



Administrative Report

H.8., File # 26-0980

Meeting Date: 8/18/2026

To: MAYOR AND CITY COUNCIL

From: ELIZABETH HAUSE, WATERFRONT AND COMMUNITY SERVICES DIRECTOR

TITLE

APPROVE A TRANSIT SERVICES AGREEMENT WITH THE CITY OF HERMOSA BEACH FOR THE OPERATION OF BEACH CITIES TRANSIT LINE 109 FOR THE PERIOD JULY 1, 2026 THROUGH JUNE 30, 2027 AND A FEE OF \$19,761

APPROVE A TRANSIT SERVICES AGREEMENT WITH THE CITY OF EI SEGUNDO FOR THE OPERATION OF BEACH CITIES TRANSIT LINE 109 FOR THE PERIOD JULY 1, 2026 THROUGH JUNE 30, 2027 AND A FEE OF \$69,152

ADOPT BY 4/5THS VOTE AND TITLE ONLY RESOLUTION NO. CC-2608-069, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, AUTHORIZING A FISCAL YEAR 2026-27 BUDGET MODIFICATION TO ALLOCATE \$69,152 FROM THE CITY OF EL SEGUNDO AND \$19,761 FROM THE CITY OF HERMOSA BEACH, FOR A TOTAL OF \$88,913 FOR BEACH CITIES TRANSIT LINE 109 COST SHARING, TO THE CITY'S TRANSIT FUND

EXECUTIVE SUMMARY

The Community Services Transit Services Division provides regional bus service through Beach Cities Transit (BCT) Line 109, connecting several cities from Redondo Beach to Los Angeles International Airport (LAX). To support the operational costs of the line, which runs through Redondo Beach, Hermosa Beach, Manhattan Beach, and El Segundo, the City maintains agreements with each BCT Partner City. During the pandemic, COVID-19 relief funds provided sufficient supplemental funding to maintain Line 109 service without requiring contributions from the BCT Partner Cities. With those funds no longer available, cost-sharing resumed in FY 2025-26 and continues into FY 2026-27. The City of Hermosa Beach has approved a one-year funding agreement totaling \$19,761 and the City of El Segundo has approved a one-year funding agreement totaling \$69,152. Staff recommends City Council approve the proposed Agreements with the cities of Hermosa Beach and El Segundo to maintain Line 109 operations and adopt the associated Resolution appropriating the funding in the BCT Line 109 related Transit Fund.

BACKGROUND

The Transit Division of the Community Services Department provides a variety of transit services to the City of Redondo Beach as well as neighboring cities. BCT Line 109, the longest route within the BCT system, runs from Riviera Village to the LAX/Metro Transit Center, serving Redondo Beach, Hermosa Beach, Manhattan Beach, El Segundo, and LAX. In 2006, the City of Redondo Beach executed Transit Service Operation Agreements with the BCT Partner Cities to offset the cost of

operating BCT Line 109. This supplemental funding helps ensure continuity of service and supports operating expenses incurred by the transit operations contractor, fuel costs, and Real-Time Information (RTI). Subsequent agreements have been executed with the BCT Partner Cities since 2006.

The City of Redondo Beach received funding offsets from the BCT Partner Cities from the inception of Line 109 through FY 2018-19. From FY 2019-20 through FY 2024-25, the City received dedicated COVID-19 relief funds that offset the funding shortfalls for Line 109 operation, allowing partner cities to receive service without providing cost-sharing contributions. As COVID-19 relief funding is no longer available, and operating costs have continued to increase, cost-sharing resumed in FY 2025-26 and will also be utilized in FY 2026-27.

Offset Calculation

The proposed cost-sharing amount was calculated using the historical methodology established between the agencies, based on the percentage of revenue service miles that BCT Line 109 travels through Manhattan Beach. This methodology has been used in previous agreements and ensures the City's contribution remains proportional to the level of service provided. All funding collected under this Agreement will be applied directly to Beach Cities Transit Line 109 operating expenses.

Included below is an overview of historical offset funding provided by the BCT Partner Cities. BCT will utilize Proposition A Local Return Funds to cover the remaining costs that exceed BCT Partner Cities contributions.

Cost Sharing History Chart

City	Route Service Mile Allocation %	FY2018-19 Actual	FY2019-20 through FY2024-25 Actual	FY2025-26 Actual	FY2026-27 Projected
Redondo Beach	34.95%	\$20,971	\$0	\$55,304	\$63,600
Hermosa Beach	10.89%	\$6,460	\$0	\$17,183	\$19,761
Manhattan Beach	16.05%	\$9,521	\$0	\$25,326	\$29,125
El Segundo	38.11%	\$22,606	\$0	\$60,132	\$69,152
Total Contribution	100%	\$59,558	\$0	\$157,945	\$181,638

Hermosa Beach

The City of Hermosa Beach approved the proposed Agreement to provide its proportional share of \$19,761 for BCT Line 109 services, with a one-year term running from July 1, 2026, through June 30, 2027.

El Segundo

The City of El Segundo approved the proposed Agreement to provide its proportional share of \$69,152 for BCT Line 109 services, with a one-year term running from July 1, 2026, through June 30, 2027.

Manhattan Beach

The City of Manhattan Beach approved the proposed Agreement to provide its proportional share of \$29,125 for BCT Line 109 services, with a one-year term running from July 1, 2026, through June 30, 2027. City Council approved this agreement on July 21, 2026.

Staff recommends the City Council approve the Transit Services Agreements with the Cities of Hermosa Beach and El Segundo for a total of \$88,913 and adopt the attached Resolution appropriating these funds to the Transit Fund for Beach Cities Transit Line 109 operations.

COORDINATION

Staff from the Transit Services Division coordinated with the City of Hermosa Beach and the City of El Segundo on the development of the proposed Agreements, which have been approved as to form by the City Attorney's Office.

FISCAL IMPACT

Contributions from partner cities account for a small portion of the overall cost of BCT Line 109 services. The total annual cost of Line 109 is \$2,449,583 and is primarily funded by transportation restricted Formula Allocation Procedure (FAP) and Proposition A Local Return funds. The funds provided by Hermosa Beach and El Segundo will be allocated to the applicable Transit Operations account to cover their proportional share of the Line 109 operating expenses.

APPROVED BY:

Mike Witzansky, City Manager

ATTACHMENTS

- Agmt - Transit Service Operations Agreement with the City of Hermosa Beach
- Agmt - Transit Service Operations Agreement with the City of El Segundo
- Reso - No. CC-2608-069 Authorizing a FY 2026-27 Budget Modification to Allocate \$88,913 for Cost Sharing for Beach Cities Transit Line 109