



Anaheim Transportation Network
Board of Directors Meeting Minutes
Wednesday, May 24, 2017
3:00 P.M. – 5:00 P.M.
ARTIC
2626 E. Katella Ave.
Anaheim, CA 92806

ATN Board Members in Attendance:

Bharat Patel, Castle Inn & Suites
Bill O’Connell, Stovall’s Hotels
Dan Lee, City of Anaheim
Paul Sanford, Anabella Hotel
Fred Brown, Desert Palm Hotel & Suites
Jay Burress, Visit Anaheim
Ron Kim, Prospera Hotels
Darren Munoz, Anaheim Marriott
Jeffrey Runsten, Hilton Anaheim
Carrie Nocella, The Walt Disney Company

ATN Staff Present:

Diana Kotler
Belinda Trani
Maleeka Hajj
Claire Hinkle
Paula Eberhardt

ATN Legal Counsel:

Eric Willens, Cummins & White, LLP
Todd Priest, Curt, Pringle & Associates

Members of the Public Present:

Joseph Welch, TransDev
Mike Weisz, TransDev
Edwinisha Hill, TransDev
Lawrence Chua, TransDev
Sue Zuhlke, OCTA
Jim Garber, Victory Communications
Steve Wilks, IBI Group
Jamie Lai, City of Anaheim



CALL TO ORDER – 3:05 PM

Anaheim Transportation Network Board of Directors Meeting

WELCOME & INTRODUCTIONS

ADDITIONS/DELETIONS TO THE AGENDA -- NONE

PUBLIC COMMENTS -- NONE

SPECIAL CALENDAR:

1. Presentation of Resolutions to:

Joseph Welch – Operator of the Month, March 2017

Edwinisha Hill – Operator of the Month, April 2017

Lawrence Chua – Operator of the Quarter

Director Kotler announced to the Board of Directors the Operators for the month of MArch and April and the Operator of the Quarter for the first quarter of 2017. Director Kotler outlined each employee's contributions to ART to earn this recognition.

CONSENT CALENDAR:

Items 2-7 on the consent calendar will be acted on by one roll call vote unless members of the ATN Board of Directors, staff or the public request the item to be discussed and/or removed from the consent calendar for separate action:

2. Receive and approve minutes of the ATN Board of Directors meeting held on Wednesday, March 22, 2017
3. Receive and file status report pertaining to the Anaheim Transportation Network operations -- ATN Focus Area Reports – March and April 2017
4. Receive and file ART Operating Reports for March and April 2017:
 - a. Maintenance: Mileage & Road Call Reports
 - b. Safety & Training: Safety & Security Report for
5. Receive and file ATN membership report for March and April 2017
6. Receive and file financial statements for the period of January through March 2017. Approve credit card payments for the period of March and April 2017
7. Receive and file sales report summary for March and April 2017

By motion, Sanford/Nocella, Consent Calendar items 2-7 were passed by a single motion

Yeas: O'Connell, Lee, Runsten, Burress, Munoz, Patel, Runsten, Tully



Notes: None
Abstain: None

OPERATIONAL REPORT:

8. ART Operational Update – monthly report provided by TransDev Transit Services, Inc.
Michael Weisz, General Manager

Diana Kotler introduced Michael Weisz, General Manager of Trans Dev to give the monthly operational update (see attached).

Director Brown came to the ATN Board of ATN meeting at 3:14 pm

ACTION CALENDAR:

9. Approve Anaheim Resort Transportation service expansion for the new CtrCity/Platinum Triangle Line. Receive and file CtrCity/ Platinum Triangle Line Title VI Equity Analysis

Chairman Sanford asked Director Kotler to provide a staff report for the expansion of Anaheim Resort Transportation (ART) Service – Route 23 CtrCity/ARTIC Line and invited ATN Executive Director Diana Kotler to present the staff report.

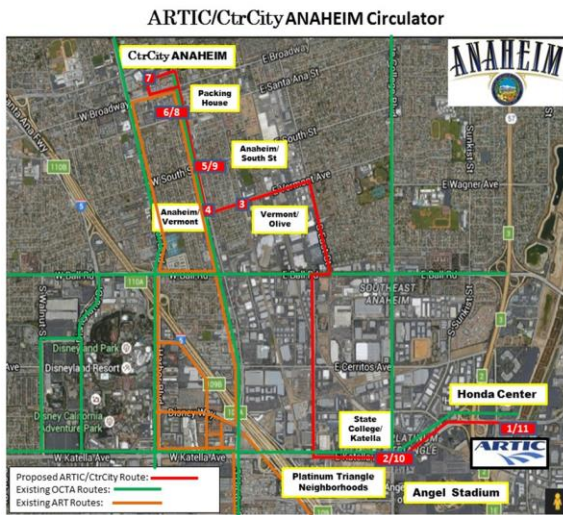
Discussion began back in 2016 for the CtrCity Line from ARTIC to Downtown Anaheim. ATN Board of Directors approved ATN staff to execute agreements, there is no public hearing required to add in a new partner in Costa Mesa The LAB. Brand new route 23 will operate from ARTIC to employment and event centers including service on Game Days from Downtown to ARTIC. This is a community based circulator which operates primary Monday – Friday to meet 8:00AM trains and 9:00PM return trains. We are meeting strict requirements for OCTA and will have 12 stops, the route is over 4 miles 20 minutes one way. We will use two buses, it will cost \$220,000.00 to purchase an additional bus. Service to begin summer 2017.

The City of Anaheim service – ARTIC/CtrCity Line – represents addition of a new Anaheim Resort Transportation route. The ATN, in partnership with the City of Anaheim, will create a new public transit service to provide a one-seat service option between ARTIC and CtrCity Anaheim.

The proposed new route will allow residents and employees in Downtown CtrCity Anaheim to reach ARTIC, either to commute to jobs via rail outside of the city or to other points of interest near ARTIC, such as Angel Stadium of Anaheim or the Honda Center and allow residents in The Platinum Triangle™ and rail commuters to reach CtrCity Anaheim.



The proposed new ART route will operate from Monday through Friday during morning and afternoon commute hours and on weekends for all home Major League Baseball (MLB) and National Hockey League (NHL) games. The new ART service route will originate at ARTIC with 11 stops. The route is approximately 4.25 miles in length with a commute time of 20 minutes between ARTIC and CtrCity Anaheim.



1. ARTIC
2. State College Boulevard/Katella Avenue
3. Vermont Avenue/Olive Street
4. Anaheim Boulevard/Vermont Avenue
5. Anaheim Boulevard/South Street
6. Anaheim Boulevard/Santa Ana Street
7. Center Street Promenade at CtrCity
8. Anaheim Boulevard/Santa Ana Street
9. Anaheim Boulevard/South Street
10. State College Boulevard/Katella Avenue
11. ARTIC

Total cost to implement the proposed ARTIC/CtrCity Line is \$1,285,309:

Capital Costs	\$220,000 to acquire a 32-passenger bus and real-time passenger information signage
Operations & Maintenance	1,065,309 toward for seven years

The proposed service will combine local and regional resources by connecting CtrCity with rail services at ARTIC. The service will specifically serve passengers from (8) eight trains arriving every morning and nine trains (9) departing in the evening hours. In addition to the daily service, the circulator will provide evening service on Fridays and Saturdays to/from sporting and other entertainment events at the Honda Center and Angel Stadium. Rail commuters will receive a free transfer to ART service. Through the existing inter-agency fare transfer agreements, ATN will invoice Southern California Regional Rail Authority (SCRRA) and OCTA, at a rate of \$2.00 per trip, for all Metrolink and Amtrak transfers. All other passengers will pay regular ART fares.

Funding for both services would be available for seven (7) years through FY2024. Certain ridership and other service benchmarks will need to be achieved to guarantee funding for the entire seven-year term.



Director Kotler reported that in addition to the review of operational methodology for the proposed service expansion, ATN is required to conduct Title VI analysis in compliance with Federal Transit Administration (FTA) Circular 4702.1A -- Title VI of the Civil Rights Acts of 1964 to evaluate and determine whether proposed changes have a discriminatory impact on the minority and low income populations.

The ATN evaluated expansion of its current in conjunction with the addition of new Route 23 – CtrCity/ARTIC Line – that will provide connecting service between downtown Anaheim’s civic and residential land uses and Platinum Triangle’s residential, sporting/event venues and transportation facilities, including Anaheim Regional Transportation Intermodal Center (ARTIC). The proposed Route 23 – CtrCity/ARTIC Line – will operate on a fixed route connecting these distinct areas of the City of Anaheim.

New ART service will operate on a fixed schedule coordinated with the train arrivals and departures at ARTIC. In addition, CtrCity/ARTIC Line service will accommodate connectivity with Amtrak rail schedules and events at the Honda Center and Angel Stadium of Anaheim. Route 23 – CtrCity/ARTIC Line will operate through eight (8) census tracts. The Route will operate through three (3) minority and low-income tracts. Over 37 percent of served population is considered minority and low-income.

ATN service area consists of areas within the City of Anaheim, specifically The Anaheim Resort®, Platinum Triangle™ and downtown Anaheim. Within ART service area 72.9 percent of the residents represent low income and/or minority population. Exhibits 1 and 2 show a close of the alignment of the new Route 23 and highlights the census tracts considered minority and low income census tracts. Based on the information presented in this Title VI analysis, ATN new Route 23 – CtrCity/ARTIC Line – will have no disproportionate and/or desperate impact on low income or minority populations.

Although ATN has determined that minority and/or low-income riders will not be disproportionality impacted, following the procedures in FTA Circular 4702.1B, Chapter IV, Section 7(b), this section analyzes alternative transportation options available to individuals who could be affected by the service expansion.

1. Other Transportation Providers

ATN service operates within the service area of and Orange County Transportation Authority (OCTA). Both agencies share information in collateral and web-based materials to inform the traveling public about availability of transportation alternatives.

2. Fare Transfer Agreements



ATN has several fare transfer agreements with OCTA and rail operators to extend the reach and availability of public transportation options:

1. ATN/OCTA inter-agency fare agreement -- allows OCTA pass holders to ride on ART buses, and vice versa with payment of additional fare and/or transfer. This agreement is valid on all Core ART service routes throughout The Anaheim Resort® and Platinum Triangle™. New ART route will be included to the interagency agreement between ATN and OCTA.
2. Amtrak intercity rail service – free transfer, with a valid rail pass, between Amtrak and ART.
3. Southern California Regional Rail Authority, (SCRRA/Metrolink) interagency transfer agreement -- free transfers between Metrolink’s commuter rail trains and ART services.

These fare transfer agreements help provide a more cohesive and seamless transit system for all Orange County’s public transit users. In conclusion, Director Kotler reported that the expanding service to increase availability of public transit options and access by the minority and low-income populations within ART service area. Based on census data, ATN’s service area has an average minority population of 72.96 percent, and over 73 percent of ATN routes are considered minority routes.

Chairman Sanford asked if there were any more comments or questions regarding the staff report. Chairman Sanford by motion, Sanford/Tully, approved staff recommendation to approve Anaheim Resort Transportation service expansion for the new CtrCity/Platinum Triangle Line and to receive and file CtrCity/ Platinum Triangle Line Title VI Equity Analysis

Yeas: Brown, O’Connell, Lee, Runsten, Burress, Munoz, Patel, Runsten, Nocella
Noes: None
Abstain: None

10. In response to RFP 2017-001 – Transit Advertising Sales Services, authorize Executive Director to execute a one-year agreement, with two one-year options, with Victory Communications Inc. Direct staff to continue discussions and bring back for further consideration a Destination Advertising Buying Consortium concept and structure

Director Kotler reported to the ATN Board of Directors that in February 2017, Anaheim Transportation Network (ATN) began procurement and selection process for contracted services



for the sale of advertising for the ART system, which resulted in a release of RFP #2017-001 to over 24 firms who specialize in the sale of advertising.

In response to the RFP, ATN received only one proposal from Victory Communications Inc. (VCI). Since ATN received only one proposal, the ATN had to conduct a Price and Cost Analysis, which was presented to the ATN Board of Directors.

The Price and Cost Analysis was conducted to evaluate compensation structure of VCI for the rendered services. Compensation occurs through a payment of commissions. Current commission compensation structure ranges from 15% to 20%, depending on the total amount of advertising sales in a given fiscal year. Commission compensation structure for the agreement starting on July 1, 2017, will change to a range of 10% to 15%. Commission rate will remain the same for the entire three-year term. Commissions for the sale of advertising will be calculated based on whether the sale is a renewal, new business, or trade/non-profit advertising. ATN will continue to pay a monthly draw against commission in the amount of \$3,000. Commissions will be paid and reconciled on a quarterly basis.

TABLE 1 -- COMMISSION STRUCTURE

Advertising Sale	Commission Structure
New Business	15%
Renewal	12%
Trade or Non-Profit Agency	10%

The ATN began its relationship with VCI in 2006. This business relationship proved mutually beneficial and ATN advertising sales increased by 120% since 2006; from \$391,057 in 2007 to \$884,570 in 2016.

For the upcoming three years, ATN’s advertising program will continue to grow and evolve. The first change will be addition of an advertising medium, i.e. TV monitors on board ART fleet. This program is projected to increase advertising’s contribution to the ATN operating budget by approximately \$400,000 per year.

Further growth in the ATN’s advertising program will include development of a Destination Advertising Buying Consortium. The vision for this program is to consolidate advertising sales, reduce undue solicitations, strength destinations’ advertising reach and to develop a referral program among all participating partners. ATN will work on the development of the consortium with Visit Anaheim and Honda Center (Anaheim Arena Management).

Full details for the Destination Advertising Buying Consortium will be developed over the next several months. ATN Board of Directors will be presented with the proposed Consortium’s structure, once it is developed.



Director Burress stated that it would be beneficial for both agencies to form a consortium to increase advertising reach and to offer additional benefits to the membership. Director Tully, mentioned that the Arena Management Company is also interested in the consortium to discuss a reach to additional advertising venues and to increase reach to the potential advertisers.

The agreement with VCI would be based on a three one-year options to allow staff and contractor to adjust to the changes associated with the consortium opportunities.

Director O’Connell complimented ATN staff and VCI staff in attendance and highlighted the value of the business relationship between both organization. By motion, Director Sanford/O’Connell moved the motion to approve staff recommendation to authorize Executive Director to execute a one-year agreement, with two one-year options, with Victory Communications Inc. Direct staff to continue discussions and bring back for further consideration a Destination Advertising Buying Consortium concept and structure.

Yeas: Brown, Tully, Lee, Runsten, Munoz, Patel, Nocella
Noes: None
Abstain: Burress

13. Authorize Executive Director, in consultation with legal counsel, to award a three-year agreement, with two one-year options to Michelin North America, Inc. (Michelin) in response to RFP 2017-002 – Transit Tire Lease Services.

Director Kotler reported that the ATN agreement with Michelin for the fleet tire lease program is slated to expire on June 30, 2017. To ensure continuation of the tire lease services, on March 30, 2017, ATN released RFP# 17-002 for a Transit Tire Lease Program for the entire ATN fleet of 80 buses. ATN received three (3) proposals in the response to the RFP from Michelin, Bridgestone and Goodyear by the due date of May 5, 2017.

ATN staff recommendation, based on the evaluation of the received proposals, was to award a three-year agreement to Michelin, as the best qualified service provider. Michelin is ATN’s current tire lease services provider and staff recommends to continue these services through June 30, 2020.

The cost for the tire lease program is based on the projected bus mileage on a Fixed Tire Mile Rate. Services include delivery, service, mounting, administration and disposition. Tire checks, installations, mounting and other function are conducted by ATN maintenance personnel. Total current annual cost for the fleet-wide tire lease and maintenance program is \$95,000, not including labor. Out of the total tire program cost, a tire lease program with Michelin is \$52,000.



**TABLE 1 – COST PROPOSALS COMPARISON
TIRE LEASE PROGRAM**

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Bridgestone	\$ 88,813	\$ 99,916	\$110,908	\$114,232	\$117,659	\$531,529
Goodyear	\$125,950	\$140,955	\$155,882	\$161,341	\$16,7789	\$751,197
Michelin	\$ 97,133	\$133,211	\$129,148	\$136,920	\$145,150	\$621,564

**TABLE 2 – TOTAL COST
TIRE LEASE PROGRAM WITH STAFFING**

	Year 1	Year 2	Year 3	Year 4	Year 5	Total Program Cost
Bridgestone	\$148,635	\$162,131	\$175,612	\$181,524	\$187,644	\$ 855,549
Goodyear	\$196,789	\$214,275	\$231,410	\$239,125	\$247,901	\$1,129,501
Michelin	\$97,133	\$133,211	\$129,148	\$136,920	\$145,150	\$ 621,564

At the request of ATN staff, and based on need, on-site assistance to mount and service tires could be available at an hourly rate of \$75.00; however, ATN intends to use internal maintenance staff to manage and administer transit tire lease program. Staff recommendation is to award a three-year agreement to Michelin. Even though there is a cost differential of \$90,035 over the entire life of the agreement, this cost differential is predicated on Michelin’s proposal to provide all new tires to ATN, unlike new and recapped tires proposed by the lowest bidder. Use of all new tires provides for safer operations and less potential for mechanical issues in the field.

Director O’Connell inquired to explain the difference between Table 1 and Table 2 and which cost analysis is recommended for approval. Director Kotler stated that in compliance with federal requirements, which this RFP is federalized, ATN is required to present and analyze the entire cost of contract evaluated all cost proposals. ATN staff is recommending the cost proposal analysis of Table #1.

By motion, Director Sanford/Brown moved the motion to approve staff recommendation to authorize Executive Director to execute a one-year agreement, with two one-year options, with Victory Communications Inc. Direct staff to continue discussions and bring back for further consideration a Destination Advertising Buying Consortium concept and structure.

Yeas: Brown, Tully, O’Connell, Burress, Lee, Runsten, Munoz, Patel, Nocella
 Noes: None
 Abstain: None



12. Approve pass through funding agreement No. C-7-1760 between Orange County Transportation Authority (OCTA) and Anaheim Transportation Network (ATN) for Federal Transit Administration (FTA) Section 5307 Urbanized Area Formula Grant funds and FTA Section 5339 Bus and Bus Facilities Formula Grant funds

Director Kotler reported that since May 23, 2011, Anaheim Transportation Network (ATN) has an agreement with Orange County Transportation Authority (OCTA) to receive Federal Transit Administration (FTA) Section 5307 Urbanized Area Formula Grant funds. This agreement was amended on February 6, 2014, to allow receipt of Section 5339 Bus and Bus Facilities Formula Grant funds. The term of this agreement is through June 30, 2017.

The new agreement between ATN and OCTA, once approved by the respective Board of Directors, will continue through June 30, 2021, and will include apportionment of Section 5307 and 5339 funds. The ATN, as a sub-recipient to OCTA, will be required to continue to meet certain regulatory and reporting requirements associated with the receipt of these funds.

Director Kotler continued her report that the total value of the agreement is projected at \$4,205,062 over the five-year term. Section 5307 funds are projected at \$3,749,090. Section 5339 funds are estimated at \$455,972. ATN will be required to reimburse OCTA for expenses associated with administrative oversight functions and complementary transportation services. Apportionments due to the ATN and expenses incurred by OCTA are reconciled on an annual basis prior to issuance of payment to the ATN.

Upon endorsement of the agreement by the ATN Board of Directors, OCTA Transit Committee will consider this matter on June 11, 2017, with the full OCTA Board of Directors consideration scheduled for June 26, 2017. Director Kotler thanked OCTA and its representative Sue Zuhlke with continued support and guidance. Chairman Sanford echoed Kotler's remarks of support.

There were no questions from the ATN Board of Directors. By motion, Director Sanford/Burress moved the motion to approve staff recommendation to authorize Executive Director to execute funding agreement between OCTA and ATN for the receipt of federal funds.

Yeas: Brown, Tully, O'Connell, Lee, Runsten, Munoz, Patel, Nocella
Noes: None
Abstain: None

13. Authorize Executive Director to issue task orders for installation of on-board InfoTainment and Real-Time Passenger Information systems. Approve priority list of Real-Time Passenger Information Signs for The Anaheim Resort®



Director Kotler began presentation with a vision for ART and its mobility on demand possibilities. As the demand for real-time, as the finger tips, information continues to grow, ART needs to develop and deploy services to facilitate transportation as a utility and mobility services. ATN began thinking about these options back in November 2015, the ATN has been developing a vision for the implementation of Mobility of Demand (MoD) transportation concepts to enhance transportation experience for the patrons of the ART system.

To select the best qualified service provider, on December 5, 2015, ATN released Request for Information (RFI) #2015-009 to solicit proposals to deploy a real-time passenger information system. This system is envisioned as a foundation for all future mobile and on-demand real-time passenger applications for ART. ATN continued the implementation discussion and in September 2016 authorized staff to complete negotiations and enter agreement with Syncromatics for the implementation and deployment of the real-time passenger information system. A few month later, in March 2017, ATN secured full funding for the real-time passenger information system from the Anaheim Tourism Improvement District (ATID) Transportation Committee in the amount of \$1,250,000.

Director Kotler reported that staff is ready to begin the first phase of Mobility od Demand system implementation with two projects – InfoTainment systems and installation on real-time passenger signs.

1. INFOTAINMENT SYSTEM

The primary purpose of the video display system on board all ART buses is to provide transportation and destination related information for all ART patrons. Informational content will be displayed on mounted TV monitors via on-board Wi-Fi system. iBeacon technology is included with the installation to track ridership and push content.

The secondary purpose is to increase advertising opportunities for ART partners and stakeholders and to contribute to the long-term financial stability of the ATN. Initial Performa to ascertain projected revenue from the InfoTainment system, is estimated at \$400,000 per year. Approximately \$160,000, on an annual basis, will cover costs associated with cellular and Wi-Fi communications and maintenance. The remaining \$240,000 represents additional revenue to the ATN. The projected cost for the installation of the InfoTainment system is \$500,750.



2. DIRECTIONAL WAYFINDING REAL-TIME SIGNAGE SYSTEM

Installation of the real-time signage system will begin in early 2018. Installations will include signs at 25 ART bus stop locations and at the Anaheim Convention Center Grand Plaza. The cost of installation of signs for The Anaheim Resort® is \$207,746.

The first installation will occur at the Anaheim Convention Center Grand Plaza. A liquid-crystal display (LCD) screen will be installed at the current ART bus stop location. Information on the screen will include real-time arrival predictions for all ART routes operating to/from Anaheim Convention Center Grand Plaza with a passenger alert function. Future functionality may include multi-modal trip planning options. The cost of installation at the Anaheim Convention Center Grand Plaza is \$50,237. This installation will provide a foundation and lessons-learned for future deployment for Eastern Gateway Project.

BUSES AT CONVENTION CENTER PLAZA		
4	Grand Plaza Line	4 min
5	Grand Plaza Line	44 min
18	Buena Park Line	22 min
19	Santa Ana Line	45 min
22	Costa Mesa Line	5 min
BUSES AT HARBOR BLVD.		
1	Harbor Blvd. Line	27 min
2	Harbor Blvd. Line	7 min
3	Grand Plaza Line	24 min
ALERT: Tomorrow, June 1st, all buses will pick up on Harbor Blvd. due to plaza closure. Regular service will resume on June 2nd.		

The remaining installations in The Anaheim Resort® will be at 25 ART bus stop locations. Installations will also include iBeacons to track demand for service, assist with demand management, and at a later date, push content. A list of 34 potential bus stop locations in The Anaheim Resort® was reviewed by the City of Anaheim, ATN and

Syncromatics. Installation of 25 real-time bus stop locations are presented in Attachment 1. Staff was seeking approval for the proposed location; however, Director Brown stated that ATN staff should use its best judgement and have flexibility with the final location of the real-time passenger information signs. Director Sanford asked about ART bus stop location once Anabella is closed on July 31st. With this closure, there will be no ART bus stop for the new expansion of the Anaheim Convention Center. Kotler stated that the decision was made by the City of Anaheim in consultation with OCTA and ATN. The stop was moved to the east side of Harbor Blvd due safety concerns associated with merging in and out of traffic on eastbound Katella Avenue. Chairman Sanford encouraged ATN staff to work with City to re-look at the ART stop by the Anaheim Convention Center Arena and to potentially include a real-time passenger information sign at this to highly used location.

ATN will be also installing real-time passenger information signs in the City of Costa Mesa and for CtrCity/Platinum Triangle Line. These signs are funded through OCTA’s Measure M Project V program. A budget of \$40,000, per location, is available for these installations.



Director Kotler completed her presentation by stating that the final phase of the project will include installations at Eastern Gateway. Total budget for this project will be approximately \$532,511 from the remaining ATID transportation funds.

With thanks of support for his serve on the ATID committee, Director Sanford/Burress moved the motion to approve staff recommendation to authorize to begin this project through the issuance of task orders to Synchronatics for installation of on-board InfoTainment and Real-Time Passenger Information systems

Yeas: Brown, Tully, O’Connell, Lee, Runsten, Munoz, Patel, Nocella

Noes: None

Abstain: None

14. Authorize Anaheim Transportation Network Executive Director to work with the City of Anaheim to develop and implement a MicroTransit service for CtrCity Anaheim. Direct ATN staff to bring back fully developed operational program parameters and financial sustainability plan

Development opportunities in the City of Anaheim continue and parking mitigation is becoming a necessity. Development is stretching from The Anaheim Resort to CtrCity Anaheim as urban centric mixed residential uses. To assist with the growth and mitigation options, the City of Anaheim Community Development Department asked the ATN to investigate and propose concepts for transportation services in CtrCity Anaheim. The ATN and City of Anaheim discussed options for CtrCity transportation solutions and agreed that MicroTransit delivery model would be most appropriate to help:

1. Meet demographic changes in CtrCity’s residential and employment populations
2. Provide a flexible transportation alternative
3. Reduce requirements for significant capital investment
4. Increase connectivity to ART as a functional subset of overall service

Director Kotler explained to the ATN Board of Directors MicroTransit concepts and associated technology-oriented transportation service delivery models. Even though the model is still emerging, it is experiencing growth in communities where offering a full range traditional fixed route transportation service is cost prohibitive. MicroTransit services, with built-in ride e-hailing technology and operating flexibility, offer municipalities with transportation solutions without a need for significant capital investment in fleet and/or parking facilities. Micro transit is a relatively new niche market. Generally, the defining characteristics of MicroTransit service include:

- A customized electric vehicle fleet ranging from cars driven by independent contractors to carts, vans, small and large buses equipped with amenities such as Wi-Fi, iPad and/or interactive screens/monitors



- Customer access is facilitated using a mobile phone application to e-hail a ride or reserve a seat in a group service setting
- Use of crowd-sourcing analysis to assess demand and form routes. MicroTransit providers adjust routes and stops in real-time by aggregating demand to provide the most efficient possible service

Since 2012, services became available in Newport Beach and Redondo Beach, California; Tampa, Florida; and Aspen and Denver, Colorado; under two distinct operating models.

Downtowner Model:

- Mass produced vehicle
- Responsible for electric charging infrastructure
- Turn-key operation – drivers & technology
- Newport & Redondo Beach, CA – private support. Tampa, FL – municipal funding



eTuk Model:

- Custom made vehicle
- Electric charging infrastructure included
- Direct operations – private and municipal
- Technology provided for a monthly subscription fee

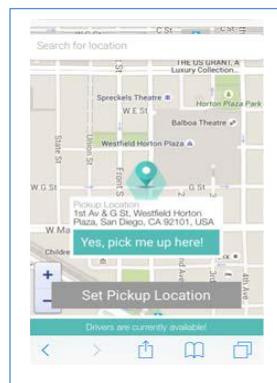


Technology is another key component of the micro-transit solution. In many ways, the scheduling and dispatching software that is at the heart of demand responsive transit operations. Software applications allow riders to determine availability of service and book a trip.

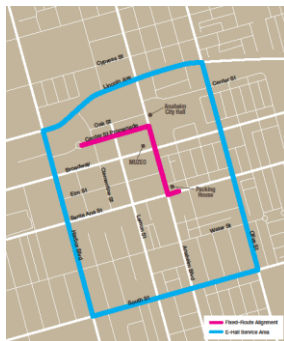
On the back end, service providers can also match these user inputs with available vehicles and drivers to provide the most efficient trip.

How It Works

- 1 Use Mobile App or Website To Request A Ride or Head to a Hot Spot Waiting Zone or Wave a Car Down Anywhere in the Coverage Area
- 2 Driver Confirms that he/she is on the way!
- 3 Passenger Gets a Free Ride Anywhere within the coverage area.



customers to e-hail services using mobile phone applications. Instead of traditional buses, small capacity electric vehicles are used in service. Vehicles are equipped with iPad screens for riders to view videos and information about the destination, events, businesses and general announcements.



MicroTransit applications would serve new developments planned in CtrCity:

- ◆ Muzeo Plaza ◆ The Barn ◆ Leisuretown ◆ Brewery District

With no significant new parking facilities planned for the area, MicroTransit would connect parking facilities with destinations and provide connectivity between residential, retail and civic establishments.

Considerations for Anaheim MicroTransit applications include operations as a sub-system of ART to provide the connectivity to the entire ART network using existing CtrCity/Packing District and CtrCity/Platinum Triangle routes as connecting services.

The preferred implementation approach includes hybrid/flex routing with zones to be adjusted as development necessitates:

- Fixed-route between Center St. Promenade and Packing District
- On- demand e-hailing service availability inside the service perimeter

The current business model for MicroTransit assumes revenue generation through sponsorships and/or

advertising, including municipal contributions. Fares are free to the passengers.

Service would be available daily based on the operating hours presented below.

Days of the Week	Operating Hours	Operating Frequency	No. of Vehicles	Revenue Hours
Monday -Thursday	11 a.m. – 7 p.m.	10 minutes	2	64
Friday - Saturday	11 a.m. – 11 p.m.	10 minutes	2	48
Sunday	11 a.m. – 10 p.m.	10 minutes	2	22
Total Weekly	Revenue Hours			134
Total Annual	Revenue Hours			6,968

- Typically, \$3,000 to \$4,000 per month per vehicle in operating costs (depending on number of revenue hours or hours of operation)



- \$4,000 per vehicle per month in capital costs.

The MicroTransit concept for CtrCity estimates approximately 7,000 annual revenue hours of service, for a total annual operating cost of approximately \$192,000 (inclusive of operating, capital and technology costs) or approximately \$27.00/revenue hour (\$3.33/trip).¹

NEXT STEPS:

1. Release Request for Proposal for Mobile App Service Provider
2. Entering into a contractual arrangement with the City of Anaheim
3. Entering into a contractual arrangement Service Provider
4. Conduct Title VI Analysis & Public Workshops
5. Coordinate all efforts in concert with ART Real-Time Passenger Information System to ensure compatibility

The City of Anaheim Community Development Department would like to begin MicroTransit service in the Fall of 2017, as a demonstration project, for CtrCity Anaheim. This project would be planned for implementation in conjunction with CtrCity/Platinum Triangle service and the Real-Time Passenger Information Signage Program. Full report about micro-transit applications was attached and provided with the staff report.

Director Burress stated that he is excited to see this project get going and he is looking forward to getting a vehicle for Visit Anaheim. Director Burress also suggested that ATN should make a presentation at the Visit Anaheim meeting to provide an update of the upcoming transportation initiatives.

Director Burress/Sanford moved the motion to approve staff to continue research of MicroTransit application and bring back to the ATN Board of Directors implementation options.

Yeas: Brown, Tully, O’Connell, Lee, Runsten, Munoz, Patel, Nocella
Noes: None
Abstain: None

15. Receive, file and implement recommendations of the Anaheim Resort Transportation Capacity Building Study **ART 2035 Imagine Possibilities**. Authorize submission of the final report to Southern California Association of Governments and City of Anaheim

Director Kotler reported that the ATN is coming to the end of the study effort that began in July 2015, when the ATN received \$320,000 in grant funds from the Southern California Association

¹ *Downtowner* estimated operating cost, no other operating costs are included



of Governments and Anaheim Tourism Improvement District Transportation Committee (ATID) to prepare a long-term visionary plan for Anaheim Resort Transportation (ART) operations. Director Kotler asked Steve Wilks with the IBI Group to present the plan to the ATN Board of Directors.

Mr. Wilks stated that the plan was designed to take into consideration future development projects in The Anaheim Resort® and Platinum Triangle™, transportation initiatives planned by OCTA, City of Anaheim and other public and private sector partners. The ATN retained the IBI Group team to undertake the *Integrated Transportation and Capacity Building Plan* and to work with stakeholders to formulate a vision for future transportation operations. Taking into consideration existing and future transit environments, IBI Group was tasked to develop operational, financial and institutional structures that meet the needs of the business and commuting constituencies in the short- and long-term.

The goal of this project is to bring about an enhanced passenger transportation system as part of Anaheim's short and long-range transportation solutions – to strategically determine the most effective and efficient use of existing and future ART resources. Further, to identify enhancements needed to support economic development and land use objectives. For the past two years, through deliberations with the local community and ATN Board of Directors, the recommended course of action for ATN is stay on course with its key objective -- to move people efficiently and reliably. However, now with the upsurge of technology in the transportation arena, ATN needs to begin to prepare for the provision of services for passengers that offer mobility options and desired convenience(s). These options include enhanced services through technological innovations that move passengers quicker, inform passengers of destinations' opportunities and provide conveniences such as real-time on-demand services, cashless payment choices and concierge services as part of public transit offerings.

Mr. Wilks reported that in addition to the traditional transportation service provision models, ATN needs to consider operational enhancements and presented specific service delivery recommendations for The Anaheim Resort®, Platinum Triangle™ and CtrCity as outlined in the plan. Other recommendations developed by IBI Group were institutional in nature:

1. Will-Serve Development Approval Process
2. Long-Term Funding, Sustainability and Institutional Structure Considerations
3. Cost Allocation Model and Local Assessment Structure

The document prepared by IBI Group for ATN will continue to serve ATN as a guiding principle for future policy decisions and will continue to guide the ATN from its humble beginnings in 2002 with eight routes and 20 buses to now serving over nine million passengers, annually. ART has always been about serving the customer through enhanced public transportation options and



through delivery of reliable and efficient transportation solutions. With significant growth, employment and development plans throughout the region, ART will continue with its core mission of providing public transit to the traveling public with more convenient and frequent routes and technological amenities.

Director Kotler reported that the final document is going through final typographical reviews and will be submitted to the SCAG and the City of Anaheim by June 30, 2017. At this time, staff and IBI Group presented an Executive Summary for distribution to the Board.

In addition to the transportation and mobility on demand recommendation, IBI Group develop a comprehensive **Cost Allocation Model**. The model was reviewed and approved by the Steering Committee and will be used moving forward to assess costs associated with the ATN's service provision.

By Motion Sanford/Brown received, filed and directed staff to begin implementation of recommendations of the Anaheim Resort Transportation Capacity Building Study ART 2035 Imagine Possibilities. Authorize submission of the final report to Southern California Association of Governments and City of Anaheim

Yeas: Burress, Tully, O'Connell, Lee, Runsten, Munoz, Patel, Nocella
Noes: None
Abstain: None

BOARD WORKSHOP:

16. Adopt Anaheim Transportation Network's (ATN) Operating Budget for Fiscal Year 2016/2017. In conjunction with the budget, approve ATN's Cost Allocation model and assessment rate structure

Director Kotler presented to the Board of Directors a proposed Fiscal Year (FY) 2017/18 Operating Budget which presents a balanced approach and plan for the use of available resources for the provision of transportation services.

The budget proposes to provide ART services to the community by staff from four (4) distinct divisions. The proposed budget does not propose any additions to the current personnel plan. One position will be reclassified to a full-time status. ART services will be managed by the existing thirty-six (36) full-time positions, seventeen (17) part-time positions and sixteen (16) key contractor positions. The attached organizational chart provides an overview of the of the ATN organizational structure for FY 2017/18.



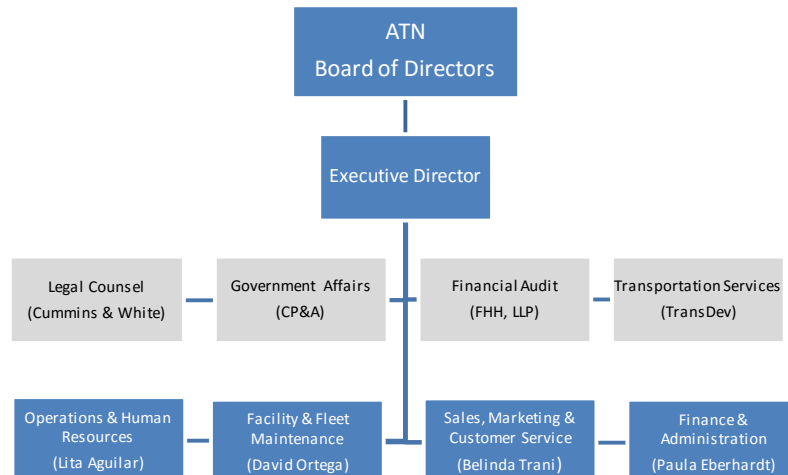
Each division submitted a budget request to the Finance Manager, which was subject to an internal review to ensure conformance with the ATN Work Program, as established and approved by the Board of Directors. The proposed budget warrants a fiscally responsible and sustainable provision of transportation services.

ATN is in balanced financial position at the end of the FY 2016/17. Nevertheless, the agency needs to be cautious over the next several years in managing demand for services, in observance of upcoming development activities, technological developments and ability to seek grant funding to support capital rolling stock replacement of its aging fleet.

As the ATN looks forward to FY 2017/18, staff is recommending:

- Continuance of the Anaheim Resort Transportation Fare Structure as adjusted in February 2017;
- Continuance of the assessment structure for local business establishments as adjusted in March 2017 and recommends future apportionment through the Cost Allocation Model.

ATN ORGANIZATIONAL CHART



The proposed revenue sources account for growth of the hospitality establishments, continuation of services for areas outside of The Anaheim Resort and Platinum Triangle, federal reimbursement funds, Project V Transportation funding from the Orange County Transportation Authority (OCTA), alternative fuel tax revenue and advertising sales. Total annual revenue for FY 2017/18 is projected at \$16,347,750; representing no change from FY 2016/17 of \$16,277,711.



The uses of funds include provision of transportation services, consulting agreements, personnel expenditures, maintenance, fuel and operating expenses. Total expenditures are budgeted at \$ \$15,542,833 for FY 2017/18; representing no change from FY2016/17 expenditure plan of \$15,116,032.

The proposed expenditure plan also includes the following initiatives:

1. Branding and marketing of ART service. Deployment of mobile and other technology related initiatives
2. Growth of the advertising program and development of destination advertising buying consortium
3. Support for special events and conventions at Disneyland® Resort and Anaheim Convention Center
4. Continued deployment of zero emission bus technologies
5. Facility relocation plan
6. Operation of new, grant funded, services for CtrCity Anaheim and Costa Mesa
7. Development of Mobility on Demand initiatives to meet future transportation needs
8. Partnership with City of Anaheim Economic Development and Public Works departments on innovative MicroTransit solutions and other vehicle technologies and applications
9. Continue to seek and apply for all available grant opportunities



Fiscal Year 2017/18 Proposed Sources of Funds

	FY17 Budget	FY17 Forecast	FY18 Proposed
Sources of Revenue			
ART Revenue			
Participation Assessment Fees	\$ 1,976,400	\$ 2,100,000	\$ 2,360,000
Assessment - Route 20 Hours	\$ 5,429,300	\$ 4,305,211	\$ 4,875,000
Assessment - Route 20 Fuel	\$ 640,200	\$ 583,565	\$ 610,000
Retail Assessment Fees	\$ 302,200	\$ 271,350	\$ 225,000
Adult Ticket Sales	\$ 1,769,600	\$ 1,623,683	\$ 1,780,000
TVM Sales	\$ 2,039,900	\$ 1,831,826	\$ 2,000,000
Pre-Sales	\$ 454,700	\$ 317,661	\$ 380,000
Fare Box	\$ 221,200	\$ 279,768	\$ 280,000
Internet	\$ 61,561	\$ 57,146	\$ 63,000
Child Tickets	\$ 181,100	\$ 168,132	\$ 185,000
Electronic Tickets	\$ 36,800	\$ 51,726	\$ 72,000
Reduced Tickets	\$ 23,250	\$ 26,278	\$ 25,000
Total Ticket Sales	\$ 13,136,211	\$ 11,616,346	\$ 12,855,000
ART Group Sales	\$ 517,300	\$ 501,323	\$ 480,000
Kiosks Leases	\$ 120,000	\$ 120,000	\$ 120,000
Advertising	\$ 814,800	\$ 809,000	\$ 850,000
Total ART Revenue	\$ 14,588,311	\$ 13,046,669	\$ 14,305,000
Cooperative Agreement Reimbursements	\$ 37,200	\$ 37,360	\$ 46,000
Grant Income	\$ 1,212,200	\$ 1,677,494	\$ 1,591,750
Membership Revenues	\$ 30,000	\$ 56,253	\$ 40,000
Alternative Fuel Tax Credits	\$ 410,000	\$ 250,385	\$ 365,000
Total Sources of Revenue	\$ 16,277,711	\$ 15,068,161	\$ 16,347,750



Fiscal Year 2017/18 Proposed Uses of Funds

Expense	FY17 Budget	FY17 Forecast	FY18 Proposed
Personnel Expenses	\$ 2,817,374	\$ 2,661,748	\$ 3,003,330
Transp Svc - TransDev	\$ 7,122,100	\$ 6,471,669	\$ 7,358,250
Participation Usage Credit	\$ 222,000	\$ 243,444	\$ 198,000
ART Ticket Production Expense	\$ 45,000	\$ 18,510	\$ 20,000
TDM Rideshare	\$ 41,400	\$ 15,983	\$ 20,500
Tax Expense	\$ 110,590	\$ 77,183	\$ 82,500
Fuel Supplies	\$ 1,674,500	\$ 1,481,906	\$ 1,512,112
Supplies	\$ 137,900	\$ 199,773	\$ 163,000
Marketing	\$ 325,400	\$ 246,717	\$ 247,000
Dues & Subscriptions	\$ 29,401	\$ 42,601	\$ 25,401
Professional Services	\$ 538,000	\$ 742,036	\$ 591,100
Travel, Work Force Development Training	\$ 134,000	\$ 109,220	\$ 102,000
Bus Maintenance - Contracted	\$ 655,934	\$ 285,504	\$ 309,200
Bus Maintenance - In-house	\$ 277,200	\$ 1,079,550	\$ 1,030,400
Facility Rental	\$ 85,800	\$ 62,811	\$ 71,400
Vehicle Leases	\$ 14,400	\$ 11,659	\$ 14,400
Equip/Furniture/Software Exp	\$ 85,200	\$ 101,389	\$ 86,300
Prof Development & Training	\$ 20,400	\$ 6,471	\$ 6,000
Association Events	\$ 18,000	\$ 7,245	\$ 6,000
Utilities - Building	\$ 189,793	\$ 172,692	\$ 156,300
Telecommunications	\$ 155,600	\$ 130,588	\$ 125,200
Miscellaneous Expense	\$ 102,840	\$ 109,378	\$ 25,440
Finance charges	\$ 216,600	\$ 218,827	\$ 214,000
Insurance	\$ 180,000	\$ 206,032	\$ 207,000
Total Expense	\$ 15,116,032	\$ 14,670,710	\$ 15,542,833
Excess Revenue	\$ 968,233	\$ 397,451	\$ 804,917

The development of the budget was based on a series of programmatic assumptions including changes in contract reimbursement and billing rates, expansion of the ATN services to outlining communities, additional advertising sales, grant opportunities and other reimbursable.



Proposed FY 2017/18 Operating Budget

	FY 17 Budget	FY 17 Projected	FY 18 Proposed Budget
Total Sources of Revenue	\$16,278,311	\$15,068,161	\$16,348,350
Total Uses of Funds	\$15,116,032	\$14,670,710	\$15,542,833
<i>Excess Revenue</i>	<i>\$968,233</i>	<i>\$397,451</i>	<i>\$805,517</i>
<i>Contingency Funds</i>		<i>\$638,403</i>	
<i>Total Funds</i>		<i>\$1,035,854</i>	<i>\$483,854</i>
<u>Debt Service:</u>			
Bank of America _ Property Loan		\$142,600	\$142,600
Bank of America _ ZEB Bus Fleet		<u>\$168,000</u>	<u>\$336,000</u>
TOTAL DEBT SERVICE		<u>\$312,000</u>	<u>\$478,600</u>
Reserve Fund		\$240,000	\$240,000
Remaining Excess Revenue		\$483,854	\$570,771

ATN Reserve Fund:

FY 14 Balance	\$440,000
FY 15 Appropriation	\$240,000
FY 16 Appropriation	\$240,000
FY 17 Appropriation	<u>\$240,000</u>
TOTAL RESERVES	\$1,160,000

Director Brown clarified funds in the Reserve Fund and if these funds have been appropriated for any future uses. Director Kotler indicated that this is truly a rainy-day fund without any specific



appropriations. ATN's first financial auditor advised the agency to build this fund to a three-month equivalent of the operating budget. ATN is 1/3 of the way to that target. Past uses of these funds included a purchase of the ATN's existing facility.

Director Sanford inquired why Group Sales revenues are decreased for FY 2018. Director Kotler indicated that with the opening of the Anaheim Convention Center, ATN's contract for transportation services is expiring. Director Sanford suggested that the ATN's sales staff should replace this revenue source to increase ATN's revenue potential.

Outside of these recommendations, no other questions were presented to staff. By Motion Sanford/Brown approved Fiscal Year 2017/2018 ATN Operating Budget

Yeas: Burress, Tully, O'Connell, Lee, Runsten, Munoz, Patel, Nocella
Noes: None
Abstain: None

Adjourned Regular ATN Board of Directors Meeting at 4:47 PM.

CLOSED SESSION: 2 ITEMS

Conference with real property negotiators Executive Director Diana Kotler and Todd Priest pursuant to Government Code Section 54956.8, concerning potential terms and conditions of acquisition and/or disposition of the property identified below:

Property Location: 2099 South State College Boulevard, Suite 600, Anaheim, CA
Owner/Negotiating Party: Visit Anaheim, 2099 South State College Boulevard, Suite 600, Anaheim, CA

Property Location: 1325 North Anaheim Boulevard, Anaheim, CA
Owner/Negotiating Party: City of Anaheim, 200 South Anaheim Boulevard, Anaheim, CA

Reconvene ATN Board of Directors Meeting and report from ATN Legal Counsel at 5:18 PM. Legal counsel reported that there were no reportable matters. Adjourn ATN Board of Directors Meeting at 5:19 PM.

Next regular ATN Board of Directors meeting will take place at the Anaheim Regional Transportation Intermodal Center (ARTIC) 2nd Floor Conference Room 2626 East Katella Avenue, Anaheim, on Wednesday, August 23, 2017.