



ANAHEIM TOURISM IMPROVEMENT DISTRICT (ATID) TRANSPORTATION COMMITTEE REPORT

City of Anaheim DEPARTMENT OF PUBLIC WORKS

DATE: JANUARY 28, 2019

FROM: DEPARTMENT OF PUBLIC WORKS

SUBJECT: REQUEST FOR APPROVAL OF REPRESENTATIVE TO THE ATID TRANSPORTATION COMMITTEE, SELECTION OF ATID TRANSPORTATION COMMITTEE 2019 CHAIR, RECEIVE AND FILE REVIEW OF ATID TRANSPORTATION COMPONENT REVENUES AND EXPENDITURES AND APPROVAL OF ATID TRANSPORTATION COMPONENT FUND ANNUAL REPORT FOR FISCAL YEAR 2017/18 AND A REQUEST FROM THE ANAHEIM TRANSPORTATION NETWORK BOARD FOR ATID TRANSPORTATION COMPONENT FUNDS IN AN AMOUNT TO BE DETERMINED BY THE COMMITTEE

RECOMMENDATION:

That the ATID Transportation Committee, by separate Motions,

- A. Approve Fred Brown as the representative to the ATID Transportation Committee as recommended by Visit Anaheim;
- B. Select the ATID Transportation Committee Chair for 2019;
- C. Receive and file review of ATID Revenues and Expenditures and Approve the ATID Transportation Component Fund Annual Report for Fiscal Year 2017/2018; and,
- D. Consider approval of ATID Transportation Component Funds to support the following in an amount to be determined by the Committee: Provide funding requested by the Anaheim Transportation Network (ATN) Board towards the cost to operate the Anaheim Resort Transportation (ART) bus service in order for the ATN to use its own resources towards development of an energy storage system to charge a new fleet of Zero Emission Buses. (\$4,345,000)

BACKGROUND:

In 2010, the City of Anaheim in collaboration with the Anaheim/Orange County Visitor and Convention Bureau (now known as Visit Anaheim) and a consortium of hoteliers formed the Anaheim Tourism Improvement District (ATID) for the promotion of local tourism and convention-related programs as well as transportation improvements within

ATID TRANSPORTATION COMMITTEE STAFF REPORT

January 28, 2019

Page 2 of 4

The Anaheim Resort and the Platinum Triangle. The ATID places a two percent assessment upon all the hoteliers within the ATID boundaries. Of the revenues collected from the ATID assessment, 75 percent of the funds are directed to Visit Anaheim and are dedicated to marketing, promotion and related activities that seek to bolster the City's tourism and Convention industry. The remaining 25 percent of the funds are placed in a separate transportation fund that is intended to be dedicated to transit or transportation improvements within the ATID boundary, including projects that assist with the movement of people in and around The Anaheim Resort and the Platinum Triangle.

Per the ATID Ordinance No. 6174, the ATID Transportation Fund is managed by a three member committee that identifies funding priorities and approves expenditures. The committee is made up of representatives from the following entities: 1) Representative of the City of Anaheim appointed by the Anaheim City Manager (Greg Garcia, Acting Assistant City Manager); 2) Representative from the largest single contributor in the aggregate by brand to the ATID (Mary Niven); and 3) Representative of the hoteliers as recommended by the Visit Anaheim Board of Directors, who shall also be an owner or operator of an Assessed Facility and a member of the board of directors of the Anaheim Transportation Network (ATN) and approved by the other two representatives on the committee (as indicated in Item A of this staff report, Fred Brown is recommended for this Committee membership).

Resolution No. 2010-151 and Ordinance No. 6174 (forming the ATID) also require the Transportation Committee to file an annual report with the City describing the amount of Transportation Component Funds collected, the amount of funding allocated by the Transportation Committee and the types of improvements and activities completed. The report may also recommend changes to the ATID. Any modification to the ATID would be subject to City Council approval following a public hearing.

REQUEST:

Following is a description of each of the requests followed by staff's recommendation:

A. Approve Fred Brown as the representative to the ATID Transportation Committee recommended by Visit Anaheim:

For the past several years, the ATID Transportation Committee has approved Fred Brown to serve on this Committee as a representative of Visit Anaheim. Jay Burress, representing Visit Anaheim, has submitted a recommendation that Mr. Brown be approved for this Committee for 2019 (see Attachment 1). Mr. Brown has operated hotels within The Anaheim Resort and currently holds the position of General Manager at Desert Palms Hotel. He also serves as Vice-Chair for the ATN and is a member of Visit Anaheim's Board of Directors. Mr. Brown meets the criteria for a Transportation Committee representative as set forth in the ATID Management Plan and is recommended to be approved as a Committee member.

B. Select the ATID Transportation Committee Chair for 2019:

At the April 9, 2018, ATID Transportation Committee Meeting, Fred Brown was selected to serve as Chair for 2018. Staff requests the Committee to select a Chair for 2019.

ATID TRANSPORTATION COMMITTEE STAFF REPORT

January 28, 2019

Page 3 of 4

C. Receive and file review of ATID Revenues and Expenditures and Approve the ATID Transportation Component Fund Annual Report for Fiscal Year 2017/18:

Attached for the Committee's reference is a copy of the ATID Transportation Component Fund summary (see Attachment 2). This summary shows actual and projected revenues and expenditures between FY 2010/2011 through FY 2019/2020, with additional projected revenues through FY 2021/2022 (the projected revenues are based upon a two percent (2%) increase per year). This summary shows the following:

- Total revenues received and projected through FY 2018/2019: \$32,883,640
- Total expenditures through June 30, 2018: \$14,399,402
- Total encumbrances in FY 2018/2019: \$13,883,928
- Remaining unencumbered balance in FY 2018/2019: \$4,600,310
- Total encumbrances in FY 2019/2020: \$2,511,000
- Remaining unencumbered balance in FY 2019/2020: \$7,151,973

An Annual Report for ATID Transportation Component Funds has been prepared to describe revenues and expenditures for activities completed during FY 2017/2018 (see Attachment 3). This report has been prepared in accordance with the Annual Report format and content described in the ATID Management Plan. The report does not propose any changes to the ATID.

Following the Committee's consideration and approval of the report, it will be filed with the City Clerk's Office and provided to the City Council.

D. Provide funding requested by the ATN Board towards the cost to operate the Anaheim Resort Transportation (ART) bus service in order for the ATN to use its resources towards development of an energy storage system to charge a new fleet of Zero Emission Buses:

In April 2018, ATN applied for and received a California State Transportation Agency's (CalSta) Transit and Intercity City Rail Capital Program (TIRCP) grant to electrify more than 50 percent of its ART fleet and develop an energy storage and charging solution for ART vehicles.

The ATID Transportation Committee previously allocated \$2,511,000 of ATID funds to the ATN to use as a local match towards the acquisition of 40 Zero Emission Buses (ZEBs) as part of the TIRCP grant. These buses are anticipated to be delivered in late Fall 2020.

The ATN also needs to provide \$4,345,000 as a local match towards the development of the energy storage and charging system for the new ART ZEBs. To provide for this local

ATID TRANSPORTATION COMMITTEE STAFF REPORT

January 28, 2019

Page 4 of 4

match, the ATN has submitted the attached letter (see Attachment 4) requesting \$4,345,000 of ATID funds for operation of ART service, including charging the new ZEBs when they arrive in 2020. This would allow the ATN to use its own existing operating and capital funds to provide the required local match for development of the energy storage system by Fall 2020.

The ATN requests half of the ATID funds in FY 2019/2020, with the remaining ATID funds allocated in FY 2020/2021. An ATID funding summary showing these allocations and the projected remaining ATID balance for each of those fiscal years is included in Attachment 4. Staff anticipates there will be sufficient funds available in those fiscal years to accommodate this request.

Use of ATID transportation funds towards ATN's ART operations is an eligible ATID expenditure. The ATID Transportation Committee previously allocated a total of \$732,434 for ATN's ART operational costs (\$260,000 towards the ARTIC/Sports Complex line between 2011 and 2015 and \$472,434 towards an operating shortfall in 2017). While use of ATID funds for development of the energy storage system is also an eligible ATID expenditure, those improvements would need to be constructed within the ATID boundaries. The ATN's current facility is outside of the ATID boundaries. The ATN is also in the process of exploring relocating its facility to a property outside of the ATID boundaries.

Staff recommends the allocation of this funding to the ATN to allow the ATN to use its own resources towards the local match requirement for the energy storage system.

Respectfully submitted,

Rudy Emami
Director of Public Works

Attachment:

1. Visit Anaheim Recommendation
2. ATID Transportation Component Fund Summary
3. ATID Transportation Component Fund Annual Report for Fiscal Year 2017/18
4. ATN ATID Request