



ORANGELINE DEVELOPMENT AUTHORITY

The Orangeline Development Authority is a joint powers agency formed to pursue deployment of the Orangeline High Speed Maglev system in Southern California. The Authority is composed of the following public agencies:

City of Artesia
City of Bell
City of Bellflower
City of Cerritos
City of Cudahy
City of Downey
City of Huntington Park
City of Los Alamitos
City of Maywood
City of Palmdale
City of Paramount
City of Santa Clarita
City of South Gate
City of Vernon

Chair

Scott A. Larsen
Councilmember,
City of Bellflower

Vice Chair

Troy Edgar
Councilmember,
City of Los Alamitos

Secretary

Gary Milliman
City Manager,
City of South Gate

General Counsel

Michael Colantuono
Colantuono & Levin, PC

Treasurer/Auditor

Jack Joseph
Gateway Cities COG

Executive Director

Albert Perdon, P.E.

Supporting Agencies

Gateway Cities Council
of Governments
Southern California
Association of Governments
City of Garden Grove
City of Huntington Beach
City of Long Beach
City of Stanton

ORANGELINE DEVELOPMENT AUTHORITY REGULAR MEETING

Wednesday, June 13, 2007

16401 Paramount Boulevard
Paramount, CA 90723

Buffet Dinner – 6:00 p.m.
Regular Meeting – 6:30 p.m.

A G E N D A

1. Call to Order
2. Pledge of Allegiance
3. Roll Call and Introduction of Attendees
4. Public Comments
5. Approval of Meeting Minutes of May 9, 2007
6. Resolution of the Board of Directors of the Orangeline Development Authority Appointing the Authority Treasurer and Auditor
7. Review of Milestone 10 – Orangeline High Speed Maglev Financial Plan Supplement
8. Consideration of Draft Fiscal Year 2006-2007 Budget
9. Approval of Warrant Register
10. Communication Items to the Board
11. Communication Items from the Board
12. Adjournment – Next meeting July 11, 2007

MINUTES OF A REGULAR MEETING
OF THE ORANGELINE DEVELOPMENT AUTHORITY
WEDNESDAY, MAY 9, 2007

CALL TO ORDER

City of Bellflower Mayor and Authority Board Chair Scott Larsen called the meeting to order at 6:31 p.m.

PLEDGE OF ALLEGIANCE

City of Santa Clarita Mayor Marsha McLean led the assembly in the salute to the flag.

ROLL CALL AND INTRODUCTION OF ATTENDEES

Authority Board Members Present:

Scott A. Larsen – Authority Chair, Mayor, City of Bellflower
Troy Edgar – Authority Vice-Chair, City of Los Alamitos
Kirk Cartozian – Councilmember, City of Downey
Marsha McLean - Mayor, City of Santa Clarita
Maria Davila - Councilmember, City of South Gate
Mike McCormick – Councilmember, City of Vernon
Frank Gurule – Councilmember, City of Cudahy
Thomas Martin – Mayor, City of Maywood
Bruce Barrows – Councilmember, City of Cerritos
Tony Lima – Councilmember, City of Artesia
Tom Lackey – Councilmember, City of Palmdale

Other Attendees:

Albert Perdon – Authority Executive Director
Jialu Chen – Administrative Intern, Albert Perdon & Associates
Sharad Mulchand - Metro
Debbie Helbig – City of Santa Clarita
Charlene Palmer – ARCADIS
Laura Biery – City of Palmdale
Gary Milliman – City of South Gate
Paul Deibel – City of San Fernando
Albert H. Perdon – Transit Media Consultants

PUBLIC COMMENTS

City of Bellflower Mayor and Authority Board Chair Scott Larsen opened public comments for those in the audience who wished to address the Authority Board on other than agenda items. There was no response and the public comments section of the meeting was closed.

ITEM 5 - WELCOME REMARKS BY CITY OF SANTA CLARITA MAYOR

City of Santa Clarita Mayor Marsha McLean welcomed fellow Authority Board members and other attendees to the City of Santa Clarita. She spoke of the need for innovative transportation options for the exponential growth of the City. The City of Santa Clarita has adopted a resolution supporting Orangeline Maglev station area development concepts as described in the Authority's Milestone 7 report, and furthermore has

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conspicuously placed a page for the Orangeline Maglev on the City's website. Also, the City is actively redeveloping the older portion of the city and wants very much to have a transit-oriented hub as well as a work-to-housing balance. She thanked the members again for their attendance. Authority Chair Scott Larsen thanked the City of Santa Clarita for hosting the meeting. Executive Director Albert Perdon pointed out a map available in the report packet detailing potential Orangeline Maglev station locations in Santa Clarita.

ITEM 6 - APPROVAL OF MEETING MINUTES OF APRIL 11, 2007

City of Vernon Councilmember Mike McCormick moved to approve the meeting minutes of April 11, 2007. City of Cudahy Councilmember Frank Gurule seconded the motion, which carried unanimously. City of Cerritos Councilmember Bruce Barrows abstained.

ITEM 7 - AUTHORITY BOARD BUDGET COMMITTEE

Chairman Larsen reported that the Authority Board Budget Committee met last Thursday, May 3, 2007. The Committee will meet again and bring a proposed budget back in June to review and to approve in July. Any increases in dues will be between zero and three percent. Mr. Perdon recognized the possibility of the City of San Fernando joining the Orangeline. City of San Fernando Community Development Director Paul Deibel indicated that joining the Orangeline Development Authority is being recommended by staff in its budget proposal to the City of San Fernando Council.

ITEM 8 - REPORT ON DECISION BY CENTRAL JAPAN RAILWAY TO PHASE OUT THE FAMED SHINKANSEN HIGH-SPEED RAIL "BULLET" TRAIN AND REPLACE IT WITH MAGLEV TECHNOLOGY

Mr. Perdon announced that the Central Japan Railway will phase out Shinkansen high speed rail "bullet" train from Tokyo to Osaka via Nagoya and will be replacing it with maglev technology. They have determined that the rail system has reached its limit in terms of transportation technology and capacity.

Motion: City of Vernon Councilmember Mike McCormick moved to receive and file the report on Central Japan Railway use of Maglev. City of South Gate Councilmember Maria Davila seconded the motion, which carried unanimously.

ITEM 9 - REPORT ON PRESENTATION TO ORANGE COUNTY TRANSPORTATION AUTHORITY

Mr. Perdon stated that City of Los Alamitos Councilmember Troy Edgar and he will be appearing before the Orange County Transportation Authority and presented to the Authority Board the prepared slide presentation. Vice Chair Edgar indicated his previous lobbying efforts toward the OCTA to prepare for this event. He has also written a letter to the editor of the Orange County Register which is attached in the Authority Board report packet.

City of Downey Councilmember Kirk Cartozian expressed a concern that our project development costs might be contested and recommended that we be prepared to provide more information on project development cost as well as on the back-up and components pertaining to cost-benefit data to be present to the OCTA Board. Chairman

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Scott Larsen recommended that we be prepared for the question of why private industry should be allowed to benefit and make money from the use of public rights-of-way. Vice Chair Edgar commented on the project financial plan that indicates member cities would be able to use project-generated revenues to fund other related transportation improvements. City of Santa Clarita Mayor Marsha McLean inquired as to why the Orangeline Maglev is seeking \$200 million in public funding when the Orangeline Maglev has been presented as a privately funded project. Mr. Perdon pointed out that a significant part of the investment risk in the Orangeline Maglev relates to actions of government agencies, including the State, and the uncertainty of actions of public agencies that could either support or adversely impact the success of the project. This risk results in higher interest rates on the part of the private investors; or it may preclude private investment in the project. The Authority is seeking a loan guarantee from the State of California, or an endorsement which will decrease the private investment risk and allow the Authority to secure private money, preferably at the lowest possible cost. Government loans, loan guarantees and credit enhancements have been obtained in the past for public-private partnerships. A federal loan guarantee program called TIFIA is already in place. Mayor McLean asked if she could receive information to use in Sacramento meetings on Monday to explain the project and what it is that the Authority required from the Legislature. Mr. Perdon stated that he would provide Mayor McLean an information pamphlet by Sunday. Also, Mr. Perdon will request a letter from investment firms that indicate private funding for the project is achievable and stating the conditions for such investment, which will then be presented to cities and governments that would be in a position to fulfill such conditions.

City of San Fernando Community Development Director Paul Deibel asked how the Orangeline High Speed Maglev relates to the proposed State high speed rail. Mr. Edgar responded that the two programs are competitive, though the two offer different solutions to transportation. The primary difference is that the Orangeline Maglev is privately funded. Also, Governor Schwarzenegger is currently seeking more creative ways, such as public-private funding, to solve transportation needs. Mr. Deibel asked if there is sufficient rider demand to warrant both the high speed rail project and the Orangeline Maglev. Mr. Perdon stated that the proposed State high speed rail system is designed primarily to serve long-distance inter-city travel (say, from Los Angeles to San Francisco) while the Orangeline Maglev is aimed at the regional commuter market and is estimated to attract about 5-6% of that market; additional transit service is warranted to meet future growth demands. Cerritos City Councilmember Bruce Barrows pointed out that the proposed State high speed rail project will require a large federal grant, and an additional bond will likely be required to extend the line to its proposed terminus in southern California.

Motion: City of Cudahy Councilmember Frank Gurule moved to receive and file the report on the OCTA presentation. City of South Gate Councilmember Maria Davila seconded the motion, which carried unanimously.

ITEM 10 - RESOLUTION OF THE BOARD OF DIRECTORS OF THE ORANGELINE DEVELOPMENT AUTHORITY REQUESTING GATEWAY CITIES COUNCIL OF GOVERNMENTS ENDORSEMENT OF THE AUTHORITY PROPOSAL AND APPLICATION TO THE CALIFORNIA TRANSPORTATION COMMISSION

Executive Director Albert Perdon reported that the Gateway Cities Council of Governments has requested that the Authority approve a resolution requesting the Gateway Cities Council of governments to take action in support of the Authority's Proposal and Application to the California Transportation Commission (CTC). He therefore presented a resolution to the Authority Board for consideration of approval in order to gain consideration of the Authority's request to the Gateway Cities Council of Governments (COG).

City of South Gate Councilmember Marsha McLean asked the Executive Director about a report she had received stating that the Gateway COG had moved against supporting the Orangeline Development Authority proposal to the CTC. Mr. Perdon replied that he was informed various City Managers had raised questions about the Proposal and Application to the California Transportation Commission and its possible impact on their requests for bond funding. The Gateway COG had not taken up the issue, pending action by the Authority Board requesting their support. It was suggested that the item be placed on the Gateway COG's Transportation Committee agenda, especially as many members of the Authority Board are also members on this committee.

Motion: City of Los Alamitos Councilmember Troy Edgar moved to approve the resolution requesting the Gateway City Council of Government's endorsement. City of Vernon Councilmember Mike McCormick seconded the motion, which carried unanimously. South Gate City Manager urged that the transmittal letter request that the item be sent to the Gateway COG Transportation Committee.

ITEM 11 - APPOINTMENT OF AUTHORITY TREASURER AND AUDITOR

Executive Director Albert Perdon indicated to the Board that Jack Joseph has resigned from the position of Treasurer/Auditor. It is thus necessary for the Authority Board to appoint a new Treasurer and Auditor.

City of Vernon Councilmember Mike McCormick volunteered the staff of the City of Vernon to take on the roles performed by Jack Joseph. City of Los Alamitos Councilmember Troy Edgar suggested the option of a member of the Board in the official Treasurer/Auditor position. City of Vernon Councilmember Mike McCormick was nominated to serve as Treasurer, and City of Bellflower Mayor Scott Larsen was nominated to serve as Auditor. A resolution stating such will be presented to the Board in June for consideration.

Motion: City of South Gate Councilmember Maria Davila moved that a resolution to appoint a Treasurer and an Auditor be brought before the Authority Board for adoption at the June Meeting. City of Cudahy Councilmember Frank Gurule seconded the motion, which carried unanimously.

ITEM 12 - PROCUREMENT OF PROFESSIONAL SERVICES AND AGREEMENT FOR AUDITING SERVICES

Executive Director Albert Perdon reported that the Authority's Joint Exercise of Power's Agreement requires a financial audit for the 2005-2006 fiscal year. Therefore, he requests that the Board authorize Chairman Mr. Larsen to contract for audit services.

City of Downey Councilmember Kirk Cartozian requested that the Authority seek at least two and preferably three bids for the auditing service. Mr. Perdon requested contact information for possible auditing services. Mr. Cartozian promised contact information from his staff.

Funds are currently available from the budget to perform an audit. Mr. Larsen requests authorization to engage in a contract for an audit if the quoted price is less than \$4,000.

Motion: City of Bellflower Mayor Scott Larsen moved to authorize the Board Chairman to engage in a contract for an audit for an amount less than \$4,000. City of Vernon Councilmember Mike McCormick seconded the motion, which was passed unanimously.

ITEM 13 - APPROVAL OF WARRANT REGISTER

Motion: City of Cudahy Councilmember Frank Gurule moved to approve the warrant register as presented. City of Downey Councilmember Kirk Cartozian seconded the motion, which carried unanimously.

ITEM 14 - COMMUNICATION ITEMS TO THE BOARD

Executive Director Albert Perdon drew attention to the insert in the Board Packet on the Denver Transit District's consideration of Maglev technology as a more viable option for their transportation needs.

Mr. Perdon also reported on his continuing efforts and those of Assembly Member Hector de la Torre to bring the City of Los Angeles on as a member of the Authority.

City of Santa Clarita Mayor Marsha McLean informed the Board of her efforts to set up an appointment with Los Angeles County Supervisor Michael Antonovich.

ITEM 15 - COMMUNICATION ITEMS FROM THE BOARD

City of Santa Clarita Mayor Marsha McLean requested a tri-fold brochure describing the Orangeline for her use in meetings with Legislators in Sacramento. Executive Director Albert Perdon promised her several copies by Sunday, May 13.

Also, the Fullerton Rotary Club had approached Chairman Scott Larsen requesting a presentation on the Orangeline Maglev. This presentation is very potentially rewarding as the group includes an Orange County Supervisor.

ITEM 16 - ADJOURNMENT

There being no further business to come before the Orangeline Development Authority, the meeting was adjourned at 8:15 p.m. The next regularly scheduled meeting will be held on June 13, 2007 in Paramount.

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ORANGELINE DEVELOPMENT AUTHORITY

AGENDA REPORT

TO: Members of the Orangeline Development Authority

FROM: Albert Perdon, Executive Director

DATE: March 14, 2007

SUBJECT: **Resolution of the Board of Directors of the Orangeline Development Authority Appointing the Authority Treasurer and Auditor**

RECOMMENDATION

That the Board adopt the attached Resolution:

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ORANGELINE DEVELOPMENT AUTHORITY MAKING APPOINTMENTS TO THE OFFICES OF TREASURER AND AUDITOR

DISCUSSION

The Orangeline Development Authority First Amended Joint Exercise of Powers Agreement specifies, "The Board shall appoint an officer or employee of the Authority or an officer or employee of a Member to hold the offices of Treasurer and Auditor of the Authority. Such offices may be held by separate officers or employees or may be combined and held by one such officer or employee, as provided by the Board. Such person or persons shall possess the powers and duties of, and shall perform all Treasurer and Auditor functions for the Authority, including those required or authorized by California Government Code Sections 6505, 6505.5, and 6505.6. Until such time as the Board shall select another Treasurer and Auditor pursuant to this paragraph, the Deputy Executive Director of the Gateway Cities Council of Governments shall serve as Treasurer and Auditor of the Authority."

The Authority's current Treasurer and Auditor has submitted his resignation effective July 1, 2007. It is therefore necessary for the Authority Board to fill the pending vacancies. The Board discussed this issue at its meeting of May 9, 2007 and directed that a resolution be brought before the Authority Board at the June 13, 2007 meeting to enable the appointment of a replacement for the two positions.

ATTACHMENT

1. A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ORANGELINE DEVELOPMENT AUTHORITY MAKING APPOINTMENTS TO THE OFFICES OF TREASURER AND AUDITOR

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RESOLUTION NO. 07- 06

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ORANGELINE DEVELOPMENT AUTHORITY MAKING APPOINTMENTS TO THE OFFICES OF TREASURER AND AUDITOR

WHEREAS, The Orangeline Development Authority First Amended Joint Exercise of Powers Agreement specifies that the Authority Board shall appoint an officer or employee of the Authority or an officer or employee of a Member to hold the offices of Treasurer and Auditor of the Authority.

WHEREAS, such offices may be held by separate officers or employees or may be combined and held by one such officer or employee, as provided by the Board.

WHEREAS, such person or persons shall possess the powers and duties of, and shall perform all Treasurer and Auditor functions for the Authority, including those required or authorized by California Government Code Sections 6505, 6505.5, and 6505.6.

WHEREAS, the Authority's current Treasurer and Auditor has submitted his resignation effective July 1, 2007 and it is therefore necessary for the Authority Board to fill the pending vacancies.

NOW, THEREFORE, BE IT RESOLVED that the Authority Board of Directors does hereby appoint Vernon City Council Member Mike McCormick as Treasurer and Bellflower City Council Member Scott A. Larsen as Auditor for the period beginning July 1, 2007 and ending upon the appointment of a replacement.

The Secretary shall certify to the adoption of this Resolution.

APPROVED AND ADOPTED this 13th day of June 2007.

SCOTT A. LARSEN, Chair

ATTEST:

GARY MILLIMAN, Secretary

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Board of Directors of the Orangeline Development Authority at a regular meeting held on the 13th day of June 2007, by the following vote, to wit:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

GARY MILLIMAN, Secretary



ORANGELINE DEVELOPMENT AUTHORITY

AGENDA REPORT

TO: Members of the Orangeline Development Authority

FROM: Albert Perdon, Executive Director

DATE: June 13, 2007

SUBJECT: Review of Milestone 10 – Orangeline High Speed Maglev Financial Plan Supplement

RECOMMENDATION

That the Authority Board review and discuss the information and provide possible direction to staff.

DISCUSSION

The Authority Board approved the Milestone 10 – Orangeline High Speed Maglev Financial Plan in November 2006. The Plan was presented to and discussed in meetings with investment bankers during March and April 2007. Positive interest in the project was indicated at these meetings and specific comments regarding criteria for private investment in the project were presented. Staff subsequently prepared refined financial models designed to address the input received on the Milestone 10 Financial Plan. These models were reviewed with Markus Kluczka, Director of Project & Export Finance for Siemens Financial Services, Inc. (SFS) in May 2007. Staff refined the financial model as a result of input received in this meeting and in subsequent comments from SFS. These comments included:

- Our financial plan should focus on ridership and include "worst case" scenarios to identify potential investor risk.
- It is important to demonstrate government support for the project.
- The project is a vision that presents a large investment volume; it may be advisable or necessary to reduce the project scope to a shorter initial segment so as to minimize the Phase 2 costs and to make the project more manageable to build and finance.
- Significant additional debt is required, beyond that required to fund the \$19 billion construction cost. Significant added debt beyond that required to construct the project is likely not an acceptable scenario for investors.
- Investors will require a revenue-to-cost coverage ratio of perhaps 1.2 or 1.3 to reduce the risk to investors.
- Dividend distributions to member cities derived from increased debt, as indicated in two of the alternate financial plans, would likely not be acceptable to investors as it places an increased debt burden and risk on investors for the benefit of the equity holders.

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- Ridership will be looked at closely by potential project investors. The Orangeline High Speed Maglev is perhaps the best located maglev project in the country. Unlike "greenbelt" projects that have to compete with well developed inter-city and commuter rail systems, this project is competing only with the automobile.
- By cities and other agencies supporting the project, the ridership numbers can be assured. Actions should include: not allowing unfair competition (such as competing subsidized services), feeder bus and rail services to expand the catchment area; coordination of services and ticketing with other transit systems to ease use of the entire system.
- International bankers will likely assume that, in California, system users will continue to own their cars. They will not believe that system users will abandon their cars and rely totally on the public transportation system to meet their travel needs because there is no adequate public transit system, as there is in European cities and elsewhere.
- Next to providing the right-of-way for the system, the public sector's involvement should also extend to the revenue risk - at least in the initial years of operations - by providing either a ridership guarantee or some other support mitigating the market risk. Given the positive long-term projections any additional support in the early years could be accounted for by letting the public sector participate in future profits.
- Gap in cities along the alignment (most importantly the current non-listing of the City of Los Angeles) puts a general question mark behind the overall planning and permitting process (i.e. "what if L.A. does not approve?"). It would help if you would receive some statement from the city government regarding this project and the planned alignment throughout the city.
- Planning a feeder system for the stations is an excellent tool to broaden the catchment area - multi-modal-ticketing as well (one ticket for the entire trip - potentially including parking). Consider flexible ticket-solutions as well (e.g. monthly pass, annual pass, weekday pass, peak/off-peak pass, etc. just to give some basic ideas).

Based on these and subsequent comments, a refined financial model was developed that staff believes addresses the points raised in the review by investment bankers. The refined model supplements the Milestone – Financial Plan and is shown in the attached. Staff is seeking final comments on the refined model, with the hope that investment bankers will find it meets their criteria for private investment in the project. This model is not intended or expected to be the basis for financing construction of the project. Rather, it is intended to serve as the basis for issuing a formal Request for Offers for private investment in the next project development phase.

ATTACHMENT

1. Orangeline High Speed Maglev Milestone 10 Financial Plan Supplement, Financial Model 2h (2007-2062)

**Orangeline Development Authority
Orangeline High Speed Maglev
Milestone 10 - Financial Plan Supplement**

Financial Model 2h (2007-2062)

June 7, 2007

Project Summary

2007 dollars

Project Cash Surplus	\$23,312,080,297
Operating Reserves	\$2,000,132,327
Station-area Improvements and Feeder Services	\$21,116,691,148
Investor Interest Earnings	\$23,359,337,310
User Cost Savings (Compared to Owning/Driving a Car)	\$3,113,357,602
User Travel Delay Savings (Compared to Driving a Car)	\$29,217,442,288
Total Project Benefits	\$91,285,485,109
Project Cost (including vehicle replacement in year 25)	\$22,693,799,040
Benefit/Cost Ratio (Without Value of Emission Savings)	4.0
Emission Savings	\$6,025,162,484
Benefit/Cost Ratio (with Emission Benefits)	4.3
Reduction in Gasoline Consumption (gallons)	2,549,314,071
Annual Reduction in NOx and CO ₂ Emissions (tons in 2027)	744,985

Project Description

Orangeline High Speed Maglev from Palmdale in northern Los Angeles County to Irvine in southern Orange County

	Length (miles)	Cost	Schedule
Preconstruction Phase	108	\$199,586,640	2007 - 2009
Construction Phase			
a	20	\$4,326,300,000	2010 - 2012
b	35	\$6,729,800,000	2012 - 2015
c	53	\$7,973,851,600	2014 - 2017
	Average Speed (mph)	Peak Period Service Frequency (minutes)	Off-Peak Period Service Frequency (minutes)
Operation Phase	90	5	10

The project is fully described in Project Milestone Reports and summarized in Milestone 10 - Financial Plan, which are available for viewing and downloading at www.orangeline.calmaglev.org

**Orangeline Development Authority
Orangeline High Speed Maglev
Input-Output
Financial Analysis**

Input	Source	Output		
2007 \$\$		2007 \$\$		
(unless noted)		(unless noted)		
Revenues				
Debt				
Year of Maximum Debt Balance	2022	Sheet 2	\$33,407,205,116	Total Debt (Inflated Dollars)
			\$24,213,845,565	Total Debt (2007 Dollars)
			\$26,203,084,762	Maximum Debt (Inflated dollars)
			\$16,818,763,013	Maximum Debt (2007 dollars)
Fare and Ridership				
Average Fare (2013)	\$18.00	MS-10: \$18.03	91,569	2013 Daily Ridership
Rate of Fare Increase (2013-2027)	1.70%			
Rate of Fare Increase (2028-2062)	3.26%			
Horizon Year Daily Ridership (2027)	255,180	MS-10: 255,180	77,829,900	2027 Annual Ridership
			114,139,750	2062 Annual Ridership
Ridership Ratio (Used versus Estimated)	100.0%	MS-10: 100%	23,348,970	2027 Annual Walk Access Ridership; increases to 80% in 2047
Percent Walk Access Ridership (2027)	30.0%	MS-10: 30%	\$592,691,669	2013 Total Annual Passenger Fare Revenue
Annual Rate of Ridership Increase (2013-2017)	20.0%			
Annual Rate of Ridership Increase (2018-2022)	3.0%	MS-10: \$1,123,423,739	\$1,157,910,256	2027 Total Annual Passenger Fare Revenue
Annual Rate of Ridership Increase (2023-2064)	1.1%			
Other Operating Revenue Sources				
Monthly Employer Parking Subsidy Revenue per Auto Access User	\$107.50	MS-10: 11.5%	\$63,791,071	2027 Annual Employer Auto Parking Revenue; (IRS allowance in 2007 = \$215)
Monthly Employer Transit Subsidy Revenue per Walk Access User	\$55.00		\$13,987,411	2027 Annual Employer Transit User Subsidy Revenue; (IRS allowance in 2007 = \$110)
Monthly MTA/OCTA Transit Subsidy Revenue per User	\$52.50		\$44,505,398	2027 Annual Public Transit User Subsidy Revenue/2; (MTA subsidy = \$180 in 2007)
Freight revenue factor (times ridership revenue)	7.0%	MS-10: 7%	\$81,053,718	2027 Annual Freight Revenue
Concessions/advertising factor (times ridership revenue)	2.0%	MS-10:2%	\$23,158,205	2027 Annual Concessions/Advertising Revenue
			\$226,495,803	2027 Total Annual Other Revenue
Total Project Revenues				
			\$1,384,406,060	2027 Total Annual Revenue
Use of Revenues				
Operations and Maintenance (O&M)			\$350,097,000	2027 O&M Expenses
Project Reserves	3.0%		\$95,386,147	2027 Reserve Allocation
Station-area Improvements and Feeder Services	30.0%		\$33,986,504	2027 Station-area Improvements and Feeder Services (Member Cities)
Debt Service (Interest Payments)			\$222,567,675	2027 Debt Service (Interest)
Debt Service (Principal Payments)			\$0	2027 Debt Service (Principal)
Taxes and Fees			-	2027 Taxes and Fees
Dividends			-	2027 Dividends
Project Sequences				
Project Length (miles)	108		\$23,312,080,297	Project Cash Surplus
Construction Phases			\$2,000,132,327	Operating Reserves
a (miles)	20		\$21,116,691,148	Station-area Improvements & Feeder Services
b (miles)	35		\$23,359,337,310	Investor Interest Earnings
c (miles)	53		\$3,113,357,602	User Cost Savings (Compared to Driving a Car)
			\$29,217,442,288	User Travel Delay Savings (Compared to Driving a Car)
			\$13,543,211,999	-\$10,429,854,397
			\$16,570,153,588	\$12,647,288,700

**Orangeline Development Authority
Orangeline High Speed Maglev
Input-Output
Financial Analysis**

\$91,285,485,109	Total Project Benefits
\$22,693,799,040	Project Cost (including vehicle replacement in year 25)
4.0	Benefit/Cost Ratio (Without Value of Emission Savings)
\$6,025,162,484	Emission Savings
4.3	Benefit/Cost Ratio (with Emission Benefits)
2,549,314,071	Reduction in Gasoline Consumption (billion gallons)
744,985	Annual Reduction in NOx and CO ₂ Emissions (2027)

Costs

Maglev Capital and Operating Costs

Capital Cost	\$19,228,000,000	MS-10: \$19,228,000,000
Vehicle Replacement (in Year 25)	\$3,464,260,800	MS-10: \$3,464,260,800
O&M Cost (in 2013)	\$405,858,376	MS-10: \$405,858,376

Interest Rates

Annual Inflation Rate (Fares and O&M Costs)	3.00%	MS-10: 3%
Initial Planning Phase Interest Rate on Debt	10.00%	MS-10: 6%
Construction Phase Interest Rate on Debt	8.0%	MS-10: 6%
Initial Operating Phase Interest Rate on Debt	6.5%	MS-10: 6%
Later Operating Phase Interest Rate on Debt	5.5%	MS-10: 6%

(California sold \$4.1 billion of long-term GO bonds on 3/28/07 at 4.50%)

Energy and Fuel Costs

Maglev Passenger Miles per Gallon	100	SHEET 5
Auto Passenger Miles per Gallon	25.7	SHEET 5
Cost of Gasoline per Gallon	\$3.50	SHEET 5
Maglev Vehicle-trips per Day	312	MS-10: 312
Maglev Energy Requirement (MWH per Vehicle Trip)	12	MS-10: 12

Auto Operating Costs

Auto Driving Cost (per mile)	\$1.14	SHEET 5
Marginal Cost Savings from not Driving (per mile)	\$0.59	SHEET 5

System Performance

Maglev and Auto Operating Performance

Average one-way trip length (miles)	20.83	MS-10: 20.83
Average Maglev Travel Speed (mph)	90	MS-10: 70-90 MPH
Peak Period Frequency (minutes)	5	MS-10: 5 minutes
Off-peak Period Frequency (minutes)	10	MS-10: 10 minutes
Average Auto Travel Speed (mph)	30	ESTIMATE

Air Pollution Values

NOx Emissions (pounds per mile)	0.003056	SHEET 7	2,477	Tons of Nox reduction (2027)
CO2 Emissions (pounds per mile)	0.916	SHEET 7	742,508	Tons of CO2 reduction (2027)
Air Pollution(NOx) Reduction RECLAIM Value (per lb)	\$2.00	SHEET 7	\$9,908,755	Value of NOx reduction (2027)
Air Pollution(CO2) Reduction EETNAP Value (per lb)	\$0.068	SHEET 7	\$100,981,107	Value of CO2 reduction (2027)

ORANGELINE MAGLEV
INITIAL FINANCING SCENARIO FOR CONSTRUCTION

INPUTS	Irvine-Palmdale		Irvine-Santa Clarita															MS 10	Ridership in 2027	255180				
	Capital Cost (1,000 \$)	\$ 19,229,000,000	\$ 12,996,703,704	Source:	Milestone 10	\$ 3,363,360,000 2006\$	Milestone 10	\$ 329,567,387 2006\$	=	\$ 339,454,409 2007\$														
Vehicle Replacement (in Year 25)	\$ 3,464,260,000																							
O&M Cost (in 2013)	\$ 405,858,378																							
Capital Cost Escalation Rate	3.0%																							
O&M Cost Escalation Rate	3.0%																							
Short Term Interest Rate	10.0%																							
TIFIA Interest Rate	8.0%																							
Tax-exempt/vendor interest rate	9.0%																							
Construction Schedule extended from that assumed in Milestone 10																								
capital cost value	\$19,228,000,000	\$19,804,840,000	\$20,388,985,200	\$21,010,954,756	\$21,641,283,399	\$22,290,521,901	\$22,959,237,558	\$23,648,014,684	\$24,357,455,125	\$25,088,178,779	\$25,840,824,142													
in year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017													
(all figures in millions, except for O&M costs)																								
CAPITAL USES																								
% of capital applied	0.27%	0.39%	0.38%	5.00%	7.50%	10.00%	15.00%	20%	20.00%	15.00%	6.47%													
Total capital required	\$1,915,600	\$7,238,876	\$7,108,164	\$1,050,547,738	\$1,623,096,255	\$2,229,052,190	\$3,443,886,634	\$4,729,602,937	\$4,871,491,025	\$3,763,226,817	\$1,671,901,322	23,689,066,557												
DEBT																								
Short-term loan proceeds	\$1,915,600	\$7,238,876	\$7,108,164																					
Short-term interest	2,595,790	9,313,082	17,961,742																					
Total Short-term outstanding debt	\$4,511,390	\$14,063,338	\$23,133,244																					
TIFIA Principal																								
TIFIA Interest				350,182,579	541,032,085	743,017,397	1,147,961,878	1,576,534,312	1,623,830,342	1,254,408,939	557,300,441													
Total Outstanding TIFIA debt			78,711,081	448,197,850	1,047,807,047	1,904,369,703	3,250,599,632	5,150,243,287	7,251,046,306	9,135,715,307	10,446,164,990													
Tax-exempt/vendor principal																								
Tax-exempt/vendor interest				700,365,159	1,002,064,170	1,486,038,793	2,295,923,756	3,153,068,625	3,247,660,683	2,508,817,878	1,114,600,881													
Total cumu tax-exempt/vendor debt			157,422,163	898,395,700	2,095,614,093	3,808,739,406	6,501,199,264	10,300,486,575	14,502,092,612	18,271,430,613	20,892,329,979													
Total cumulative debt	\$4,511,380	\$14,063,338	\$23,133,244	\$1,347,593,551	\$3,143,421,140	\$5,713,109,109	\$9,751,798,896	\$15,450,729,862	\$21,753,138,917	\$27,407,145,920	\$31,338,494,969													
TOTAL OUTSTANDING DEBT TO BE CARRIED OVER TO DEBT SCHEDULE SHEET																				\$ 31,338,494,969				

Automobile Driving Costs, 2005

CATEGORY		SMALL CAR	MIDSIZE CAR	LARGE CAR	SPORT UTILITY VEHICLE	VAN							
OPERATING COSTS (cents per mile)													
Gasoline & Oil		6.9	8.5	9.3	10.8	8.9	0.09	\$0.16	\$3.50 gallon (Observed)				
Maintenance		4.7	5.8	5.4	5.3	5.7	0.06	\$0.10	21.4 miles per gallon (AAA)				
Tires		0.5	0.7	0.5	0.9	0.6	0.01	\$0.01	25.68 passenger miles per gallon (1.2 pass per vehicle)				
SUBTOTAL		12.1	15	15.2	17	15.2	0.16	\$0.27					
OWNERSHIP COSTS (cost per year, dollars)													
Insurance		1,456	1,195	1,212	1,398	1,130	0.11						
License, registration, taxes		333	390	445	435	389	0.03						
Depreciation (15,000 miles annually)		2,985	4,005	4,647	4,300	3,755	0.33						
Finance charge (10% down; loan @ 6%/5 yrs.)		553	740	925	891	739	0.06						
SUBTOTAL		5,327	6,330	7,229	7,024	6,013	0.50						
DEPRECIATION ADJUSTMENTS (dollars)													
(mileage under 15,000 miles annually)		-550	-925	-1,175	-950	-925		\$0.08					
(mileage over 15,000 miles annually)		650	950	1,175	925	950							
TOTAL ANNUAL COST (dollars)													
10,000 miles per year		5,987	6,905	7,574	7,774	6,608							
15,000 miles per year		7,142	8,580	9,509	9,574	8,293							
20,000 miles per year		8,397	10,280	11,444	11,349	10,003							
TOTAL ANNUAL COST WITH PARKING (\$10 dollars/day)													
10,000 miles per year	\$10.00 per day	9,637	10,555	11,224	11,424	10,258		\$0.24					
15,000 miles per year		10,792	12,230	13,159	13,224	11,943							
20,000 miles per year		12,047	13,930	15,094	14,999	13,653							
TOTAL COST PER MILE (dollars)													
10,000 miles per year	10000	0.60	0.69	0.76	0.78	0.66			2007\$				
15,000 miles per year	15000	0.48	0.57	0.63	0.64	0.55	0.64	0.74	0.81	0.83	0.71	0.75	
20,000 miles per year	20000	0.42	0.51	0.57	0.57	0.50	0.51	0.61	0.68	0.68	0.59	0.61	
							0.45	0.55	0.61	0.61	0.53	0.55	
TOTAL COST PER MILE WITH PARKING (\$10 dollars/day)													
10,000 miles per year	10000	0.96	1.06	1.12	1.14	1.03	1.03	1.13	1.20	1.22	1.10	1.14	
15,000 miles per year	15000	0.72	0.82	0.88	0.88	0.80	0.77	0.87	0.94	0.94	0.85	0.87	
20,000 miles per year	20000	0.60	0.70	0.75	0.75	0.68	0.64	0.74	0.81	0.80	0.73	0.75	
TOTAL EXPRESS LANE COST PER MILE (\$5.00 toll) WITH PARKING (\$10 dollars/day)													
10,000 miles per year	10000						1.53	1.63	1.70	1.72	1.60	1.64	
15,000 miles per year	15000						1.27	1.37	1.44	1.44	1.35	1.37	
20,000 miles per year	20000						1.14	1.24	1.31	1.30	1.23	1.25	

auto access savings

0.09 \$0.16 \$3.50 gallon (Observed)

0.06 \$0.10 21.4 miles per gallon (AAA)

0.01 \$0.01 25.68 passenger miles per gallon (1.2 pass per vehicle)

0.16 \$0.27

0.11

0.03

0.33

0.06

0.50

\$0.08

\$0.59 Marginal Cost Savings from not driving but retaining auto ownership

\$0.24

Source: American Automobile Association and Runzheimer International, Your Driving Costs, 2005 Edition. Data for a popular model of each type listed assuming ownership of more than 5 years or 75,000 miles before replacement

Source: Orange County Register

Source www.vtpi.org/tca/tca0504.pdf (parking costs)

Toll Lane Charges in Orange County

			41.66	305	12,706
			mi per day	days	miles
Toll Road	73	241	91		
Peak Charge	\$4.57	\$5.25	\$9.50		
Length (miles)	16	25	10		
Cost per mile	\$0.29	\$0.21	\$0.95	\$0.48	

Station-area Improvements and Feeder Services by Cities

Potential Allocations to Member Cities (2007 Dollars)		Total Expenses	2017 Expenses	2027 Expenses	2037 Expenses	
Assumed Fare (2007\$) = \$18.00		With Station Area Development - to 2064	With Station Area Development - to 2064	With Station Area Development - to 2064	With Station Area Development - to 2064	
Cities	Population, 2000 (some 2001-2005)	3% Discount	3% Discount	3% Discount	3% Discount	
Member Cities	Artesia	16,380	\$94,942,062	\$0	\$428,863	\$1,205,101
	Bell	36,664	\$212,512,562	\$0	\$959,940	\$2,697,425
	Bellflower	74,900	\$434,136,779	\$0	\$1,961,038	\$5,510,504
	Cerritos	51,488	\$298,435,707	\$0	\$1,348,063	\$3,788,048
	Cudahy	24,200	\$140,268,492	\$0	\$633,606	\$1,780,430
	Downey	110,600	\$641,061,786	\$0	\$2,895,738	\$8,137,005
	Huntington Park	61,348	\$355,586,423	\$0	\$1,606,218	\$4,513,463
	Los Alamitos	11,500	\$66,656,515	\$0	\$301,094	\$846,072
	Maywood	28,083	\$162,775,209	\$0	\$735,271	\$2,066,108
	Palmdale	121,400	\$703,660,947	\$0	\$3,178,505	\$8,931,577
	Paramount	55,266	\$320,333,821	\$0	\$1,446,979	\$4,066,001
	Santa Clarita	155,100	\$898,993,517	\$0	\$4,060,841	\$11,410,936
	South Gate	99,800	\$578,462,624	\$0	\$2,612,972	\$7,342,433
	Vernon	91	\$527,456	\$0	\$2,383	\$6,695
	Total Member Cities	846,820	\$4,908,353,901	\$0	\$22,171,512	\$62,301,797
Average city population	60,487	\$350,596,707	\$0	\$1,583,679	\$4,450,128	
Prospective LA County Cities	Burbank	102,400	\$593,532,793	\$0	\$2,681,045	\$7,533,719
	Glendale	199,000	\$1,153,447,517	\$0	\$5,210,235	\$14,640,724
	San Fernando	23,564	\$136,582,097	\$0	\$616,955	\$1,733,638
	Lancaster	0	\$0	\$0	\$0	\$0
	County Unincorporated (portion)	50,000	\$289,810,934	\$0	\$1,309,104	\$3,678,574
	Total LA County (w/o City of LA)	1,210,284	\$7,015,070,726	\$0	\$31,687,756	\$89,042,380
Average city population	67,238	\$389,726,151	\$0	\$1,760,431	\$4,946,799	
Prospective Orange County Cities	La Palma	15,400	\$89,261,768	\$0	\$403,204	\$1,133,001
	Cypress	46,000	\$266,626,059	\$0	\$1,204,376	\$3,384,288
	Buena Park	80,100	\$464,277,116	\$0	\$2,097,185	\$5,893,075
	Stanton	38,300	\$221,995,175	\$0	\$1,002,774	\$2,817,788
	Anaheim	336,300	\$1,949,268,341	\$0	\$8,805,035	\$24,742,087
	Garden Grove	169,000	\$979,560,957	\$0	\$4,424,772	\$12,433,579
	Santa Ana	348,100	\$2,017,663,722	\$0	\$9,113,983	\$25,610,231
	Orange	128,000	\$741,915,991	\$0	\$3,351,307	\$9,417,149
	Tustin	69,200	\$401,098,333	\$0	\$1,811,800	\$5,091,146
	Irvine	191,000	\$1,107,077,767	\$0	\$5,000,778	\$14,052,152
	Total OC cities	1,432,900	\$8,305,401,743	\$0	\$37,516,307	\$105,420,568
Average population OC cities	130,264	\$755,036,522	\$0	\$3,410,573	\$9,583,688	
Total Cities (not LA)	2,643,184	\$15,320,472,470	\$0	\$69,204,063	\$194,462,947	
Average population all cities (not LA)	91,144	\$528,292,154	\$0	\$2,386,347	\$6,705,619	
City of LA (portion)	1,000,000	\$5,796,218,678	\$0	\$26,182,083	\$73,571,476	
Total Cities	3,643,184	\$21,116,691,148	\$0	\$95,386,147	\$268,034,423	
California	33,871,648					

Savings in Gasoline Consumption

		Power Requirement	Miles Saved	Year	Annual Emission Savings in tons			Energy Savings
					CO	NOX	CO2	Gallons of Gasoline
Average Trip Length (miles)	20.83		581,752,839	2013	13,380	889	266,443	16,836,398
Drivers in 2027	127,590		698,103,406	2014	16,056	1,067	319,731	20,203,678
Average round trip	42		837,724,068	2015	19,268	1,260	383,678	24,244,414
Annual Miles Saved/driver	12,706	312	1,005,266,905	2016	23,121	1,536	460,413	29,083,296
Passenger Miles per Gallon average	25.68	vehicle trips/day	1,206,322,686	2017	27,745	1,843	552,496	34,911,956
Annual Gallons Saved	63,130,717		1,242,512,367	2018	28,578	1,899	569,071	35,959,314
Average Cost per Gallons	\$3.50	12	1,279,787,738	2019	29,435	1,956	586,143	37,038,094
Annual cost saved	\$220,957,510	MWH/vehicle trip	1,318,181,370	2020	30,318	2,014	603,727	38,149,237
			1,357,726,811	2021	31,228	2,075	621,839	39,293,714
Maglev Users		3,744	1,398,458,616	2022	32,165	2,137	640,494	40,472,525
Passenger Miles per gallon	100 from TRI	MWH/day	1,440,412,374	2023	33,129	2,201	659,709	41,686,701
Annual Gallons used	16,211,968		1,483,624,745	2024	34,123	2,267	679,500	42,937,302
Average Cost per Gallons	\$3.50	1,530,547	1,528,133,488	2025	35,147	2,335	699,885	44,225,421
Annual cost	\$56,741,889	MWH/year	1,573,977,492	2026	36,201	2,405	720,882	45,552,183
			1,621,196,817	2027	37,288	2,477	742,508	46,918,749
Net cost savings per year	\$164,215,622		1,639,029,982	2028	37,698	2,504	750,676	47,434,855
Net gallons of gas saved per year	46,918,749		1,657,059,312	2029	38,112	2,532	758,933	47,956,639
			1,675,286,964	2030	38,532	2,560	767,281	48,484,162
			1,693,715,121	2031	38,955	2,588	775,722	49,017,487
			1,712,345,987	2032	39,384	2,616	784,254	49,556,680
			1,731,181,793	2033	39,817	2,645	792,881	50,101,803
			1,750,224,793	2034	40,255	2,674	801,603	50,652,923
			1,769,477,265	2035	40,698	2,704	810,421	51,210,105
			1,788,941,515	2036	41,146	2,734	819,335	51,773,416
			1,808,619,872	2037	41,598	2,764	828,348	52,342,924
			1,828,514,691	2038	42,056	2,794	837,460	52,918,896
			1,848,628,352	2039	42,518	2,825	846,672	53,500,802
			1,868,963,264	2040	42,986	2,856	855,985	54,089,311
			1,889,521,860	2041	43,459	2,887	865,401	54,684,293
			1,910,306,600	2042	43,937	2,919	874,920	55,285,820
			1,931,319,973	2043	44,420	2,951	884,545	55,893,964
			1,952,564,493	2044	44,909	2,984	894,275	56,508,798
			1,974,042,702	2045	45,403	3,016	904,112	57,130,395
			1,995,757,172	2046	45,902	3,050	914,057	57,758,829
			2,017,710,501	2047	46,407	3,083	924,111	58,394,176
			2,039,905,316	2048	46,918	3,117	934,277	59,036,512
			2,062,344,275	2049	47,434	3,151	944,554	59,685,914
			2,085,030,062	2050	47,956	3,186	954,944	60,342,459
			2,107,965,393	2051	48,483	3,221	965,448	61,006,226
			2,131,153,012	2052	49,017	3,256	976,068	61,677,294
			2,154,595,695	2053	49,556	3,292	986,805	62,355,745
			2,178,296,248	2054	50,101	3,328	997,660	63,041,658
			2,202,257,506	2055	50,652	3,365	1,008,634	63,735,116
			2,226,482,339	2056	51,209	3,402	1,019,729	64,436,202
			2,250,973,645	2057	51,772	3,439	1,030,949	65,145,000
			2,275,734,355	2058	52,342	3,477	1,042,286	65,861,595
			2,300,767,433	2059	52,918	3,516	1,053,751	66,586,073
			2,326,075,874	2060	53,500	3,554	1,065,343	67,318,520
			2,351,662,709	2061	54,088	3,593	1,077,062	68,059,024
			2,377,530,999	2062	54,683	3,633	1,088,909	68,807,673

Annual Reduction in Air Pollution

Reduction in auto travel (total miles saved in 2027)	1,621,196,817							
AQMD RECLAIM Calculation for NOx only								
Vehicle miles per year**	12500							
Vehicle Emissions per year**	lbs/12500 mi	lbs	tons	Value***				
Hydrocarbons	77.1	9,999,542	5,000	\$19,999,084				
Carbon Monoxide	575	74,575,054	37,288	\$149,150,107				
Nitrogen Oxides***	38.2	4,954,377	2,477	\$9,908,755				
Carbon Dioxide***	11450	1,485,016,284	742,508	\$100,981,107				
Total Emissions		1,574,545,257	787,273	\$110,889,862				
Gasoline (gallons/12500 miles)	487							
CARB Calculation for NOx + HC								
Vehicle emissions - NOx+HC (tons per mile)*		0.0000042857						
Total pollution reduction (tons per year)		6,948						
Value of pollution reduction (per pound on emission credit market)		\$2.00						
Total annual savings		\$13,895.97						
* Source	www.arb.ca.gov/html/brochure/history.htm							
	280 billion miles per year travel in California							
	1.2 million tons of NOx + Hydrocarbons per year in California							
	0.0000042857 tons per mile NOx + Hydrocarbons per year in California							
** Source	www.epa.gov/otaq/consumer/f00013.htm							
	Values for emissions are for one year based upon annual average 12,500 miles driven		88,087,170,815	Total	2,026,005	134,597	40,343,924	2,549,314,071
***Sources	www.aqmd.gov/reclaim/rtc_main.html					\$538,388,788	\$5,486,773,696	
	\$2 per pound of CO2 emission on the Reclaim Trading Credit Market				111	7	2,211	139,688
	Values for other pollutants are illustrative only							
	http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/05/84&format=HTML&aged=1&language=EN&quillanguage=en							
	\$0.068 per pound of CO2 emission on the EETNAP (European Emissions Trading and National Allocation Plans) (EU100 per ton)							
****Source	The Orange County Register - May 25, 2007							
	111.5 tons per day of diesel emissions in California		40,697.5 per year					
	5 tons per day of diesel particulate matter							
	34.6 tons per day from heavy duty diesel trucks		12,629 per year					

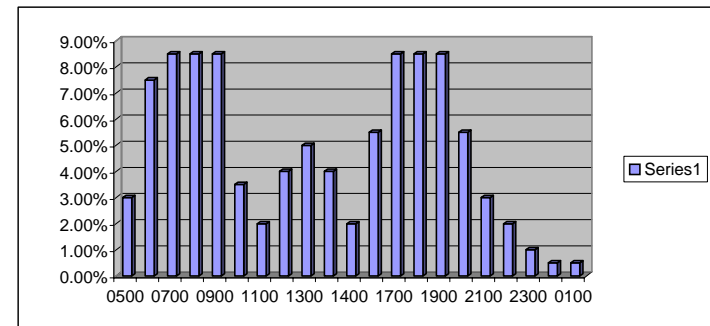
Theoretical Operational Capacity (in year 2062)

seated passengers per vehicle	1,000	1,000
service frequency (minutes)	5.0	2.0
vehicle trips per hour (two directions)	24	60
hours per day	20	20
vehicle trips per day	480	1,200
passenger trips per vehicle trip	1,500	1,500
passenger trips per hour (Capacity)	36,000	90,000
passenger trips per day (Capacity)	720,000	1,800,000
passenger trips per year	219,600,000	549,000,000
average fare per passenger trip	\$18.00	\$18.00
passenger fares per year	\$3,952,800,000	\$9,882,000,000

Projected Operational Demand/Usage (in year 2062)

projected daily riders	374,229	374,229
projected utilization (ridership)	52%	21%
projected fares per year	\$9,426,143,901	\$9,426,143,901
projected fares ratio (demand / capacity)	238%	95%
maximum passengers on-board/capacity	88%	35% (assumes equal distribution)

Time of Day	Percent of Daily Riders	In-vehicle	% Capacity
0500	3.00%	11,227	31%
0600	7.50%	28,067	78%
0700	8.50%	31,809	88%
0800	8.50%	31,809	88%
0900	8.50%	31,809	88%
1000	3.50%	13,098	36%
1100	2.00%	7,485	21%
1200	4.00%	14,969	42%
1300	5.00%	18,711	52%
1400	4.00%	14,969	42%
1400	2.00%	7,485	21%
1600	5.50%	20,583	57%
1700	8.50%	31,809	88%
1800	8.50%	31,809	88%
1900	8.50%	31,809	88%
2000	5.50%	20,583	57%
2100	3.00%	11,227	31%
2200	2.00%	7,485	21%
2300	1.00%	3,742	10%
2400	0.50%	1,871	5%
0100	0.50%	1,871	5%
	100.00%	374,229	



Calculations for FTA Benefits Criteria

Summary Description	
Proposed Project:	Orangeline Corridor Development Project Orangeline High Speed Maglev 108 miles, 18 stations
Total Capital Cost (\$2007):	\$19,228,000,000
Section 5309 Share:	\$0
Annual Operating Cost in 2027 (\$2007):	\$350,097,000
Ridership Forecast (2027):	255,180 daily boardings 255,180 daily new riders
FY 2007 Financial Rating:	High
FY 2007 Project Justification Rating:	High
FY 2007 Overall Project Rating:	Highly Recommended

Mobility Improvements	New Start vs. No-Build	New Start vs. TSM
Annual Travel Time Savings in 2027 (Million Hours)	N/A	36
Total Travel Time Savings Over 50 years (Million Hours)	N/A	1,957

Air Quality Improvements	New Start vs. No-Build	New Start vs. TSM	New Start vs. TSM	New Start vs. TSM
Criteria Pollutant		In 2027	Over 50 Years	Over 50 Years
Carbon Monoxide (CO)	N/A	37,288	2,026,005	N/A
Nitrogen Oxide (NO_x)	N/A	2,477	134,597	\$538,388,788
Volatile Organic Compounds (VOC)	N/A	N/A	N/A	N/A
Particulate Matter (PM₁₀)	N/A	N/A	N/A	N/A
Carbon Dioxide (CO₂)	N/A	742,508	40,343,924	\$5,486,773,696

Values reflect annual tons of emissions reductions and dollar values based upon emission credits trading

Energy Savings	New Start vs. No-Build	New Start vs. TSM
Gallons of Gasoline (million) In 2027	N/A	47
Gallons of Gasoline (million) Over 50 years	N/A	2,549

Operating Efficiencies	No-Build	TSM	New Start
System Capital + Operating Cost per Passenger Mile (2027)	N/A	\$1.14	\$0.61

Values reflect 2027 ridership forecast and 2007 dollars.

Economic Efficiencies	New Start vs. No-Build	New Start vs. TSM
Incremental Cost per Incremental Passenger	N/A	\$0.00

Values reflect 2027 ridership forecast and 2007 dollars. () indicates income.

Economic Benefits	New Start vs. No-Build	New Start vs. TSM
Project Surplus	N/A	\$23,312,080,297
Operating Reserves	N/A	\$2,000,132,327
Station-area Improvements/Feeder Services	N/A	\$21,116,691,148
Investor Earnings	N/A	\$23,359,337,310
User Cost Savings	N/A	\$3,113,357,602
User Delay Savings	N/A	\$29,217,442,288
Total Project Benefits	N/A	\$91,285,485,109
Project Cost	N/A	\$22,693,799,040
Benefit/Cost Ratio	N/A	4.02
Emission Savings	N/A	\$6,025,162,484
Benefit/Cost Ratio	N/A	4.29

Values reflect 50-year ridership cost and revenue projections and 2007 dollars.



ORANGELINE DEVELOPMENT AUTHORITY

AGENDA REPORT

TO: Members of the Orangeline Development Authority
FROM: Albert Perdon, Executive Director
DATE: June 13, 2007
SUBJECT: **Orangeline Development Authority Draft Fiscal Year 2007-2008 Budget and Business Plan**

RECOMMENDATION

That the Authority Board review and discuss the information provided in this report and provide direction to staff for preparation of the Fiscal Year 2007-2008 Budget recommendations. The Budget recommendations would be presented to the Authority Board for consideration and adoption of the Fiscal Year 2007-2008 Budget in July 2007.

DISCUSSION

Attached is the proposed Orangeline Development Authority Draft Budget and Business Plan for Fiscal Year 2007-2008. The Authority Board Budget Committee met on April 30, 2007 to consider the initial budget recommendations and gave direction to staff for development of the draft budget recommendations to the full Authority Board. The attached draft budget incorporates the Budget Committee recommendations.

The Draft Budget outlines the Authority's goals and objectives for the coming year as the Orangeline Maglev project completes Phase 1 planning and engineering and prepares to undertake Phase 2 pre-deployment tasks. Major project milestones for the three following years are also presented.

During the current fiscal year, the Authority accomplished the following key objectives:

- Completed the \$1.35 million Phase 1 preliminary engineering work program in partnership with ARCADIS and its team of 21 local, national and international firms in November 2007.
- Confirmed results of prior feasibility studies indicating the potential for implementing the Orangeline Maglev as a primarily privately funded transportation improvement.
- Secured passage of AB 2882, which allows "a city that is a member of the Orangeline Development Authority and that establishes an infrastructure financing district to provide funding to the Authority for public transit facilities, including magnetic levitation related facilities."

The Orangeline Development Authority is a joint powers agency formed to pursue deployment of the Orangeline High Speed Maglev system in Southern California. The Authority is composed of the following public agencies:

- City of Artesia
- City of Bell
- City of Bellflower
- City of Cerritos
- City of Cudahy
- City of Downey
- City of Huntington Park
- City of Los Alamitos
- City of Maywood
- City of Palmdale
- City of Paramount
- City of Santa Clarita
- City of South Gate
- City of Vernon

Chair

Scott A. Larsen
Councilmember,
City of Bellflower

Vice Chair

Troy Edgar
Councilmember,
City of Los Alamitos

Secretary

Gary Milliman
City Manager,
City of South Gate

General Counsel

Michael Colantuono
Colantuono & Levin, PC

Treasurer/Auditor

Jack Joseph
Gateway Cities COG

Executive Director

Albert Perdon, P.E.

Supporting Agencies

- Gateway Cities Council of Governments
- Southern California Association of Governments
- City of Garden Grove
- City of Huntington Beach
- City of Long Beach
- City of Stanton

- Initiated key activities aimed at securing funding and government approvals for the next project development phase, including: the development of a proposal and application for a loan guarantee to the California Transportation Commission (CTC); meetings with Wall Street investment bankers to generate private investor interest in the project and assess their requirements for participation; as well as initial meetings with the Orange County Transportation Authority and Orange County cities to secure their support for the project and to invite their participation as members of the Authority.
- Secured resolutions by the city councils of Member Cities in support of Milestone 7, Milestone 10 and the CTC proposal.
- Maintained the Orangeline Maglev website at www.orangeline.calmaglev.org, to keep project stakeholders informed and to broaden public interest in the project.

During Fiscal Year 2007-2008, the Authority's main goal will be to secure funding for and initiate Phase 2 work. To accomplish this goal, the Authority will formally seek competitive offers from private investors for up to \$200 million for Phase 2. The Authority will also seek to obtain from governmental agencies supportive actions that are required to secure private funding. The Authority will conduct community outreach and media outreach to increase legislative and community leader support and to broaden public awareness of and support for the project.

Key objectives related to accomplishing this goal include:

- During the period July 1 to December 31, 2007
 - Enter into a master agreement and project funding agreement with Caltrans
 - Secure investment partners to fund the Phase 2 Pre-deployment tasks
 - Secure support of the City of Los Angeles as a member of the Authority
 - Secure State Legislature and Governor support
 - Secure support of additional Los Angeles County and Orange County cities as members of the Authority
 - Complete a right-of-way agreement with the Los Angeles County MTA
 - Secure support of the Orange County Transportation Authority
- By June 30, 2008
 - Enter into financial agreements with investment partners to fund Phase 2.
 - Enter into agreements with the Authority's development partner and other firms to enable Phase 2 work to proceed.
 - Secure membership or supporting resolutions from all remaining cities along the corridor in support of the Orangeline High Speed Maglev.

The Draft Fiscal Year 2007-2008 Budget and Business Plan is contained in Attachment 1.

ATTACHMENT:

1. Orangeline Development Authority Draft Fiscal Year 2007-2008 Budget and Business Plan

ORANGELINE DEVELOPMENT AUTHORITY

DRAFT

FISCAL YEAR 2007-2008

BUDGET

and

BUSINESS PLAN

April 30, 2007

Orangeline Development Authority
DRAFT
Fiscal Year 2007-2008 Budget
and Business Plan

I. Summary

The Orangeline Development Authority Fiscal Year 2007-2008 Budget and Business Plan describes the Authority's goals and objectives for the next four years and the work plan for FY 2007-2008. The Authority's vision is to place into operation a high-speed maglev system to serve its member cities and the region.

The Authority has two primary goals for the 2007-2008 Fiscal Year. The first is to secure public and private funding required to sustain its operation and carry out the 3-year Phase 2 pre-deployment work program. The second primary goal is to secure the necessary government approvals to satisfy the requirements of Phase 2 investors. This would include the support of the State Legislature and Administration in the form of risk mitigation (loan guarantee) for the Phase 2 private investors. It would also include securing the support of the remaining cities along the project corridor and securing agreements for use of the rights-of-way required for the project. The Budget anticipates revenues of \$300,000 to achieve the stated goals.

As currently defined, the Orangeline High Speed Maglev spans a 108-mile development corridor from northern Los Angeles County to southern Orange County. Efforts continue to secure the support and membership of all cities along the proposed corridor. As additional cities join the Authority, the scope of the corridor development program could expand. The Orangeline High Speed Maglev is expected to support the development goals of member cities and address near-term and long-term mobility needs of the corridor and the region.

In November 2006, the Authority and its development partner ARCADIS completed Phase 1 preliminary engineering for the Orangeline High Speed Maglev. The engineering cost analyses and ridership modeling, combined with the financial analysis, indicate that the Orangeline Maglev will be financially feasible as a largely privately-funded improvement. The results confirm the conclusion of initial maglev project feasibility studies completed in 2002. As described in the Milestone 10 – Orangeline High Speed Maglev Financial Plan, the project would be able to pay off debt associated with construction and operation about 32 years after operation begins. By 2050, the system could produce a surplus of \$36 billion. Project benefits over a 50-year period of operation are projected to exceed \$90 billion according to a refined financial model. The potential value that the Orangeline High Speed Maglev could bring to its members cities is illustrated in the Appendix, which shows the revenue that the project could make available to each corridor city, in current dollars, to implement station-area improvements and feeder services.

The Draft Budget has been developed based on the positive results of Phase 1 preliminary engineering and financial analyses, on the indication that continued investment in the project is warranted, and on the basis that the Authority's member cities desire to continue pursuing development of the project.

The Authority set a goal in the prior year Budget to place the initial Orangeline Maglev segment into operation by 2012 and the entire 108-mile system by 2016. This year's Budget establishes revised goals based on progress achieved to date and a clearer assessment of the schedule

requirements that lie ahead. The Budget and Business Plan sets 2014 as the target date for beginning operations and 2018 for completion of the full project. During the coming Budget year, Authority activities will focus on achieving the following milestones:

FY 2007-2008 PROGRAM MILESTONES		
	PROPOSED BUDGET	\$300,000
A.	Secure funding to initiate the Phase 2 Pre-deployment work program	
B.	Secure City of Los Angeles membership in the Authority	
C.	Secure State Legislature and Governor support	
D.	Secure support of remaining corridor cities as members in the Authority	
E.	Complete right-of-way agreement with the Los Angeles County MTA	
F.	Secure support of the Orange County Transportation Authority	
G.	Develop the public private partnership team and capabilities	
H.	Secure conditional pricing agreements on major system components	
I.	Enter into agreements with the Authority's development partner and other firms	
J.	Conduct public outreach	

Budget Summary

The proposed Budget for FY 2007-2008 is \$300,000. This baseline budget, supports the Authority's administrative costs and limited work on other tasks identified in the table above. It is predicated on \$231,578 in available cash derived from a \$70,000 anticipated carry-over from Fiscal Year 2007-2008 and \$161,578 in annual member investments, and on \$70,000 in in-kind contributions from the Authority's private partners.

An enhanced budget is presented that includes potential funding of \$183,324. The source of these funds is the addition of the City of San Fernando as a member of the Authority and federal grant funding in the amount of \$168,000. The additional funding would be used to support the two primary objectives for the Fiscal Year – securing private funding for Phase 2 and securing the support and membership into the Authority of all the remaining corridor cities that are not now members, and obtaining support of the State Legislature and the Governor.

Completion of milestones in years 2 through 4 will require substantial additional resources. It is estimated that completion of pre-deployment planning for the entire 108-mile line will require a budget of up to \$200 million, or up to about \$1.9 million per mile. Therefore, the primary objective during the coming year will be to secure the additional investments needed to complete Phase 2 pre-deployment tasks.

Development Partner

In August 2005, the Authority entered into an agreement with ARCADIS, a global infrastructure development firm headquartered in the Netherlands with offices throughout the United States, including Orange County. ARCADIS is a knowledge-driven service provider active in the fields of infrastructure, buildings, environment and communications. The firm is leading a consortium of 21 local, national and international companies that have partnered with the Authority to advance the Orangeline Maglev Project. The team invested \$1.1 million in the Orangeline Maglev Phase 1 Preliminary Engineering work program. During FY 2007-2008, the ARCADIS team will assist in securing both funding and government agency support for the project.

II. Background Information.

Authority Background and Profile

The Orangeline Development Authority was organized as an association of local cities beginning in March 2003 with a vision of building a high-speed “maglev” transportation system to serve its member cities. Called the Orangeline High Speed Maglev, the advanced magnetic levitation technology transport system is intended to support the realization of each member city’s general plans for future growth, and to address current transportation, housing, environmental and economic issues. The Authority is currently comprised of 14 cities along a 108-mile corridor stretching from north Los Angeles County into Orange County, California.

The Authority has been created pursuant to Section 6502 of the Joint Exercise of Powers Act of the State of California, California Government Code sections 6500-6599.2, inclusive. The purpose of the Authority, as outlined in the Authority Agreement, is to pursue its stated objective to use the common powers of its members to enter into one or more public-private partnerships to finance, acquire, design, construct, reconstruct, improve, and operate the facilities and improvements to the Orangeline Maglev as may be approved by action of the Authority.

The Authority is governed by a Board of Directors composed of one person designated as a Director by the governing body of each of the members. Each member also appoints one Alternate Director. In November 2004, the Board elected Bellflower City Councilmember Scott Larsen as Chair of the Authority Board. Los Alamitos City Councilmember Troy Edgar was appointed Vice Chair in February 2007. The Board has appointed South Gate City Manager Gary Milliman as Secretary. Colantuono & Levin serves as Legal Counsel. Jack Joseph of the Gateway Cities Council of Governments serves as Treasurer. Albert Perdon & Associates is contracted with the Authority to provide executive management services. Albert Perdon serves as Executive Director of the Authority. The Authority Board meets regularly in open session on the second Wednesday of each month. Meeting notices and agendas are posted at www.orangeline.calmaglev.org and at public meeting notice locations of each member city.

Local agencies that have passed resolutions or expressed support for the Orangeline include: Gateway Cities Council of Governments, Southern California Association of Governments, City of Garden Grove, City of Huntington Beach, City of Long Beach and City of Stanton.

III. Accomplishments during FY 2006-2007

During the previous fiscal year, the Authority accomplished the following key objectives:

- Completed the \$1.35 million Phase 1 Preliminary Engineering work program in partnership with ARCADIS and its team of 21 local, national and international firms. The Authority’s investment in this work was \$250,000. The ARCADIS Team contributed \$1.1 million in private in-kind contributions to complete this work.
- Secured passage of AB 2882, which was sponsored by Assembly Member Hector De La Torre, former Mayor of the City of South Gate and the Authority’s first Board Chair. The bill was signed by Governor Schwarzenegger and chaptered by the Secretary of State – Chapter 197, Statutes of 2006 – on August 28, 2006.
- Maintained the Orangeline Maglev website, to keep project stakeholders informed and to broaden public interest in the project.

- Initiated the following activities aimed at securing funding and government approvals for the next project development phase. These activities followed completion of Phase 1 preliminary engineering, which confirmed results of prior studies indicating the potential for the Orangeline High Speed Maglev to be largely privately funded.
 - Prepared and submitted to the California Transportation Commission a proposal and application for State support in the form of a loan guarantee of up \$200 million. Initiated discussions with legislators and State officials to secure support of the Proposal.
 - Prepared and presented to investment bankers the Orangeline High Speed Maglev financial plan, determined there is private investor interest in the project and their requirements for financing the project; initiated follow-up discussions and provided additional data to secure private funding for the next project development phase.
 - Secured approval of resolutions by a number of Authority member cities supporting the Milestone 7 – Station Area Development policies and recommendations and urging support of the Proposal to the California Transportation Commission.
 - Initiated discussions with the Los Angeles County Metropolitan Transportation Authority to secure an agreement for the Authority to make use of MTA-owned rights-of-way for the Orangeline High Speed Maglev.
 - Initiated discussions with the City of Vernon to secure a long-term purchase agreement for electric power for the Orangeline Maglev.
 - Initiated renewed discussions with the City of Los Angeles City Council, with leadership support of State Assembly Member Hector De La Torre, to secure the City’s membership in the Authority.
 - Continued discussions with the City of San Fernando to secure that city’s membership in the Authority; Authority staff has been informed that the City will budget membership in the Authority beginning July 1, 2007.
 - Continued discussions with the City of Glendale to secure that city’s support and membership in the Authority.
 - Coordinated with the California Department of Transportation to secure a federal grant in the amount of \$280,000 made available to the Authority in a SAFETEA-LU transportation authorization; it is anticipated that the grant will be approved by the end of the 2006-2007 fiscal year or soon thereafter.
 - Initiated discussions with Orange County cities, as well as the Orange County Transportation Authority, to secure membership of additional cities in the Authority.
 - Met with State legislators representing districts along the Orangeline Maglev corridor to inform them about the project and to gain their support for the project and for the Authority’s proposal for State participation.

IV. Strategic Plan

The Authority’s vision is to build and put into operation a high-speed maglev system – called the Orangeline High Speed Maglev – that will provide to Authority member cities’ residents, businesses and visitors a safe, high-quality transportation service. The system would foster moderate- to high-density housing and commercial and retail development around stations located along the Orangeline Maglev development corridor, as envisioned in the general plans of each city.

Since its inception, the Authority's mission has been to study the feasibility of building and operating the Orangeline Maglev system as a primarily privately funded enterprise, and upon approving its implementation, to bring the Orangeline Maglev into fruition as quickly as possible. Development of the Orangeline Maglev is being accomplished in phases. Phase 1 consists of engineering and financial planning to establish the over-all project definition, verify project viability and preparing a financial plan. Also included are additional tasks to secure funding and prepare for Phase 2. Phase 2 consists of more detailed design engineering and financial planning to enable the project to obtain private construction financing, to ensure public and member agency support of the proposed project, to obtain required government approvals and comply with all environmental review requirements, and to secure project construction financing. Phase 3 consists of building the system and placing it into operation. Phase 4 consists of providing safe, reliable high-speed maglev service and assisting member cities in achieving station-area development goals.

In November 2006, the Authority completed Phase 1 preliminary engineering and financial planning, which confirmed the project's potential financial viability as a primarily privately funded enterprise. Key results of this analysis and related policy decisions were documented in a series of milestone reports. In November 2007, with Authority Board adoption of the Milestone 10 – Orangeline High Speed Maglev Financial Plan, the team completed the Phase 1 preliminary engineering work. During the remaining part of Fiscal Year 2006-2007, the Authority initiated efforts to secure funding and legislative support for the project.

Discussions were initiated with Wall Street investment bankers to assess the potential investment community interest in the Orangeline High Speed Maglev. These meetings confirmed that there is investor interest in the project. Key investor requirements were identified in the meetings. The key factor in the minds of potential investors is the issue of risk. Two potential risk areas were identified. The first is the project risks associated with cost and revenue projections. It appears that potential investors believe these risks can be assessed and managed. However, as government has a key influence on ridership, investors will look to government to mitigate the ridership and revenue risk. The second risk factor is the uncertainty of government commitment to the project and the ability and willingness of the government agencies to partner with the private sector. This was identified as a more challenging hurdle to overcome. It was clear that a demonstrated strong commitment to the project by all government agencies concerned would be required to attract private investment.

The private sector's apprehensions about government's intent are based on prior experience and attempted projects with less than satisfactory results. Meetings over the past year with local elected officials, State legislators, and government agency officials at all levels have revealed that, while many know of the Orangeline Maglev, not much is known about the Orangeline Maglev. While there is a great deal of interest and support shown for the project once it is described, doubts have been expressed about the Authority's ability to secure private funding.

As stated in one of the meetings with investment bankers, the Authority may be in somewhat of a "Catch 22" situation in which potential investors may not be sure that the government is committed and government may not think that private investors will be interested. As with any "Catch 22" situation, a strong course of action is required. The Authority's job is to bring the two parties together to demonstrate that the project has great benefits for both public and private interests, that the Authority studies are credible and can serve as a reliable foundation upon which to move forward, and that something can happen if someone is willing to take the first step.

To achieve that objective, during the first half of Fiscal Year 2007-2008, the Authority will focus on the following tasks:

- a. *Secure private funding to initiate Phase 2 pre-deployment tasks.*** The Authority will issue a solicitation to secure private investment in Phase 2. It is anticipated that the responses to this solicitation and the selection of an investment team will occur in the second half of the fiscal year. The Authority will continue its pursuit of a State loan guarantee for some or all of the funding required to complete Phase 2, as a means to attract competitive private investment proposals and to reduce borrowing costs.
- b. *Secure support of the City of Los Angeles as a member of the Authority.*** The Authority will continue its efforts to secure participation of the City of Los Angeles as a member of the Authority. Meetings will be held with members of the City Council and the Mayor, as well as key department managers to discuss the benefits the project will bring to their city. The ability to obtain the support of the State Legislature will be influenced by the Authority's success in gaining the entry of the City of Los Angeles as a member of the Authority. The Authority will draw on the support of its member cities and key State Legislative leaders to assist in securing the support of the City of Los Angeles.
- c. *Secure State Legislature and Governor support.*** The Authority will seek formal approval of the Orangeline Maglev by the State Legislature and Governor. The Authority will seek State approval for the use of freeway rights of way that may be needed for the project, and approval of the proposal to the California Transportation Commission for a loan guarantee for the next project development phase. Meetings will be held with members of the Legislature and the Governor and State agency heads to discuss the benefits the project will bring to the State of California. The Authority will encourage and rely upon support of its member agencies to carry out this campaign.
- d. *Secure support of additional Los Angeles County and Orange County cities as members of the Authority.*** Discussions have been held with all cities along the Orangeline Maglev corridor since before the Authority was formed. During the past year, those discussions lessened as the Authority focused on completing Phase 1 preliminary engineering and financial planning. With results of the technical work program in hand that demonstrate the viability and benefits of the Orangeline High Speed Maglev to the corridor cities and the region, the Authority will re-focus its efforts to secure participation of additional cities in both Los Angeles County and Orange County. Meetings will be held with local elected officials and city staff to discuss the benefits that the project will bring to their cities. The Authority's member cities will be encouraged to support this effort.
- e. *Complete a right-of-way agreement with the Los Angeles County Metropolitan Transportation Authority.*** Discussions with potential private investors affirmed the importance of securing right-of-way agreements as a pre-condition to obtaining substantial private funding. The lack of such agreements was identified as a key risk factor to project investors and to the potential success of the project. Discussions are underway to secure a right-of-way agreement with the LACMTA. It is anticipated that these discussions will lead to an agreement granting the Authority use of the MTA-owned right-of-way along the corridor.
- f. *Secure support of the Orange County Transportation Authority (OCTA).*** Recent discussions with a number of Orange County cities have indicated that OCTA support of the project is an important factor in securing participation of the cities as members of the Authority. OCTA staff representatives regularly attend Authority Board meetings. A presentation to the OCTA Board Transit Planning and Operations Committee is scheduled for May 10, 2007. The Authority will continue these discussions with a goal of securing OCTA support by the end of the 2007 calendar year.
- g. *Develop the public-private development team and capabilities.*** The Authority-ARCADIS development team is presently organized to carry-out the current work plan. To achieve the

goals and objectives for the coming years, the team must develop additional capabilities and resources. Additional expertise in all the multi-disciplinary fields required to complete the Phase 2 work must be brought together, organized and prepared for the work that lies ahead. This expanded team must be in place prior to the initiation of Phase 2, after which it will grow as the scope and complexity of the program increases. The Authority and ARCADIS will jointly develop the organization plan for Phase 2.

- h. Secure conditional pricing agreements on major system components.** The Authority and ARCADIS have recognized that a key project risk factor is the reliability of cost estimates for key project elements, especially in out years when the future becomes more difficult to predict. Examples of potential risk elements are the long-term availability of a reliable power supply at a favorable cost, and the availability and cost of major system elements such as vehicles and the power and control system. Infrastructure elements such as guideway beams and the concrete and steel that make up the majority of the physical facilities represent other examples of risks that, if not well managed, could materially affect the cost and viability of the project. The Authority will initiate steps to develop purchase agreements that ensure availability and pricing guarantees on major project elements.
- i. Enter into development partner and service agreements to carry out the work plan.** The development and execution of partnering and services agreements, as well as funding agreements, is essential to the Authority successfully carrying out its work plan. Upon success in securing funding for Phase 2, the Authority and ARCADIS will negotiate a work plan and agreement to establish roles, responsibilities and other terms for the ensuing work. It is anticipated that the Authority will require support services beyond those currently available that must be procured and for which contracts will be required.
- j. Conduct public outreach.** A number of the tasks described above constitute the elements of an intense public outreach program aimed not only at informing stakeholder groups of the merits of the Orangeline High Speed Maglev, but also at securing the support required to move the project forward. The Authority will seek the support of its member agencies to conduct public outreach and to be strong advocates for the project.

Completion of the Fiscal Year 2007-2008 work program sets the stage for Phase 2. This project development phase completes the pre-deployment tasks necessary to enable implementation of the Orangeline High Speed Maglev. Key milestones and budgets for Phase 2 are shown below.

Phase 2 Pre-deployment Milestones		
FY 2008-2009 MILESTONES		
YEAR 2 (PROJECTED BUDGET)		\$50,000,000
A.	Secure participation of stakeholder public agencies	
B.	Identify potential fatal flaws; develop mitigation strategies	
C.	Secure conditional Phase 3 financing commitments	
D.	Develop preliminary station area specific plans	
E.	Advance preliminary engineering to 5% of total design	
F.	Initiate environmental review process – circulate draft EIR/EIS	
G.	Conduct public outreach	
FY 2009-2010 MILESTONES		
YEAR 3 (PROJECTED BUDGET)		\$75,000,000
H.	Advance Phase 2 Preliminary Engineering to 10% of total design	
I.	Secure additional rights-of-way agreements	
J.	Develop financing plan/prospectus for construction financing	
K.	Secure required inter-agency agreements/permits	
L.	Secure agreements with developer team and project partners	
M.	Advance development of station area plans	

N.	Conduct public outreach	
O.	Develop final EIR/EIS; circulate for public comment	
	FY 2010-2011 MILESTONES	
	YEAR 4 (PROJECTED BUDGET)	\$75,000,000
P.	Advance Phase 2 Preliminary Engineering to 15% of total design	
Q.	Adopt the EIR/EIS and mitigation plan	
R.	Acquire rights of way (right of way protection/use permits)	
S.	Adopt station area specific plans	
T.	Finalize financing plan; issue prospectus	
U.	Sell construction bonds to finance construction	
V.	Develop and implement public private partnership agreements	

V. Budget

Expenditures

Expenditures and the activities they support are tied to achieving the objectives and major milestones discussed in the previous sections. The following synopsis describes the key activities for the fiscal year.

Policy and Administration

Board Activities

- The Board will hold up to 12 regular meetings to provide oversight and direction, review presentations and reports presented by staff and others, be an advocate for the project, secure supporting actions of the member cities, help secure additional cities as members of the Authority and favorable legislation, and maintain active member involvement and support for the project.
- The Executive Director will prepare the meeting agendas and Board reports, present information at the Board meetings, provide recommendations to the Board and see that the board is kept fully informed on the condition of the organization and all important factors influencing it, coordinate meeting preparation and activities and the work of support staff and outside vendors, coordinate with the Authority Board Chair and Vice Chair, Legal Counsel, and Secretary, provide general support to the Board Members, and carry out Board direction.

Executive Management

- The Executive Director will manage the activities of the Authority, ensure that the Authority has a short-term and a long-range strategy which achieves its mission, and toward which it makes consistent and timely progress, provide leadership in developing program, organizational and financial plans with the Board of Directors, and carry out plans and policies authorized by the board.
- The Executive Director will publicize the Authority's goals, program activities and accomplishments, and establish and maintain sound working relationships and cooperative arrangements with outside agencies, community groups and organizations.

Legal

- The Authority's General Counsel, Colantuono & Levin (Yvette Abich) will review Board agendas and reports, attend Board meetings as may be required, advise the Authority Board and Executive Director on legal matters.
- General Counsel will ensure that the Authority is in compliance with federal, state and local regulations.

Insurance

- Director and Officer Liability Insurance

Other Administrative

- The Executive Director will manage the budgeting and financial affairs of the Authority, develop and maintain sound financial practices and work with the Budget Committee in preparing a budget and ensure that the Authority operates within budget guidelines and adequate funds are available to permit the organization to carry out its work.
- The Authority's website vendor, Transit Media Services, will maintain the Orangeline Maglev Website and post updated material as required, including monthly meeting notices and Board reports.
- Included are general office expenses, general administrative tasks and the preparation and dissemination of increased publicity

Organizational Development

Increase Authority Membership

- The Executive Director will prepare meeting material and presentations, schedule and attend meetings and make presentations to city council and staff of prospective member cities along the project corridor, and enlist and coordinate the support of Authority Board members with the goal of adding the Cities of Los Angeles, Burbank, Glendale, and San Fernando, the County of Los Angeles and additional Orange County cities as participating members of the Authority.
- The Executive Director will prepare administrative policies and operating procedures and ensure that the Authority operates efficiently and in conformance with good business practices and government guidelines and regulations.

Secure Operating Revenues

- The Executive Director will research grant opportunities, prepare grant applications, and process grant agreements, including a \$224,000 grant for SAFETEA-LU funding.
- The Executive Director will seek private investments to support the operating budget.

Project Development

Secure Phase 2 Funding

- The Executive Director and ARCADIS will undertake activities to secure public and private funding for Phase 2 pre-deployment work, prepare solicitation package, meet with prospective public and private investors and undertake actions necessary to attract investment in the project.
- The Executive Director will pursue agreements and government agency approvals as necessary to satisfy requirements of investors.

Secure State Legislation

- The Executive Director and ARCADIS will undertake activities to secure State Legislature and Governor support, including loan guarantee legislation and other legislative and administration approvals and actions to meet investor requirements
- The Executive Director will seek and coordinate the participation of Authority Board Members and member agencies in securing favorable state legislation.

Budget						
	BOARD	Consultants/Services				TOTAL
		EXECUTIVE DIRECTOR	GENERAL COUNSEL	ARCADIS	OTHER	
Policy and Administration						
Board Activities	12,000	20,000				32,000
Executive Management		14,000				14,000
Legal			17,000			17,000
Insurance						0
Other Administrative		30,000			35,000	65,000
Organizational Development						
Increase Authority Membership		50,000				50,000
Secure Operating Revenues		30,000				30,000
Project Development						
Complete Phase 1 Prelim. Engr.						0
Secure Phase 2 Funding		56,000		25,000		81,000
Secure State Legislation		10,000	1,000			11,000
Public Funding	12,000	170,000	18,000		30,000	230,000
Private In-kind	0	40,000	0	25,000	5,000	70,000
Grand Total	12,000	210,000	18,000	25,000	30,000	300,000

The above Budget is predicated on anticipated carry-over revenues from Fiscal Year 2006-2007 and from member cities annual assessments for Fiscal Year 2007-2008. Two potential funding sources have been identified that would provide an additional \$183,324 in revenue. Success in securing these revenues would enable an increase in the budget to support the primary objectives for FY 2007-2008. They are to secure funding for Phase 2 and to secure membership of additional cities in the Authority.

The additional funds would be expended as follows:

- \$50,000 to increase the level of effort in securing additional member cities by enabling ARCADIS and other support services to assist the Executive Director in preparing information material, scheduling meetings, attending meetings and presentations and following up with prospective cities.
- \$100,000 to increase the level of effort in securing private funding by enabling ARCADIS and other support services to assist the Executive Director in preparing information material, undertaking follow-up analyses, seeking out and interacting with additional private investors and assisting in the preparation of a request for offers, evaluating proposals submitted and negotiating one or more financing agreements
- \$33,000 to increase the level of effort in securing legislative support and administration support by enabling ARCADIS and other support services to assist the Executive Director in communicating with Administration and legislative leaders, to prepare information material, conduct follow-up analyses as required to respond to inquiries or other requirements.

The table below shows the allocation of additional revenues to these program tasks.

Enhanced Budget						
	BOARD	Consultants/Services				TOTAL
		EXECUTIVE DIRECTOR	GENERAL COUNSEL	ARCADIS	OTHER	
Policy and Administration						
Board Activities	12,000	20,000				32,000
Executive Management		14,000				14,000
Legal			17,000			17,000
Insurance						0
Other Administrative		30,000			35,000	65,000
Organizational Development						
Increase Authority Membership		50,000		25,000	25,000	100,000
Secure Operating Revenues		30,000				30,000
Project Development						
Complete Phase 1 Prelim. Engr.						0
Secure Phase 2 Funding		56,000		75,000	50,000	181,000
Secure State Legislation		10,000	1,000	25,000	8,000	44,000
Public Funding	12,000	170,000	18,000	100,000	113,000	413,000
Private In-kind	0	40,000	0	25,000	5,000	70,000
Grand Total	12,000	210,000	18,000	125,000	118,000	483,000

Revenues

The proposed Budget is predicated on the anticipated revenues from existing sources. These sources include anticipated current member investments of approximately \$161,600.

Additional revenues would be realized if the Authority is successful in attracting additional cities to become members of the Authority. A list of potential new members and the annual member investments for each are shown in the following table.

Anticipated/Potential Revenues			
Anticipated Revenues			
Beginning Balance			\$70,000.00
Current Member Investments			\$161,578.31
		Subtotal	\$231,578.31
Development Partner In-kind			\$25,000.00
Other In-kind			\$45,000.00
		Subtotal	\$70,000.00
		FY 2007-2008 Revenue Base	\$301,578.31
Potential Revenues			
New Member Investments			\$15,323.51
Federal Grant			\$168,000.00
Other Grants			\$0.00
		Subtotal	\$183,323.51
		Total Anticipated/Potential Public Investments	\$414,901.83
		Total Anticipated Private In-kind Investments	\$70,000.00
		Total Anticipated and Potential Revenues	\$484,901.83
Source of Revenues			
Current Members	Annual Investment	Matching Funds	Total
City of Artesia	\$5,093.99		\$5,093.99
City of Bell	\$4,120.59		\$4,120.59
City of Bellflower	\$14,962.09		\$14,962.09
City of Cerritos	\$14,273.74		\$14,273.74
City of Cudahy	\$4,694.92		\$4,694.92
City of Downey	\$8,538.91		\$8,538.91
City of Huntington Park	\$8,718.38		\$8,718.38
City of Los Alamitos	\$1,583.63		\$1,583.63
City of Maywood	\$2,925.48		\$2,925.48
City of Palmdale	\$26,805.49		\$26,805.49
City of Paramount	\$11,895.14		\$11,895.14
City of Santa Clarita	\$32,330.23		\$32,330.23
City of South Gate	\$19,826.99		\$19,826.99
City of Vernon	\$5,808.74		\$5,808.74
	Subtotal	\$0.00	\$161,578.31

Anticipated/Potential Revenues			
Anticipated New Member	Annual Investment	Matching Funds	Total
City of San Fernando	\$6,705.07	\$8,618.44	\$15,323.51
Subtotal	\$6,705.07	\$8,618.44	\$15,323.51
Potential New Members (Not Included in Budget)			
City of Glendale	\$26,214.27		
City of Burbank	\$23,492.55		
City of Lancaster	\$26,077.03		
County of Los Angeles	\$194,101.75		
City of Los Angeles	\$174,198.75		
La Palma	\$4,687.53		
Cypress	\$13,772.26		
Buena Park	\$9,766.74		
Anaheim	\$39,373.14		
Orange	\$19,126.89		
Stanton	\$10,015.90		
Garden Grove	\$38,738.63		
Santa Ana	\$52,319.80		
Tustin	\$23,551.67		
Irvine	\$24,434.28		
Subtotal	\$653,656.93		

Return on Investments

Revenues from member cities and in-kind contributions are considered as investments in the Orangeline Maglev Corridor Development Project, as opposed to donations or grants to the Authority. The Authority anticipates that the Project will generate sufficient revenues from operation of the Orangeline Maglev system and from station area development to cover Project capital and operating costs, and to generate a return on investments in the Project.

It is anticipated that government loans/loan guarantees and private financing would be secured following Phase 1 as described in previous sections. These revenues would be used to fund Phase 2 studies. At the conclusion of Phase 2, bonds would be sold and other loans would be secured to finance construction of the Orangeline High Speed Maglev.

Investments by member cities and in-kind contributions could remain with the Authority to cover the Project's funding needs through construction and beyond, or be withdrawn, with interest, at an earlier date. The return on investment would be based on each party's equity in the Project. The Phase 2 financial plans would describe these opportunities.

Potential Additional Revenue Sources

As indicated in the Anticipated/Potential Revenue table, the Fiscal Year 2007-2008 Budget is predicated on a balance carry-over of \$70,000 from Fiscal Year 2006-2007 plus anticipated new revenues from existing sources. These sources include anticipated current member investments of \$161,578. Additional potential revenue sources are also identified. The likelihood of securing additional resources is described below. If the Authority is successful in securing additional resources during the fiscal year, the Board would be given an opportunity to consider one or more Budget amendments to decide on the use of these additional funds.

The following potential revenues sources have been identified:

1. New Member Investments
 - The City of San Fernando has informed the Authority that it will budget membership in the Authority beginning July 1, 2007. Meetings with City Council Members and the City Manager of Glendale indicated a strong possibility of that city joining the Authority. It now appears the City has put the decision to join the Authority off to a future time.
2. Federal Grant
 - This source of funding is derived from the SAFETEA-LU authorization of \$280,000 for the Orangeline Maglev project. Caltrans has completed a pre-award audit of the Authority as a precedent to executing an agreement with the Authority for the federal funding. Preparation of the funding grant is underway.
3. Other Grants
 - During the current fiscal year, the Authority has considered possible funding opportunities from other sources. They include LACMTA, OCTA, Los Angeles World Airports, the Ports of Long Beach and Los Angeles, the South Coast Air Quality District, Caltrans and a small number of private foundations. Meetings were held with a number of these agencies to pursue potential funding. To date, these meetings have not produced any positive results. More work is required to determine if meaningful funding can be obtained during the coming fiscal year.
 - The infrastructure bond bill on the November ballot was passed by the voters and is now making available billions of dollars for transportation during the coming years. The Authority's earlier predictions that securing significant funding from this source would be difficult have been proven to be true so far, as the first allocation of bond funds have been directed at freeway expansion projects. However, the Authority has submitted a proposal to the California Transportation Commission for a loan guarantee from this funding source. Effective lobbying for a portion of available funding could produce positive results.
 - FRA/FTA – The Authority could pursue additional funding from the FRA (Federal Railroad Administration) or FTA (Federal Transit Administration), or from other federal sources. Discussions with key agency representatives and a review of potential funding programs and the process for securing one or more grants from these agencies suggests that it would be difficult to secure near-term funding from these sources. Never-the-less, the Authority is coordinating with Congresswoman Linda Sanchez, who has written a letter to the FTA Administrator requesting that he meet with the Authority so we can assess the opportunity and means for securing FTA funding for the project.
 - SCAG has been a strong supporter of maglev deployment in Southern California. SCAG is currently focused on the West Los Angeles-to-Ontario Airport maglev

project. At its meeting of December 5, 2002, the SCAG Regional Council approved a motion calling for the SCAG Maglev Task force to advance planning on Segment #33 (LAX – Palmdale) and Segment #28 (LA – Orange County) (Orangeline Maglev) projects and to assist and secure federal, state, and local funds. SCG has set the Orangeline Maglev as a lower priority than the West LA-Ontario project. It is likely that gaining increased SCAG support for the Orangeline Maglev will require advocacy at the SCAG policy Board level, including at the Maglev Task Force, the Transportation and Communications Committee and at the Regional Council.

4. Development Partner and other private Investments
 - o The Authority is pursuing additional in-kind contributions and cash investments from current and future development partners. The prospects for success are not known at this time.

Orangeline High Speed Maglev
 Milestone 10 – Financial Plan Supplement
 Financial Model 2h (2007 -2062)
 Table 1

Project Summary 2007-2062			
		2007 dollars	
	Project Cash Surplus	\$23,312,080,297	
	Operating Reserves	\$2,000,132,327	
	Station-area Improvements and Feeder Services	\$21,116,691,148	
	Investor Interest Earnings	\$23,359,337,310	
	User Cost Savings (Compared to Owning/Driving a Car)	\$3,113,357,602	
	User Travel Delay Savings (Compared to Driving a Car)	\$29,217,442,288	
	Total Project Benefits	\$91,285,485,109	
	Project Cost (including vehicle replacement in year 25)	\$22,693,799,040	
	Benefit/Cost Ratio (Without Value of Emission Savings)	4.0	
	Emission Savings	\$6,025,162,484	
	Benefit/Cost Ratio (with Emission Benefits)	4.3	
	Reduction in Gasoline Consumption (gallons)	2,549,314,071	
	Annual Reduction in NOx and CO ₂ Emissions (2027)	744,985	
Project Description			
Orangeline High Speed Maglev from Palmdale in northern Los Angeles County to Irvine in southern Orange County			
	Length (miles)	Cost	Schedule
Preconstruction Phase	108	\$199,586,640	2007 - 2009
Construction Phase			
a	20	\$4,326,300,000	2010 - 2012
b	35	\$6,729,800,000	2012 - 2015
c	53	\$7,973,851,600	2014 - 2017
	Average Speed (mph)	Peak Period Service Frequency (minutes)	Off-Peak Period Service Frequency (minutes)
Operation Phase	90	5	10
The project is fully described in Project Milestone Reports and summarized in Milestone 10 - Financial Plan, which are available for viewing and downloading at www.orangeline.calmaglev.org			

Orangeline High Speed Maglev
Milestone 10 – Financial Plan Supplement
Financial Model 2h (2007 -2062)
Table 2

Orangeline Development Authority Potential Orangeline High Speed Maglev Project Revenue Allocations to Member Cities for Station-area Improvements and Feeder Services			
	Assumed Average Fare (2007\$) = \$18.00	Allocation based on population (2024-2062)	
	Cities	Population, 2000 (some 2001-2005)	2007 dollars 3% Discount
Member Cities	Artesia	16,380	\$94,942,062
	Bell	36,664	\$212,512,562
	Bellflower	74,900	\$434,136,779
	Cerritos	51,488	\$298,435,707
	Cudahy	24,200	\$140,268,492
	Downey	110,600	\$641,061,786
	Huntington Park	61,348	\$355,586,423
	Los Alamitos	11,500	\$66,656,515
	Maywood	28,083	\$162,775,209
	Palmdale	121,400	\$703,660,947
	Paramount	55,266	\$320,333,821
	Santa Clarita	155,100	\$898,993,517
	South Gate	99,800	\$578,462,624
Vernon	91	\$527,456	
	Total Current Member Cities	846,820	\$4,908,353,901
Prospective LA County Cities	Burbank	102,400	\$593,532,793
	Glendale	199,000	\$1,153,447,517
	San Fernando	23,564	\$136,582,097
	City of LA (portion)	1,000,000	\$5,796,218,678
	County Unincorporated (portion)	50,000	\$289,810,934
	Total L.A. County Cities	1,210,284	\$12,811,289,404
Prospective Orange County Cities	La Palma	15,400	\$89,261,768
	Cypress	46,000	\$266,626,059
	Buena Park	80,100	\$464,277,116
	Stanton	38,300	\$221,995,175
	Anaheim	336,300	\$1,949,268,341
	Garden Grove	169,000	\$979,560,957
	Santa Ana	348,100	\$2,017,663,722
	Orange	128,000	\$741,915,991
	Tustin	69,200	\$401,098,333
Irvine	191,000	\$1,107,077,767	
	Total Orange County Cities	1,432,900	\$8,305,401,743
	Total Cities	3,643,184	\$21,116,691,148
	California	33,871,648	



ORANGELINE DEVELOPMENT AUTHORITY

AGENDA REPORT

TO: Members of the Orangeline Development Authority
FROM: Albert Perdon, Executive Director
DATE: June 13, 2007
SUBJECT: **Approval of Warrant Register**

RECOMMENDATION

That the Authority Board approve the Warrant Register for the period May 10, 2007 through June 13, 2007.

ATTACHMENT:

1. Warrant Register for May 10, 2007 through June 13, 2007

The Orangeline Development Authority is a joint powers agency formed to pursue deployment of the Orangeline High Speed Maglev system in Southern California. The Authority is composed of the following public agencies:

- City of Artesia
- City of Bell
- City of Bellflower
- City of Cerritos
- City of Cudahy
- City of Downey
- City of Huntington Park
- City of Los Alamitos
- City of Maywood
- City of Palmdale
- City of Paramount
- City of Santa Clarita
- City of South Gate
- City of Vernon

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Councilmember,
City of Bellflower

Vice Chair

Troy Edgar
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City of Los Alamitos

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Gary Milliman
City Manager,
City of South Gate

General Counsel

Michael Colantuono
Colantuono & Levin, PC

Treasurer/Auditor

Jack Joseph
Gateway Cities COG

Executive Director

Albert Perdon, P.E.

Supporting Agencies

- Gateway Cities Council of Governments
- Southern California Association of Governments
- City of Garden Grove
- City of Huntington Beach
- City of Long Beach
- City of Stanton

Orangeline Development Authority
 Check/Voucher Register
 1000 - Cash
 From 5/10/2007 Through 6/13/2007

Document Number	Payee	Document Amount	Fund Title	Transaction Description
1156	Bruce Barrows	100.00	General Fund	OLDA Meeting Stipend for 5/9/07
	Total Bruce Barrows	100.00		
1157	Kirk Cartozian	100.00	General Fund	OLDA Meeting Stipend for 5/9/07
	Total Kirk Cartozian	100.00		
1158	Jialu Chen	107.50	General Fund	Attendance and Minute Preparation for OLDA Meeting 5/9/07
	Total Jialu Chen	107.50		
1159	Colantuono & Levin, PC	1,083.30	General Fund	Professional Services Rendered Through 05/04/07
	Total Colantuono & Levin, PC	1,083.30		
1160	Maria Davila	100.00	General Fund	OLDA Meeting Stipend for 5/9/07
	Total Maria Davila	100.00		
1161	Troy Edgar	100.00	General Fund	OLDA Meeting Stipend for 5/9/07
	Total Troy Edgar	100.00		
1162	Frank Gurule	100.00	General Fund	OLDA Meeting Stipend for 5/9/07
	Total Frank Gurule	100.00		
1163	Tom Lackey	100.00	General Fund	OLDA Meeting Stipend for 5/9/07

Orangeline Development Authority
 Check/Voucher Register
 1000 - Cash
 From 5/10/2007 Through 6/13/2007

Document Number	Payee	Document Amount	Fund Title	Transaction Description
	Total Tom Lackey	100.00		
1164	Scott Larsen	100.00	General Fund	OLDA Meeting Stipend for 5/9/07
	Total Scott Larsen	100.00		
1165	Tony Lima	100.00	General Fund	OLDA Meeting Stipend for 5/9/07
1165	Tony Lima	100.00	General Fund	Olida Meeting Stipend for April 07
	Total Tony Lima	200.00		
1166	Thomas Martin	100.00	General Fund	OLDA Meeting Stipend for 5/9/07
	Total Thomas Martin	100.00		
1167	Michael McCormick	100.00	General Fund	OLDA Meeting Stipend for 5/9/07
	Total Michael McCormick	100.00		
1168	Marsha McLean	100.00	General Fund	OLDA Meeting Stipend for 5/9/07
	Total Marsha McLean	100.00		
1169	Albert Perdon & Associates, Inc.	13,750.00	General Fund	Services Rendered May 2007-OLDA
	Total Albert Perdon & Associates, Inc.	13,750.00		
1170	PR Newswire	319.50	General Fund	Press Release Charges for OLDA-Story Date 5/10/07
	Total PR Newswire	319.50		

Orangeline Development Authority

Check/Voucher Register

1000 - Cash

From 5/10/2007 Through 6/13/2007

<u>Document Number</u>	<u>Payee</u>	<u>Document Amount</u>	<u>Fund Title</u>	<u>Transaction Description</u>
1171	Transit Media Consultants	1,500.00	General Fund	Website Maintenance for OI.DA - May 2007
	Total Transit Media Consultants	1,500.00		
Report Total		17,960.30		



ORANGELINE DEVELOPMENT AUTHORITY

AGENDA REPORT

TO: Members of the Orangeline Development Authority

FROM: Albert Perdon, Executive Director

DATE: June 13, 2007

SUBJECT: Communication Items to the Board

RECOMMENDATION

That the Authority Board review and discuss the information and provide possible direction to staff.

INFORMATION ITEMS

Treasurer's Report

The Treasurer's May 2007 Report is shown in Attachment 1.

News/Events

- **Governor Schwarzenegger** – June 2, 2007. The Governor commented on his views for building transit infrastructure during a recent visit to a transit construction site in Vancouver, Canada where workers were busily boring a tunnel for the type of public works project that the governor has been unable to get off the ground at home: one owned and operated entirely by a private company. "The way they do it is, I think, the right way to go," Schwarzenegger said in an interview. "We don't have to exactly copy it, but we can learn from those ideas." He said that Wall Street is clamoring to invest in private infrastructure projects and that California must examine ways to "benefit from all the private money that is out there." But as other governments in North America and elsewhere move swiftly ahead with such plans, Schwarzenegger's privatization campaign is faltering. In Schwarzenegger's case, "there has been a lot of rhetoric about this, then squat. Nothing happens," said Adrian Moore, vice president of research at the Reason Foundation, a Los Angeles think tank. David Crane, the governor's chief economic advisor who was also at the table, said: "California is way behind."
Source: evan.halper@latimes.com
- **Getting nowhere fast on new mass transit projects** – June 4, 2007. A day after the MTA Board approved a fare increase, MTA chief Roger Snoble told The Times the agency hopes to have enough money to finish two light rail lines under construction and avoid service cutbacks. As for future mass transit projects, Snoble said, those may have to wait until the MTA can find the money.

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MTA spokesman Marc Littman said the agency looks to have about \$6 billion to spend on transportation projects from now until 2030. That doesn't appear to be enough to pay for all of the transit and road projects people are pushing, including the subway to the sea, a new busway for Canoga Avenue in the San Fernando Valley, an extension of the Alameda Corridor from the port and several key freeway projects. One big moment will come this summer when the MTA board is scheduled to adopt a long-range plan that prioritizes projects. That should be a food fight of the highest order. The office of Mayor Antonio Villaraigosa has conducted polls to test voter sentiment about a possible ballot measure to fund more mass transit. But he hasn't proposed anything. That should tell you what the polls show. Most tax increases need two-thirds approval from voters, a threshold difficult to reach and the reason mass transit in Los Angeles still is a losing proposition.

Source: *steve.hymon@latimes.com*

Meetings

Authority Board Members and the Executive Director participated in the following meetings:

- **Orange County Transportation Authority** – May 10, 2007; Vice Chair Edgar and Executive Director made a presentation to the OCTA Board Transit Planning & Operations Committee.
- **Siemens Financial Services (SFS)** – June 17, 2007; The Executive Director met with Markus Kluczka of STS and ARCADIS staff to review the Orangeline Maglev Financial Plan. The meeting and subsequent input from SFS resulted in the preparation of an update financial model and Milestone 10 Financial Plan supplement.
- **Orange County Supervisor John Moorlach** – June 21, 2007; Vice Chair Edgar and the Executive Director will meet with Supervisor Moorlach to gain his support for the Orangeline Maglev.
- **City of Santa Ana City Council** – July 9, 2007; The Authority has been invited by Mayor Pulido to make a presentation on the Orangeline Maglev to the Santa Ana City Council Transportation Committee. The date is tentative.

ATTACHMENT

1. Treasurer's March 2007 Report

**TREASURER'S REPORT
ORANGELINE DEVELOPMENT AUTHORITY
May 2007**

Beginning Cash Balance (5-1-07)	\$139,243.72
Cash Receipts	-
Cash Expenditures	<u>(26,501.63)</u>
Ending Cash Balance (5-31-07)	<u><u>\$112,742.09</u></u>

Jack M. Joseph
Treasurer