



BCT Line 109

Cost Sharing Proposal: Fiscal Year 2025-2026

April 2025

Beach Cities Transit (BCT) operates Line 109 route with agency partners, including Redondo Beach, Hermosa Beach, Manhattan Beach and El Segundo. The partner agencies have shared operating costs for Line 109.

Since FY 2019-20, BCT Line 109 operations have been fully-funded by the City's annual Transit Formula Procedure funding (FAP) allocations and Proposition A Local Return Funds. Cost sharing funds were not needed from the partner Cities for FY 2019-20, FY 2020-21, FY 2021-22, FY 2022-23, FY 2023-24 and FY 2024-25.

Service Overview BCT transit ridership continues to be in recovery, and BCT is approximately 80% of pre-COVID-19 pandemic levels, consistent with regional and national transit providers. Other transit enhancements such as the Real-Time Information (Google Maps, Transit App, Moovit, etc.) and TAP cards continue to give passengers a seamless ride on BCT and other regional transit systems.

Updates

1. The City of Redondo Beach has onboarded a new Transit Manager and Transit Analyst, and is in the process of recruiting a Senior Management Analyst. These additions will enhance our capacity to manage and execute transit projects while maintaining BCT operations.
2. The transit operations contract is being awarded and is expected to be announced in May 2025. The estimates provided are based on the new award contract.
3. BCT is looking forward to transitioning from the social media platform "X" to Instagram. This shift aims to improve communication and engagement with the community, which will support BCT goals by increasing public awareness and participation.
4. With the new LAX Metro Transit Center opening, Route 109 will have minor adjustments to the route near the transit center. Information to follow once confirmed.

Statistics

Actual Service Statistics History of BCT Line 109 Chart

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Service Hours	18,881	17,351	20,285	20,292	20,307
Operating Cost	\$1,262,133	\$1,424,736	\$1,683,783	\$1,528,670	\$1,840,266
Fare Revenues	\$105,265	0	0	\$61,952	\$100,229
Passenger Trips	143,404	87,239	139,173	140,553	142,877

Transit Funding

Los Angeles Metro's annual Transit Formula Allocations Procedure program (FAP) to municipal transit operators is based on sales tax revenue receipts. Metro based Regional Funding estimates decrease for FY 2025-26 by 10% based on several economic forecasts.

Cost Sharing Allocation

The Cost Sharing Allocations are based on the percent of average route miles within each City. Redondo Beach will pay more than the other Cities' allocated percentage, in order to cover increased costs that exceed estimates. Since the pandemic, this year will be the first year City of Redondo Beach will ask our partner cities to contribute to the cost sharing allocation.

Estimates

Based on the preliminary FAP fund marks issued by Metro in March 2025, the City estimates FY 2025-26 BCT Line 109 operations will experience a shortfall of an estimated \$620,785.

2025-2026 Estimated Expenditure

The expenses included in the cost sharing estimates for BCT Line 109 are the operating expenses incurred by the transit contractor, fuel expenses and Real-Time Information (RTI). The funding sources for these expenditures are based on the FAP and fare revenues.

Estimated Expenditures 2025-2026

Estimated Line 109 Costs		Estimated Transit Funding	
Operations	\$2,102,803	Operation/RTI Funding FAP	\$1,626,847
Fuel	\$252,329	Fare Revenues	\$130,000
RTI Capital/Ops	\$22,500	Total Estimated Revenues	\$1,756,847
Total Estimated Cost	\$2,377,632	Net Shortfall	\$620,785

Cost Estimates Fiscal Year 2025-2026

The total cost for FY 2025-26 is estimated at \$2,377,632 for the operation of 20,307 projected annual service hours. Cost increases from the prior year are the result of increased fuel expenses, the transit contractor's annual operating increases, and real-time information system expenses. Since FY26 will be the first year asking partner cities to contribute to Line 109, the formula used to calculate the cost estimates is based on a 15% year-over-year increase from the last agreement paid to the City of Redondo Beach.

The chart below summarizes the cost breakdown by route miles allocated to each city using the total net shortfall multiplied by route miles.

City	Route Miles	FY26 Costs
Redondo Beach	34.95%	\$216,964
Hermosa Beach	10.89%	\$67,603
Manhattan Beach	16.05%	\$99,636
El Segundo	38.11%	\$236,581
Total	100%	\$620,785

Redondo Beach will use the Prop A local return to cover 90% of the shortfall, effectively subsidizing the partner cities' expenses in the short term. Looking ahead, however, the current political climate introduces uncertainty regarding long-term funding. Therefore, to ensure the continued operation of Line 109, which is shared between Hermosa Beach, El Segundo, and Manhattan Beach, adjustments to the cost-sharing agreement will be necessary, and contributions from Beach Cities Transit's (BCT) partner cities will increase in subsequent years to cover ongoing operational costs.

Cost Estimates History Chart

City	Investment %	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21* FY 2021-22*	FY 2022-23** FY 2024-25**	FY 2025-26** Projected
Redondo Beach	34.95%	\$20,791	\$0	\$0	\$0	\$55,304
Hermosa Beach	10.89%	\$6,460	\$0	\$0	\$0	\$17,183
Manhattan Beach	16.05%	\$9,521	\$0	\$0	\$0	\$25,326
El Segundo	38.11%	\$22,606	\$0	\$0	\$0	\$60,132
Total Contribution	100%	\$59,378	\$0	\$0	\$0	\$157,947
Prop A Local Return						\$462,838
Net Shortfall						\$620,785

*COVID Pandemic Year

**Post-COVID Pandemic Year