%	
\$20 - \$50	139	46.64%	
\$50 - \$100	35	11.74%	
>\$100	56	18.79%	
How would you rate the Ocean Express Service?			
Excellent	236	79.19%	
Good	62	20.81%	
Poor	0		
Other	0		
What is the purpose of your visit to L.A.?			
Business	132		
Pleasure	115		
Combination	51		
How many nights in your hotel stay?			
One	123		
Two	63		
>3	77		