



September 14, 2022

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Cooperative Agreement with the Anaheim Transportation Network for Transit Services

Overview

The Anaheim Transportation Network first entered into an agreement with the Orange County Transportation Authority in 2005 to establish roles and responsibilities regarding the collection of transit data and sub-allocation of Federal Transit Administration grant funds. The existing agreement expired on August 31, 2022. Approval is requested to enter into a new cooperative agreement for the distribution of Federal Transit Administration Section 5307 and Section 5339 funds.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Cooperative Agreement No. C-2-2777 between the Orange County Transportation Authority and Anaheim Transportation Network, in the amount of \$5,713,000, for a term of five years, to establish roles and responsibilities for the distribution of Federal Transit Administration Section 5307 and Section 5339 funds.

Background

The Anaheim Transportation Network (ATN) was established in 1995 as a non-profit public benefit corporation to develop and provide fixed-route service for the Anaheim Resort and Convention area. ATN is governed by a Board of Directors consisting of resort hoteliers, Disneyland, Angels Baseball and other hospitality organizations. The City of Anaheim has a seat on the Board of Directors, currently held by the City's Deputy Director of Convention, Sports & Entertainment. In 2002, ATN began operating a 28-vehicle fixed-route service known as the Anaheim Resort Transportation. The service is fixed route, open to the public, and fully accessible for persons with disabilities. Currently, ATN operates a fleet of 82 buses in various capacities ranging from 30-60 feet and ten microtransit vehicles.

ATN provides transportation services that generate federal funding. As a result, ATN is an eligible sub-recipient of funding for the Federal Transit Administration (FTA) Section 5307 Urbanized Area and FTA Section 5339 Bus and Bus Facilities Programs. The Orange County Transportation Authority (OCTA), as the direct FTA grant recipient, has the option to utilize these funds for OCTA-related transportation services or may choose to allocate funds to ATN to provide transportation services in the Anaheim Resort and Convention area.

OCTA has entered into three cooperative agreements with ATN starting in 2005, and subsequently in 2011, and 2017, which set forth the roles and responsibilities of OCTA and ATN for the pass-through of FTA grant funds. The most current agreement expired on August 31, 2022.

Discussion

FTA Section 5307 and Section 5339 funds are distributed through a formula primarily based on population, the type of service being provided, revenue vehicle miles, passenger miles, and operating costs, as reported to the National Transit Database (NTD). The draft Cooperative Agreement, No. C-2-2777, includes the following main provisions:

- ATN to comply with all FTA requirements and to report NTD data.
- ATN shall contract with OCTA to provide the complementary paratransit (OC ACCESS) service. This is recommended to ensure OC ACCESS service is provided within federal requirements and to ensure a centralized, coordinated, and cost-effective paratransit service is provided in Orange County. The cost will be on a per-trip fee basis for a proportionate share of trips that originate and terminate within three-quarter miles of ATN's operating area.
- OCTA will deduct the cost of the OC ACCESS service from ATN's annual reimbursement invoice.
- ATN to reimburse OCTA for administrative costs associated with grant administration, processing payments, and ensuring compliance with federal requirements.
- OCTA to assist ATN in compliance with federal requirements.
- OCTA to include ATN's projects in the Federal Transportation Improvement Program.
- OCTA to apply for FTA Section 5307 and Section 5339 grants on behalf of ATN following FTA grant procedures.

- ATN may request reimbursement of federal funds for eligible expenses per the FTA guidelines following the notice from OCTA that the federal grant has been executed.

In accordance with the terms of the agreement, OCTA will provide FTA Section 5307 and Section 5339 funds to ATN based on information retrieved from the NTD reports for modes of service operated by ATN, unit values distributed by FTA for the respective fiscal year and based on annual congressional apportionments. In the event additional funds are available above the \$5,713,000 threshold, staff will return to the OCTA Board of Directors (Board) to consider allocation of additional FTA funds as appropriate.

This agreement is strictly limited to the distribution of FTA Section 5307 and Section 5339 funds and does not address the ongoing discussions between OCTA and ATN related to State Transit Assistance (STA) funds. OCTA staff is in discussions with ATN staff regarding STA funds and is currently awaiting action from ATN before additional steps can be taken. A separate agreement between ATN and OCTA will be presented to the Board if ATN becomes eligible for STA funds in the future.

Fiscal Impact

There is no fiscal impact to OCTA by providing the federal funds to ATN. ATN provides transportation service that generates the federal funding and OCTA is allocating the funds to them as a sub-recipient. OCTA as the direct recipient of the FTA Section 5307 and Section 5339 funds could elect to use these funds to support OCTA fixed-route bus service and bus capital needs but is recommending allocating the funds to ATN given their service generated the funds. OCTA would work with ATN to facilitate the drawdown of the funds based on eligible expenses.

Summary

Staff requests Board approval to authorize the Chief Executive Officer to negotiate and execute Cooperative Agreement No. C-2-2777 between OCTA and ATN, in the amount of \$5,713,000, to provide FTA Section 5307 and Section 5339 funds.

Attachment

- A. Cooperative Agreement No. C-2-2777 between Orange County Transportation Authority and Anaheim Transportation Network for Public Transit Services

Prepared by:

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Approved by:

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