



Anaheim Transportation Network
Board of Directors and General Membership
Meeting Minutes
Wednesday, September 24, 2014
3:00 P.M. – 5:00 P.M.
Anaheim Convention Center
Mezzanine Conference Room
800 West Katella Avenue, Anaheim, CA 92802

ATN Board Members in Attendance:

Sergio Bocci, Hilton Anaheim
Fred Brown, Desert Palms Hotel & Suites
Tony Bruno, Sheraton Park
Cesar Cazares, Anaheim Marriott
Larry Meifu, Hilton Place Anaheim / Prospera Hotels
Tom Morton, City of Anaheim
Bill O'Connell, Stovall Hotels
Kyndell Paine, Disneyland Resort
Paul Sanford, Anabella
Jay Burress, AOCVCB

ATN Staff Present:

Diana Kotler, ATN
Barbara Adams, ATN
Lita Aguilar, ATN
DeAndre McCall, ATN
Belinda Trani, ATN

ATN Legal Counsel:

Eric Willens, Cummins & White, LLP

ATN Members Present:

None

Members of the Public Present:

Felicia Adams, First Transit
Rich Bacigalupo, OCTA
Ben Deal, Applied LNG
Jason Hix, First Transit
Linda Johnson, City of Anaheim
John Landherr, A-Z Bus Sales
Leo Lovato, A-Z Bus Sales
Todd Priest, Curt Pringle & Associates
Michael Valanos – First Transit
Sue Zulke, OCTA



AGENDA

The ATN Board of Directors meeting was called to order at 3:00 pm

WELCOME & INTRODUCTIONS

ADDITIONS/DELETIONS TO THE AGENDA

None

PUBLIC COMMENTS

Leo Lovato representing A-Z Bus Sales addressed the ATN Board of Directors indicating the value of ATN business relationship. A-Z Bus Sales provided the ATN 18 Compressed Natural Gas buses in 2012. Mr. Lovato indicated that A-Z Bus Sales looks forward to future opportunities to work with the ATN on future procurements. As an employee-owned bus manufacturing company, A-Z Bus Sales takes pride in the delivery of buses to numerous transit properties and, in accordance with comments made by Mr. Lovato, is pleased to continue to work with the ATN.

Upon completion of comments by Mr. Lovato, public comment session continued with the comments by Ben Deal, Regional Business Development Manager with Applied LNG. Mr. Deal indicated that Applied LNG is the sole LNG fuel service provider to Orange County Transportation Authority (OCTA). Mr. Deal indicated that Applied LNG was not able to reply to the recent RFP issued by the ATN for the provision of LNG fuel and fueling infrastructure. Mr. Deal stated that even though Applied LNG did not submit a proposal in the response to the ATN's RFP, because Applied LNG was not aware of the solicitation.

Mr. Deal stated that, in his opinion, the staff report contained inaccurate cost comparison information. Mr. Deal also stated that the purpose of his presentation to the ATN Board of Directors was to make the Board aware that Allied LNG was available and able to supply LNG to the ATN. Mr. Deal stated that the information used by the ATN in its financial analysis was based on old LNG fuel pricing and therefore this information was not fair. Mr. Deal also stated that surcharge was inaccurate. In addition, Mr. Deal said that Applies LNG could potentially save ATN \$8,000 per year. He said that the Alternative Fuel Tax Credit expired. He said that Applied LNG would love to service ATN if ATN were to go back to OCTA. He said that he wants to be fair to the alternative fuel marketplace.

SPECIAL CALENDAR:

1. Presentation of Resolutions to Harvey Nix for the Anaheim Resort Transportation Operator for the Month of July 2014 and Michael Valanos for the Anaheim Resort Transportation Operator for the Month of August 2014.



CONSENT CALENDAR

Items 2 – 8 on the consent calendar are 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, July 23, 2014
3. Receive and file status report pertaining to the Anaheim Transportation Network operations
ATN Focus Area Reports – July and August 2014
4. Receive and file ART Operating Reports through July and August 2014
5. Receive and close financial reports for the period of July and August 2014, and approve electronic payments for the period of July/August/September 2014
6. Receive and file ATN membership report for July and August 2014
7. Receive and file customer service summary July and August 2014
8. Receive and file sales report summary for April through June 2014

By motion, Brown/Morton, the ATN Board of Directors approved the consent calendar.

Ayes: Bocci, Brown, Bruno, Cazares, Meifu, Morton, O'Connell, Paine, Sanford, Burress
Noes: None

OPERATIONAL REPORT:

9. ART operational update – monthly report provided by First Transit

Felicia Adams of First Transit (FT) reported that FT has been actively working to continue its staffing efforts and the current shortage of driving personnel will be reduced shortly. Forty (40) drivers have been hired and are going through FT's training program. In total, 83 new drivers have been hired since June 2014. FT is recruiting through several channels, such as recruitment websites, local job fairs and references. As per contract with ATN, 90 to 100 full time positions will be filled. By the end of the recruitment effort, it is FT's goal to hire and retain 227 operators. When asked if the shortage of operators was known prior to the initiation of the work for ATN, Ms. Adams responded that FT did not anticipate that the previous contractor would recruit driving personnel as this action is not typical during contract transition. This action by the previous contractor undermined FT's efforts and is directly linked to the current shortage in operators.

Upon completion of her report, Ms. Adams introduced Jason Hix as a new Safety Manager for FT at the Anaheim location. Mr. Hix relocated from FT's division in Las Vegas. Mr. Hix immediate responsibilities include re-establishment of a comprehensive safety program consistent with other similar transportation agencies and needs of the ATN.



ACTION CALENDAR:

10. ***Receive and file an update from the ATN Executive Director, pursuant to approval of Evaluation Committee's recommendation, in response to RFP 2014-007 to refinance ATN facilities at 1354 South Anaheim Blvd., Anaheim. Authorize the ATN Executive Director to appropriate up to \$10,000 to conduct property appraisal(s) as deemed necessary by the Evaluation Committee.***

Staff provided a report in regard to the release of ATN's RFP #2014-007, to refinance ATN's administrative facilities at 1354 South Anaheim Boulevard, Anaheim. The RFP requested for financial institutions to submit refinancing proposals for a combined loan amount of \$2,187,500. The RFP requests a loan proposal for a 25/10 amortization schedule and a fixed interest rate. In response to the RFP, the ATN received proposals from five (5) banking institutions:

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| 1. Chase JP Morgan | 4. Wells Fargo & Company |
| 2. Citizens Business Bank | 5. US Bank |
| 3. Bank of America | |

Following meetings of the Evaluation Committee, the ATN will be proceeding into Best and Final Offer (BAFO) negotiations with top three (3) financial institutions – Chase JP Morgan, Bank of America and Citizens Business Bank. The financial institutions proceeding into the BAFO phase of the selection process were requested to provide additional information to substantiate their original proposals and to clarify certain inquires of the Evaluation Committee.

A second meeting of the Evaluation Sub-Committee to review submitted BAFO, resulted in an invitation of top two financial institutions for an interview to discuss their offers. Interviews with the top two financial institutions were held on Wednesday, September 17, 2014.

Taking into consideration interest rates, loan to value percentage, the Evaluation Committee thought it would be prudent to proceed with the appraisal with both financial institutions to make sure that the ATN has refinancing options that are in the best interest of the ATN.

Director Morton inquired if the Evaluation Committee thought it was prudent to pay for two appraisals. Chairman Sanford clarified the direction and recommendation of the Evaluation Sub-Committee to make sure that the appraisals were high enough to ensure adequate refinancing options and ability to draw funds to complete tenant improvements and any other needs the ATN may have, as well as to have ability to put funds back into operations that were taken to complete the relocation and initial tenant improvement needs.

The Evaluation Committee also asked for staff to bring a list capital improvements needed for the facility for the final decision by the ATN Board of Directors.



The board members indicated that they have a desire to re-invest approximately \$100,000 back into Operations and/or capital improvements, pending staff recommendation.

By motion, Morton/Bocci, the ATN Board of Directors, authorized the ATN Executive Director to appropriate up to \$10,000 to conduct property appraisal(s) as deemed necessary by the Evaluation Committee.

Ayes: Bocci, Brown, Bruno, Cazares, Meifu, Morton, O'Connell, Paine, Sanford, Burress
Noes: None

- 11. Authorize ATN to participate in the Zero Emission Bus (ZEB) procurement consortium initiated by the Long Beach Transit Company, contingent upon receipt of grant funding request submitted to the Federal Transit Administration (FTA) for Low or No Emission Vehicle Deployment Program (Lo/No Program).***

In an effort to continue to improve and build ATN's bus fleet, in March 2014, the ATN Board of Directors authorized ATN staff to submit a grant application to the Federal Transit Administration (FTA) for Low or No Emission Vehicle Deployment Program (LoNo Program). The grant application was submitted requesting a finding for ten (10) Zero Emission Buses (ZEB) for a total amount of \$7,342,000.

Staff indicated that in June 2014, Long Beach Transit Company (LBT) announced that the agency is releasing a procurement document for acquisition of ZEB buses and invited ATN to participate in this procurement, through exercise of purchasing options. LBT completed the preparation of a solicitation document, which is slated for release at the end of September 2014. Pending adherence to the solicitation schedule, proposals from bus manufacturers would be due at the end of December 2014.

Taking into consideration the timing of the solicitation and potential award of FTA grant funds, ATN could have an excellent opportunity to participate in a joint procurement process. In addition to the LBT, as a lead agency, ATN and Gardena Municipal Bus Lines expressed interest in joining this procurement consortium. Technical specifications are in the process of being developed, with assistance from Center for Transportation and Environment (CTE).

Table 2 represents total quantity of proposed bus purchases by each consortium member. Based on the current interest in the procurement of ZEB, in addition to the LBT and ATN, Gardena Municipal Bus Lines also decided to participate in the joint procurement process. Table below represents total number of ZEB buses sought through the procurement.



Transit Agency	# of ZEB
Long Beach Transit Company	26
Gardena Municipal Bus Lines	10 -21
ATN	Up to 10

Taking into consideration resources invested into the development of technical specifications, expertise available through consortium partners, leverage to negotiate ZEB purchase price, warrantee parameters, and on-going maintenance with technical support, it is staff's recommendation to participate in the consortium procurement, contingent upon receipt of the federal grant funds.

Director Morton inquired about options for charging of electric buses, possible range and other operating parameters. Staff indicated that the industry is proposing two solutions – traditional overnight charging allowing an operating range of 150 miles per day or on-demand charge with the range of 30-40 miles per charge. The latter option would require installation of charging infrastructure on-route in order to complete daily operations.

Director Morton also asked if ATN would need to install high voltage charging stations in the Anaheim Resort. Director Morton was advised that charging stations, should the consortium agree to acquire this type of ZEB bus, would be required. Most likely, these charging stations would be installed at the Toy Story Transportation Center to integrate charging with daily operations and driver breaks and lunch periods. Should the ATN proceed with this charging option, the grant does cover charging stations. Additionally the City of Anaheim is looking to invest up to \$500,000 into infrastructure improvements.

Should a traditional charging option be chosen, the charging stations look like a small ATM unit and these stations would be installed at the ATN property at a cost of approximately \$10,000 per charger.

The number of charging stations required depend on when the buses will be charged. If the buses are to be charged overnight, then each bus will require a charging station. If the buses are "opportunity" charge buses, then ATN would need three (3) stations. Each station can serve five (5) buses. The final decision will be made by the consortium taking into consideration operational needs and financial capacities. The Federal Transportation Administration has no preferred manufacturer; however, ATN would seek to go with the industry standard.



By motion, Brown/Sanford, the ATN Board of Directors approved ATN to participate in the Zero Emission Bus procurement initiated by the Long Beach Transit Company, contingent upon receipt of grant funding request submitted to the Federal Transit Administration (FTA) for Low or No Emission Vehicle Deployment Program (NoLo Program).

Ayes: Bocci, Brown, Bruno, Cazares, Meifu, Morton, O'Connell, Paine, Sanford, Burress
Noes: None

12. BOARD WORKSHOP:

Review proposed Anaheim Resort Transportation route streamlining and other technology, marketing, and public outreach activities.

In preparation for the opening of the Anaheim Regional Transportation Intermodal Center (ARTIC) to the public on December 13, 2014, the ATN began a process of evaluation of Anaheim Resort Transportation (ART) route efficiencies to incorporate ARTIC as part of the overall public transit system. As part of this effort and in preparation for ARTIC, a number of technology-based and marketing initiatives were started by the ATN. These initiatives include: 1) Text & Go System, E-Ticketing, Next Bus Signage, 2) Social Media campaign, re-launch of ART website, on-street signage re-design, and 3) ART route streamlining to include stops at ARTIC and incorporation of new developments in the Anaheim Resort.

From the technology perspective, Text & Go system is in the testing phase. E-Ticketing is in the final design phase and Next Bus signage is in the permit approval phase. All technology initiatives are slated for full implementation by the time ARTIC opens in early December.

With the award of the agreement to Victory Communications in June, planning of the Social Media campaign is in progress. First blogs will appear in November, with a photo shoot and video planned for early December. Re-launch of ART website has been driven by incorporation of Google Transit functions to allow for real-time bus arrival information and ability to create live itineraries for the traveling public. On-street signage will be designed to include Text & Go information and at two bus stop locations, Next Bus stops signs will be installed. These bus stops, with Next Bus information, will be in addition to the current stops at the Grand Plaza, Amtrak Station and Staybridge/Holiday Inn Resort. Two new Next Bus stop locations will be at Harbor & Convention Way (northbound) and on Katella Ave in front of the Cheesecake Factory (westbound).

In addition to the initiatives described above, staff began to look at options to update the theme of the marketing messaging for ART, in concert with incorporation of "ART" in the consumer messaging. The overall marketing messaging was suggested as THE ART OF HAPPY HOP – Ride Play Dine Shop – A Carefree Way to Get Around. The follow-on messaging would include:

RIDE – The ART of Connecting the Dots – Suggested itineraries to major destinations, ARTIC, built on promoting connectivity.



PLAY – the ART of Fun – Promote all major destinations – Disneyland Resort, Knott’s, Convention Center. Access to all destinations by route and stop number.

DINE – The ART of Taste – Promote restaurants and related destinations – GardenWalk, Packing District, Downtown Disney and other restaurants, by route and stop number.

SHOP – the ART of Shopping – Promote retail opportunities, the Outlets, GardenWalk, Downtown Disney, by route and stop number, with transfer points.

Director Morton stated that he liked the approach, but would like for staff to reconsider Happy Hop. He did not think that this name fits into the proposed scheme. Director O’Connell stated that Happy Hop was used in the past. Staff confirmed that Happy Hop was used before by Disney and American Airlines to promote travel from Pacific Northwest. Currently the name is not registered and is available for use. Director Paine indicated that as long as we did not use the “Happiest Hop”, Disney would not have objections. Staff indicated that we would go back to the drawing board for re-consideration of “Happy Hop” idea and will bring it back to the board.

Cognizant of the federal requirements in consideration for transit system realignments and other changes, staff took into consideration public outreach needs, should significant changes to the transit system be necessary. Taking into consideration that existing stops and routes will continue to operate based on the current parameters, public hearing will not be necessary. ATN adopted OCTA’s policy in consideration of transit system restructuring which is as follows:

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| 1. Route Alignment Reduction or Elimination
<i>Reducing existing route by more than 50% in directional miles and/or stops</i> | None Recommended |
| 2. Route Alignment Extension or New Route
<i>Adding a route and/or route segment that increases directional route miles and/or stops by 50%</i> | None Recommended |
| 3. Route Level Service Hour Changes
<i>Increase or decrease of 25% or more of annualized weekday or weekend vehicle revenue hours</i> | None Recommended |
| 4. System Wide Service Hour Changes
<i>Increase or decrease of 25% of annualized vehicle revenue hours of 25% all routes within 12 months</i> | None Recommended |

In continuation of the discussion, staff provided system-wide and by-route, ART route metrics information. From the system-wide approach perspective, for FY 2013/14 ART farebox recovery is at 101.81%. When compared to the previous FY of 2012/13, farebox recovery was at 106.81%. The primary purpose of looking at route re-alignment is to achieve operational efficiencies, while integrating new



business developments, to bring ART system productivity back to 106%. Director O'Connell inquired if farebox recovery included hotel contributions and staff indicated that, yes, hotel contributions were included as these funds are used for direct operations. Without hotel contribution, farebox recovery would be between 65-70%, second only to transit operations in Las Vegas. To reiterate the need for re-alignment staff highlighted primary objectives of this effort, in concert with other initiatives described earlier:

1. Incorporate New Developments
2. Utilize Existing Route and Stop System
3. Allow for Internal Demand Management Practices
4. Simplify Route System for Use of Guests
5. Build-In Route Interchangeability
6. General Ease of Use and Understanding
 - Unique Name (Harbor Line, Katella Line)
 - Unique Color
 - Unique, yet, interchangeable Stop Number

One of the main principles behind the proposed re-alignment methodology was current use, by ART, of the Disneyland Resort Transportation Center (East Esplanade) and existing signage at this facility. As ART routes were transitioned to the line-based system, stop numbers on the ART route system would remain consistent with the signage system at Disneyland Resort Transportation Center. Director Bruno inquired if we discussed with Disney a potential of changing the signage at the Disneyland Resort Transportation Center. Staff indicated that these discussion were not held with Disney, as the signage program was recently changed at a cost to Disney of over \$50,000. Any future changes to the signage would need to be ATN's responsibility, which is not in the current budget.

Upon completion of the overall objectives and principles, specific line/route changes were presented, starting with the routes that did not have any proposed changes, with exception of the name and addition of color to help with line/route identity and recognition.

Discussion concentrated on the need to add destinations outside of the Anaheim Resort and correlation between these destinations and overall financial participation in the ART system. Board members inquired how these establishments were selected, to which staff replied that these selections were determined based on the inquiries from the guests. Typically, financial participation in ART, outside of the Anaheim Resort and Platinum Triangle, is encouraged in the form of advertising sponsorships. Mr. Priest, ATN's strategic consultant, advised the Board that this financial discussion should be conducted separately to take into consideration all potential and available opportunities.

Upon completion of the review of routes with no proposed realignments, staff described ideas behind streamlining of the remaining ART routes 1-5 and routes 14 and 15. Through the creation of a LINE system and through improved frequency and headways, while using current bus stop assignments at the



Disneyland Resort Transportation Center, ART routes would be able to incorporate new developments, increase efficiency of the existing system, and provide a simplified approach for the final consumer. Routes 1-2 would be called the Harbor Line; Routes 3-5 would be called the Grand Plaza Line; Routes 6-8 would be called Clementine Hotel Circle Line and route 14-15 would be called ARTIC Sportstown Line. All of the proposed initiatives are proposed to be deployed by the opening of ARTIC and in time for the reprint of ART System Map.

Director Bruno, inquired if Universal Studios will continue to be an advertiser on the ART System Map or if other entities would be able to advertise.

In addition to the revitalization of the ART system, ATN staff has been working with the business interests in Costa Mesa to include South Coast Plaza and surrounding lodging establishments. These discussions are proceeding favorably. Should discussions continue in a positive manner, service to South Coast Plaza would begin in April 2015.

Another addition to ART service would be accessibility to the beach. Through ARTIC and recent changes to the Metrolink weekend train schedule, ART service would be able to connect our destination to the beach at San Clemente. Frequent service to ARTIC and connectivity with Metrolink, access to the San Clemente pier and local beach attractions would be an asset to the Anaheim community, truly promoting multi-modal connectivity and vision for ARTIC.

In summary, the purpose of the proposed ART system streamlining is a multi-faceted structure to meet the following objectives:

1. Integrate technology initiatives with ART routes/lines re-branding
2. Develop ART routes/lines to accommodate growth – ARTIC, new hospitality establishments and restaurants
3. Provide more efficient, direct service with greater flexibility and understanding for the travelling public
4. Improve farebox recovery

Upon completion of the discussion and presentation, staff indicated that based on the comments and input received at the Board meeting, these comments would be further vetted and brought back to the Board of Directors for review and considerations. Board review will continue through October and November, in preparation for ARTIC opening late in the year.

STATUS REPORT:

13. Transition of ART Services Agreement to First Transit, Inc. on July 30, 2014.



Staff indicated that approximately 60% of current drivers transitioned over to First Transit. Since award of the contract for ART Service in May 2014, First Transit has been preparing for the transition. Recruitment for new drivers has been ongoing. Current recruitment efforts are ongoing, but operator shortages present operating challenges to the ATN. Staff is continually working with the First Transit management team to ensure that operating needs are met through the retention of third party personnel. In addition, representatives of teamsters Local 952 visited ATN operating facility. ATN's concern, in addition to the potential representation of driver personnel, is potential representation of the ATN's supervisory and maintenance staff.

14. Approval of grant funding by the Mobile Source Air Pollution Reduction Review Committee (MSRC) for Ducks and Angels Express service from October 2014 through October 2016

ATN received an award of \$231,000 for operation of Angel and Duck's Express Service for two years. Service will be expanded to all home games and will be routed through ARTIC when the facility opens. Operations will begin with Duck's NHL Season on October 17, 2014,

15. ATN Fiscal Year 2014/15 Operating Budget – Reporting for OCTA as sub-recipient – Format Changes

Based on comments received from OCTA staff in regard to the ATN Operating Budget, minor format and presentation changes were requested. ATN staff met with legal counsel to review its budget and incorporated OCTA's recommendations.

Adjourn ATN Board of Directors Meeting at 4:20 pm to proceed in Closed Session to consider the following two items:

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

Property Location: Anaheim Regional Intermodal Transportation Center (ARTIC)
2626 E. Katella Ave, Anaheim, California 92806
Owner/Negotiating Party: LPC Transit Management LLC
5 Hutton Centre Drive, Suite 120
Santa Ana, CA 92707

Conference with Legal Counsel – Anticipated Litigation
Significant exposure to litigation pursuant to Government Code Section 54956.9(b)

At 5:15 pm ATN Board of Directors reconvened the Board Meeting. Legal counsel made a report stating that the ATN Board of Directors authorized ATN staff to execute a real estate lease agreement



ANAHEIM RESORT TRANSPORTATION

with LPC Transit Management LLC., for the Anaheim Regional Intermodal Transportation Center (ARTIC) at 2626 E. Katella Ave, Anaheim, California 92806.

ATN Board of Directors adjourned at 5:17 pm.