

**Anaheim Transportation Network
Board of Directors Meeting
Wednesday, October 25, 2006
3:00 P.M. -- 5:00 P.M.**

**Downtown Anaheim Community Center
Board Room
250 E. Center Street
Anaheim, CA 92805**

AGENDA

Call To Order ATN Board Meeting

Additions/Deletions To The Agenda:

Finding that there is a need to take immediate action and that the need for action came to the attention of the ATN Board subsequent to the agenda being posted, a 2/3 vote being required.

Public Comments:

This is the opportunity for members of the public to speak on any item under the jurisdiction of the ATN Board of Directors or public comments on any agenda item. All interested parties may be present and be heard prior to beginning of closed session.

Consent Calendar:

Items 1 – 3 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:

- 1. Receive and Approve Minutes of the ATN Board of Directors Meeting Held on September 27, 2006.**
- 2. Receive and File Status Report Pertaining to the Anaheim Transportation Network Operations. ATN Focus Area Report – September 30, 2006.**
- 3. Receive and File Report Pertaining to the Anaheim Resort Transit Route Analysis through September 30, 2006.**

END OF CONSENT CALENDAR

Action Calendar:

- 4. Update on the ATN by-law amendment and articles of incorporation vote.**
- 5. Accept a Credit Memorandum from Coach USA/Southern California Grayline for \$1.2 million in satisfaction of the ATN debt service. Close Financial Records for Fiscal Year 2005/06. Authorize staff to proceed with preparation of ATN's audited financial statements for FY 2005/06.**
- 6. Exercise a Three-Year Contract Extension between the ATN and Coach USA/Southern California Grayline from April 30, 2011 through April 30, 2014 (Second Amendment to the Operating Agreement).**
- 7. Receive and Close Financial Reports for Review and File Financial Reports for the Period of July 2006 and August 2006. Receive and Review Financial Report for the Period of September 2006.**
- 8. Approve First Amendment to the ART Operating Agreement for Calendar Year 2007.**
- 9. Approve ATN Membership Investment Rates for Calendar Year 2007.**
- 10. Working Session –**
 - A. Legal opinion regarding GardenWalk Construction, Operation and Reciprocal Easement Agreement. Initiate discussion with the City of Anaheim Attorney's Office and/or Planning Department regarding accountability of ART transportation costs.**
- 11. Other Business -- Reminder -- November Board of Directors, General Membership Meetings and Board Elections will be Held of Second Wednesday in November due to Thanksgiving Holiday.**

Adjourn

Next regular ATN Board of Directors meeting will take place on Wednesday, November 15, 2006, at 3:00 p.m. ATN Board of Director will convene at Desert Palm Inn & Suites. General Membership Meeting and 2007/08 ATN Board elections will immediately follow Board of Directors meeting at 3:30 p.m.

All agenda items and back-up materials are available for review at the ATN Office and on the ATN website at www.atnetwork.org.

POSTING STATEMENT: On October 23, 2006, a true and correct copy of this agenda was posted at the ATN Office at 2001 South Manchester, Anaheim, 92802 and on ATN web site at www.atnetwork.org.

ATN Focus Area Report Highlights – September 2006

- Ridership for September 2006 was 60,333 pass holding passengers.
- Met with Disney Sports regarding Inaugural 1/2 Marathon ART service.
- The level of service was kept at off-peak operating levels through September, 2006. Park attendance projections were relatively soft.
- Vehicle wrap advertising secured and installed on all Disney buses. Internal panel advertising installations are in progress for Medieval Times. On-board video duplication was completed for nine new vehicles.
- Extension of ART service to accommodate Downtown Disney hours commenced on August 25, 2006.

Rideshare Focus

- *Regional Rideshare Survey Service* – Staff is working with OCTA to provide regional survey services to all ATN member companies.

Membership Focus

- Current membership tally: 105

ATN Board of Directors – Meeting Minutes
September 27, 2006
Downtown Anaheim Community Center
Board Room

Call to Order

Board members in attendance:

Fred Brown, Desert Palms Hotel

Steve Montgomery, Anaheim Marriott

Sven Grunder, Staybridge/ Holiday Inn Anaheim Resort

Julio Badin, Walt Disney Company

Bill O’Connell, Stovall’s Hotels

Charles Ahlers, Anaheim Orange County Visitor & Convention Bureau

Larry Slagle, Yellow Cab of North Orange County/Western Transit

ATN Staff Present: Diana Kotler, Executive Director

Ex-Officio Member: Gail Eastman, Anaheim Planning Commission

ATN Legal Counsel Doug Haubert, Aleshire & Wynder, LLP

Members of the Public Geoff Sherman, Excel Realty Holdings

The Board of Directors meeting called to order at 3:08 p.m.

Public Comment –Members of the public did not make a presentation at the meeting.

There were no additions or deletions to the September 27, 2006, ATN Board of Directors meeting agenda.

Consent Calendar:

Consent Calendar items 1 through 5 were approved by a single motion (Ahlers, Grunder)
Staff brought to the attention of the Board by-law and articles of incorporation status report.
Sixty one (61) ATN members submitted their ballots. Board member Brown volunteered to follow-up with several ATN members in an attempt to obtain remaining ATN by-law votes.

AYES: 7

NOES: 0

ABSTAIN: 0

Action Calendar:

Agenda Item #6 Accept a Credit Memorandum from Coach USA/Southern California Grayline for \$1.2 million in satisfaction of the ATN debt service. Close Financial Records for Fiscal Year 2005/06.

Staff presented Fiscal Year 2005/06 financial statement which included \$1.2 debt service credit memorandum from Coach USA. Direction from the ATN auditors was pending in regard to the proper financial recording of the credit memorandum. Board continued Agenda Item #6 (Montgomery, Slagle) to October 2006 ATN Board meeting, pending auditor's recommendations.

AYES: 7
NOES: 0
ABSTAIN: 0

Agenda Item #7 Exercise a Three-Year Contract Extension between the ATN and Coach USA/Southern California Grayline from April 30, 2011 through April 30, 2014 (Second Amendment to the Operating Agreement).

As per second amendment to the operating agreement between the ATN and CUSA, operating agreement needs to be extended for three years. This extension will allow CUSA to amortize over a seven-year period full useful life of the new buses. The ATN Board of Directors continued Agenda Item #7 pending resolution of Agenda Item #6 (Slagle, Brown) to October ATN Board of Directors meeting.

AYES: 7
NOES: 0
ABSTAIN: 0

Agenda Item # 8 Receive and Close Financial Reports for Review and File Financial Reports for the Period of July 2006. Receive and Review Financial Reports for Review and File Financial Reports for the Period of August 2006.

Consistent with the actions taken for Agenda Items # 6 & 7, the Board continued review of the ATN's financial statements to October ATN Board of Directors meeting (Slagle, Montgomery).

AYES: 7
NOES: 0
ABSTAIN: 0

Agenda Item #9 Discuss Amendment to the ART Operating Agreement for Calendar Year 2007. Direct Staff to Prepare an Amendment to the ART Operating Agreement for Calendar Year 2007.

Staff recommended an amendment to the ART operating agreement for calendar year 2007. Additions to the operating agreement would include a penalty for the sale of ART passes to non-participating hotels and addition of a late payment charge. The board authorized ATN's finance committee to review proposed language and make recommendations at the October ATN Board of Directors meeting (Slagle, Montgomery). Directors Badin, Montgomery and Grunder agreed to serve on the finance committee and prepare recommendations for the October ATN Board of Directors meeting.

AYES: 7
NOES: 0
ABSTAIN: 0

Agenda Item #10 Working Session Future ART Service Area – GardenWalk:

- 1. Level of Service**
- 2. Related Costs**
- 3. Preliminary Scenarios for Consideration of Cost Allocation**

Geoff Sherman representing Excel Realty Holdings presented information regarding the scope and timing of the GardenWalk development in Anaheim Resort. In summary, GardenWalk will include 1266 hotel rooms, including 466 timeshare units. 290 square feet of retail development will include 11 full service restaurants and seven fast food restaurants. In addition, approximately 40 retail businesses will be located in GardenWalk. Opening of GardenWalk will be staggered between late fall 2007 and 2009/2010. Full build-out will include 3,200-space parking structure with access off of Clementine Avenue.

Staff presented an overview of the applicable mitigation measures and potential accountability of the revenues generated by GardenWalk through the installation of a kiosk, thus allowing GardenWalk tenants to take full credit for the sale of ART passes. This would be consistent with the kiosk sales accountability at Disney's East Esplanade.

To accommodate demand for ART transportation, while being cognizant of the associated costs, operating scenario #3 was considered and would include a 30-minute circulator service in the Anaheim Resort with direct connection to GardenWalk. This scenario would not impact ART operations at Disney's East Esplanade, and would not prohibit ATN from the solicitation of advertising revenue from GardenWalk tenants.

In order to assure that ART operating costs do not unduly burden existing ART participating properties, Mr. Sherman indicated that there maybe a possibility of including ART operating

costs into the GardenWalk's Construction, Operation and Reciprocal Easement Agreement. Mr. Sherman agreed to forward a copy of the Construction, Operation and Reciprocal Easement Agreement to ATN staff and legal counsel for review and discussion at the upcoming October ATN Board Meeting.

ATN Board Meeting adjourned at 4:59 p.m.