



ORANGELINE HIGH SPEED MAGLEV

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

Kirk Cartozian
Councilmember,
City of Downey

Vice Chair

Troy Edgar
Councilmember,
City of Los Alamitos

Secretary/Treasurer

W. Michael McCormick
Councilmember,
City of Vernon

Auditor

Scott A. Larsen
Councilmember,
City of Bellflower

City of South Gate

General Counsel

Michael Colantuono
Colantuono & Levin, PC

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, November 14, 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 October 10, 2007
6. Approval of Warrant Register
7. Communication Items to the Authority Board
8. Communication Items from the Authority Board
9. CLOSED SESSION:
 - a. Conference with Legal Counsel: Initiation of Litigation (Government Code sec. 54956.9(c)): One (1) Case.
 - b. Conference with Labor Negotiator (Government Code section 54957.6):
 - i. Authority Negotiators: Kirk Cartozian, Troy Edgar and Scott Larsen
Unrepresented Employee: Albert Perdon, Albert Perdon & Associates
10. Adjournment – Next meeting December 12, 2007

**DRAFT
MINUTES OF A REGULAR MEETING OF
THE ORANGELINE DEVELOPMENT AUTHORITY
WEDNESDAY, OCTOBER 10, 2007**

CALL TO ORDER

City of Downey Councilman and Authority Board Chair Kirk Cartozian called the meeting to order at 6:35 p.m.

PLEDGE OF ALLEGIANCE

City of Huntington Park Mayor John Noguez led the assembly in the salute to the flag.

ROLL CALL AND INTRODUCTION OF ATTENDEES

Authority Board Members:

- Tony Lima – Councilmember, City of Artesia
- Laura Lee – Mayor, City of Cerritos
- Frank Gurulé – Mayor, City of Cudahy
- Kirk Cartozian – Authority Chair, Councilmember, City of Downey
- John Noguez – Councilmember, City of Huntington Park
- Troy Edgar – Authority Vice Chair, Councilmember, City of Los Alamitos
- Thomas Martin – Mayor, City of Maywood
- Diane Martinez – Councilmember, City of Paramount
- Marsha McLean – Mayor, City of Santa Clarita
- Maria Davila – Councilmember, City of South Gate
- W. Michael McCormick – Councilmember, City of Vernon
- Dean Grose – Councilmember, City of Los Alamitos, Alternate Board Member

Others:

- Laura Biery – City of Palmdale
- Roy Burnett – City of Vernon and Authority Director of Finance
- J.F. Finn - Gensler
- Kristin Huy – City of Cerritos
- Sharad Mulchand – Transportation Planning Manager, LA Metro
- Charlene Palmer – Arcadis-US, Inc.
- Ian Pari – City of Santa Clarita
- Albert Perdon – Executive Director, Orangeline Development Authority
- Albert Sawano – Gensler
- Steve Yee – City of Downey
- Yvette Abich – Colantuono and Levin, General Counsel
- Steve Lefever – City of South Gate
- Michael Litschi – OCTA

PUBLIC COMMENTS

City of Downey Councilmember and Board Chair Kirk Cartozian opened public comments for those in the audience who wished to address the Authority on other than agenda items. There was no response and the public comments section of the meeting was closed.

UNOFFICIAL UNTIL APPROVED

ITEM 5 – APPROVAL OF MEETING MINUTES OF AUGUST 8, 2007

MOTION: City of Vernon Councilmember W. Michael McCormick moved to approve the meeting minutes of September 12, 2007, as presented. City of Los Alamitos Councilmember Troy Edgar seconded the motion, which carried, unanimously.

ITEM 6 – CLOSED SESSION: CONFERENCE WITH LABOR NEGOTIATOR, GOV'T CODE SEC. 54957.6

The Chair stated the conference with the labor negotiator is under Government Code section 54957.6. The Authority negotiators are members of a three member subcommittee that is composed of a chair, vice chair, and a past chair – Cartozian, Edgar and Larsen. Yvette Abich stated that the purpose of the session is give direction to the Authority negotiators with respect to the Executive Director's consultant agreement. She then asked those who are members to remain, and those who are not members to step outside the chamber until the members are done and they would be called back.

The closed session was then completed and the public and staff returned to the chamber. Chair Cartozian then stated that there was nothing to report from the closed session at this time.

ITEM 7 – EXTENSION OF PROFESSIONAL SERVICES AGREEMENT WITH ALBERT PERDON & ASSOCIATES AND ADOPTION OF RESOLUTION APPROVING EXTENSION

The Chair asked that, based on some of the items discussed in the closed session, the legal council make some recommendation to the board. Yvette Abich stated that during the closed session, it was agreed to put on the table for the Board's consideration, that the Resolution put forth to extend the professional services agreement with Albert Perdon & Associates be modified to extend the agreement through December 31, 2007 so that the Authority can have at least one more meeting in order to look at the final recommended professional services agreement before it is voted on in open session in December, 2007.

There is a change in the Resolution. The last Whereas is changed to read: "WHEREAS, the Board wishes to extend the term of the PSA and to authorize payment of services by Albert Perdon & Associates for the months of September through December 31, 2007." November is replaced by December 31.

Also, Section 1 is changed to read: "Section 3.4 ('Expiration Date') of the PSA shall be modified to read: 'December 31, 2007'." Section 2 is modified to read: "The Board approves the monthly payment of \$13,750 to Albert Perdon & Associates, Inc. for services rendered from September 1, 2007 through December 31, 2007." That concluded the changes made on the Resolution. The Resolution was then put on the table for the Authority Board to discuss and act upon.

MOTION: Vice Chair Troy Edgar moved that the recommendation to extend the Professional Services Agreement with Albert Perdon & Associates through December 31, 2007 be approved. Board member W. Michael McCormick seconded the motion, which carried unanimously.

ITEM 8 – REPORT ON 2ND ANNUAL NORTH AMERICAN PPP AND INFRASTRUCTURE FINANCE CONFERENCE AND MEETING WITH GOVERNMENT, CONTRACTORS, INVESTORS AND FINANCIERS

Mr. Perdon stated that had some slides on the topic to present to the Authority Board, but that he, instead would email them out to the Board due to time constraints. Mr. Perdon summarized that this was a conference of investors and public private partnerships, such as the one the Authority is pursuing, along with financial advisors; about 300 participants attended the conference. This includes the companies that could build our project, companies that have consortiums for highways and rail projects. So everyone that we would want to expose our project to was there. He was able to attend all the sessions and he picked up a lot of information and additional insights. He was able to meet with about 15-20 of the participants and spend quality time with them. He distributed a brochure indicating our interest in obtaining expressions of interest from development partners and made them aware of our project. Overall, it was a very productive conference.

There was one project, a highway project in Colorado, that was similar in organization to what we are doing here. It was a project that was not being built because the State could not come up with the money. Interested cities came together and formed a joint powers authority, similar to us, and took the initiative to build a toll road. Construction funds were derived from project revenue bonds. They were going to default on the bonds after two and a half years of operation, due to lower than anticipated toll revenues. So, they went out to the market and a team came together, submitted a proposal and was selected to receive a lease agreement in which they took care of paying off the bonds in exchange for toll revenues for 99 years. They recognized the payoff comes towards the end of the lease period, not in the first five years. They were willing to invest in the project and carry it through until it starts making a profit. Our situation is very similar, in that after the first five or six years of operation cash flow will begin to turn positive and debt will begin to be retired.

Overall, the conference was very insightful and Mr. Perdon picked up a lot of good points. Mr. Perdon added that he will be attending another Conference next week in Arizona. He then stated that as a result of this conference, a recommendation is being brought forward in the next report on the agenda to begin the formal process of securing investors in our project. Also, from the meetings with investors that he and Vice Chair Edgar previously held in New York, from the reaction to the Colorado project which received proposals from fifteen firms, and from the insights gained from the firms he spoke with at this conference, it is clear that there is lots of money and investor interest in the global marketplace looking for good projects to invest in.

Mr. Perdon stated that one of the big differences with the Colorado project, for which the re-financing was just closed a couple of months ago, and ours is that it is a highway project that had been built and was operating; it just was in a negative financial situation. However, ours is a little more challenging because it is not yet built. So, we are looking for a partner that is going to take us through the process of starting the construction and getting it built. And it is a Maglev project. So, there are some elements of our project that are different. There is also a very positive side, which includes the dense area, heavy congestion, lots of people, a strong demand for it. He stated that our analysis shows we have the numbers that could make this project work.

The reactions he received from others were very positive and showed they are interested, and many were overwhelmed by the scope of the project because there is a lot of money involved. But, the indication was that if we have a formal process we will get responses from the investor and development industry.

The Chair asked if there were any questions, and there were none. The Chair then stated that he is looking forward to seeing the slides. It was the consensus to receive and file the report.

ITEM 9 – APPROVAL TO INITIATE PROCESS TO SECURE PROPOSALS FROM POTENTIAL PRIVATE DEVELOPMENT PARTNERS, INCLUDING INVESTORS, FINANCIAL ADVISORS, CONTRACTORS AND STATION-AREA LAND DEVELOPERS

The Chair announced that this has been discussed for some time and that he is excited to see it moving along. He asked the Executive Director to make his report.

Mr. Perdon, stated that we are at the point now that we need to formalize the process to secure proposals from the development community and the investment community. The Governor's Cabinet secretary has previously asked us specifically to seek investment proposals and report back to him with what the investors are willing to do and what they want in return from us and from the State. He stated that it is necessary to do this to both secure investors as well as to present to the State the evidence that they are looking for that there is interest in the project and that they are prepared to move forward with us and invest in the project.

One of the key aspects of the discussions he had with potential investors and their advisors was the issue of risks – primarily the ridership risk and the government risk. They want to assure themselves that the ridership numbers are correct and that it is going to generate the revenue expected.

Secondly, they want assurance that the cities along the corridor really want this and that the State, the MTA and the OCTA who control the public rights-of-way will allow this to happen and that they also support the project. So, it's the government risk that is the biggest risk for the private investors.

Mr. Perdon stated that station-area development is also a key issue, because the investors see that ridership is influenced by what the cities are going to allow. The development activities and station planning in South Gate were described to the investors, along with how our cities are beginning to look at their general plans to consider changes that would be appropriate with the Orangeline High Speed Maglev, and he described some of the recent development activities in Orange County and how the City of Santa Ana is actively pursuing development of new housing and related improvements.

Mr. Perdon then stated that Edward Solano and JF Finn of the Gensler firm were here and that they have some interesting slides for the Authority Board to see related to this area. He then recommended that the Authority Board authorize him to begin the steps of developing an RFP process to solicit proposals. He proposed to schedule an investor conference early next year which would give investors and developers a chance to understand the project, see who else is interested and get a chance to talk to others. There were about three or four people who suggested this to him.

Mr. Perdon stated that he has been working with ARCADIS on this, and that there is a new program manager at ARCADIS, Kirk Goddard, who is now working with Charlene Palmer, and he had also suggested this conference as a good strategy. He then asked Albert Sawano and JF Finn to show their slides for about 10 minutes and they agreed. After the slide presentation, the Chair asked if there were any questions.

The Chair stated that this was started late last summer to move the Board towards a working communication and interface with the development community to educate them and ourselves now and over the long term.

MOTION: Vice Chair Edgar seconded a motion to approve the recommendation to initiate an RFP process to secure proposals from potential private development partners. The motion carried unanimously.

Chair Cartozian stated that we're going to anticipate interest from the development community as we intensify our outreach, and that our intent is to start to look at proposals very shortly, so this is a big step.

ITEM 10 – DISCUSSION OF OUTREACH WITH PROJECT STAKEHOLDERS, INCLUDING THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

The Chair first stated that he was going to skip through Item 10 and vote on Item 11 before coming back to vote on Item 10. After finishing Item 11, the Chair came back to item 10.

Mr. Perdon stated that this was an opportunity for the Board to have a dialogue on how they should approach SCAG. He stated that Vice Chair Edgar had asked if this could be placed on the agenda so that the Board can have a discussion on it.

Marcia McLean stated that the Southern California Association of Governments (SCAG) Regional Transportation Plan workshops are going on and that she had attended a couple of them and that maglev had come up. She stated that a meeting on Finance was coming up and suggested that people need to be at this meeting to bring up the Orangeline High Speed Maglev and the potential for getting it financed, and to get it into at least the Strategic Plan. She stated that she was informed the project cannot be included in the Regional Transportation Plan if we don't have funding in place. If it is in the Strategic Plan and funding becomes available then you can petition to get the project into the RTP.

Mayor McLean stated that it is vitally important to get information to them (SCAG) because they have no idea of what the Orangeline High Speed Maglev is and where we are with the milestones. They know about the SCAG project. She asked if anyone is a member of the SCAG Maglev Task Force. She emphasized that we have to have representatives at the SCAG meetings because they don't understand where we're at.

Vice Chair Edgar expressed that work has to be done behind the scenes to even get the project on the SCAG agenda. He also mentioned that the City of South Gate has selected Ron Bates as its new City Manager and that Mr. Bates has been a member of the SCAG Maglev Task Force. He said it would be advantageous to hold a discussion with South Gate officials and Ron Bates so that we could seek his assistance in advocating our way into the Regional Transportation Plan. We could become involved with the dialogue tomorrow, but he is concerned that we are not organized enough and that somebody is

just going to knock us off. He stated that he has had discussions with Lou Bone who is the Maglev Task Force Chair and not a big proponent of the Orangeline High Speed Maglev. Another person from Orange County, Richard Dixon of Lake Forest, is not a big fan either. He is on the OCTA Board. He stated that it would be nice to sit down and figure out a plan of action.

Marsha McLean stated that in the first conversation she had with SCAG staff she was told that the Orangeline High Speed Maglev project is not appropriate for maglev technology. Vice Chair Edgar pointed out that SCAG and its Maglev Task Force is focused on one line, the line from Los Angeles to San Bernardino and that is the only line they'll talk about. He suggested that the Orangeline High Speed Maglev is well advanced and could serve as a great case study of something with four years of progress and something that works. We can help SCAG with some ideas that have been successful.

Chair Cartozian introduced Charlene Palmer who reported that she had attended an OCTA Transit Planning and Operations Committee meeting on September 27, 2007 at which Jim Gosnell, Deputy Executive Director of SCAG, gave a presentation on SCAG's High Speed Regional Transportation system. She said that during the discussion it was questioned whether the Orangeline High Speed Maglev had been included in the RTP in 2004 and basically SCAG concluded that it was. (Richard Dixon had previously incorrectly reported that it was not in the 2004 RTP.) She reported that SCAG stated basically it was a question of technology and that they recommended the Orangeline High Speed Maglev project not be included in the RTP for 2008. Ms. Palmer stated that thereupon Santa Ana Mayor Miguel Pulido indicated that the Santa Ana is going to join SCAG and start attending the meetings, and he recommended that all of the cities along the Orangeline throughout L.A. and Orange Counties make sure their voices are heard that the Orangeline should be included in the RTP for 2008.

Vice Chair Edgar stated that we should focus on making sure that our project gets included in the RTP because it makes the project eligible for federal funding and any other funding that SCAG can actually help facilitate. Marsha McLean stated that we don't have a lot of time. There are three more meetings and they plan to have a draft in November.

The Executive Director recommended that those who represent their cities on SCAG should be identified and the information given to the cities to help them tell SCAG about the Orangeline. They can then sit down and go over the information with the SCAG representative. He also urged that a meeting be set up with Ron Bates who is very familiar with the Maglev issue at SCAG.

Chair Cartozian indicated he would send an email message to the Board members regarding this issue. Vice Chair Edgar reported that a trip has been planned by SCAG and OCTA to view the General Atomics prototype maglev system in San Diego.

By consent, the report was directed to be received and filed.

ITEM 11 – APPROVAL OF WARRANT REGISTER

MOTION: City of Vernon Councilmember Michael McCormick moved to approve the warrant register as presented. City of South Gate Councilmember Maria Davila seconded the motion, which carried unanimously.

ITEM 12 – COMMUNICATION ITEMS TO THE AUTHORITY BOARD

Due to technical difficulties, the presentation and discussion of this information item was not recorded.

ITEM 13 – COMMUNICATION ITEMS FROM THE AUTHORITY BOARD

Due to technical difficulties, the presentation and discussion of this information item was not recorded.

ITEM 14 – ADJOURNMENT

There being no further business to come before the Orangeline Development Authority, the meeting was adjourned at 8:08 p.m. The next regularly scheduled meeting will be held on Wednesday, November 14, 2007.

Attest:

Secretary

Chair

Approved:



ORANGELINE HIGH SPEED MAGLEV

A G E N D A R E P O R T

TO: Members of the Orangeline Development Authority
FROM: Albert Perdon, Executive Director
DATE: November 14, 2007
SUBJECT: **Approval of Warrant Register**

RECOMMENDATION

That the Authority Board approves the attached Warrant Register, as prepared and recommended for approval by the Treasurer, for the period October 11, 2007 through November 14, 2007.

ATTACHMENT:

1. Warrant Register for October 11, 2007 through November 14, 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:

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Chair

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Councilmember,
City of Bellflower

Vice Chair

Troy Edgar
Councilmember,
City of Los Alamitos

Treasurer

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Councilmember,
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Auditor

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Councilmember,
City of Bellflower

Secretary

Gary Milliman
City Manager,
City of South Gate

General Counsel

Michael Colantuono
Colantuono & Levin, PC

Executive Director

Albert Perdon, P.E.

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

**Orangeline Development Authority
Warrant Register
General Fund
From 10/11/07 to 11/14/07**

<u>Check Number</u>	<u>Payee</u>	<u>Check Amount</u>	<u>Transaction Description</u>
1229	Void	\$ -	Void
1230	Maria Shafer	96.00	Inv. #523 dated 10/3/07: Attendance and Minutes preparation for OLDA 9/12/07 ⁽¹⁾
1231	Albert Perdon & Associates, Inc.	13,750.00	Inv. #OLDA 07-11 dated 11/1/07: Charges 10/1/07-10/31/07
1232	Colantuono & Levin, PC	697.50	Inv. #16166 dated 10/8/07: Professional Services 9/1/07-09/30/07
1232	Colantuono & Levin, PC	4,680.00	Inv. #16269 dated 11/8/07: Professional Services 10/1/07-10/30/07
1233	Diane Martinez	100.00	OLDA Meeting Stipend 10/10/07
1234	Diane Widergren	50.00	Inv. #001 dated 11/1/07: Minutes Preparation for OLDA 10/10/07
1235	John Noguez	100.00	OLDA Meeting Stipend 10/10/07
1236	Kirk Cartozian	100.00	OLDA Meeting Stipend 10/10/07
1237	Laura Lee	100.00	OLDA Meeting Stipend 10/10/07
1238	Maria Davila	100.00	OLDA Meeting Stipend 10/10/07
1239	Marsha McLean	100.00	OLDA Meeting Stipend 10/10/07
1240	MBI Media	5,000.00	Inv. #07-163 dated 10/31/07: Design Services for OLDA Presentation
1241	Mike McCormick	100.00	OLDA Meeting Stipend 10/10/07
1242	Thomas Martin	100.00	OLDA Meeting Stipend 10/10/07
1243	Tony Lima	100.00	OLDA Meeting Stipend 10/10/07
1244	Transit Media Consultants	1,500.00	Invoice dated 10/1/07: Monthly Service 9/1/07-9/30/07
1245	Troy Edgar	<u>100.00</u>	OLDA Meeting Stipend 10/10/07
	Total	<u>\$ 26,773.50</u>	

⁽¹⁾ Invoice did not meet 9/13/07-10/10/07 Warrant Register deadline. Check was issued on 10/12/07.



ORANGELINE HIGH SPEED MAGLEV

A G E N D A R E P O R T

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- City of Paramount
- City of Santa Clarita
- City of South Gate
- City of Vernon

TO: Members of the Orangeline Development Authority
FROM: Albert Perdon, Executive Director
DATE: November 14, 2007
SUBJECT: Communication Items to the Board

RECOMMENDATION

That the Authority Board reviews and discusses the information items and provides possible direction to staff.

INFORMATION ITEMS

Treasurer's Report

The Finance Director's October 2007 Report is shown in Attachment 1.

In the News/Events

- **Schwarzenegger orders plan for 10% budget cuts** – after receiving word that California's budget is plunging further into the red -- largely because of the troubled housing market. State officials have warned the governor that the likely deficit for next year has jumped from a few billion dollars to as much as \$10 billion. That would mean substantial cuts in all state programs, including education, transportation and healthcare. Source: Evan Halper, Los Angeles Times Staff Writer. November 6, 2007
- **Governor teeters on edge of deficit abyss** – On Monday, Schwarzenegger ordered all state agencies to prepare plans to cut spending across the board by 10% next year. Education, transportation and healthcare will all be affected. Some programs face elimination. Layoffs may loom. "There has been lots of talk and lots of gimmicks, but none of the state's underlying budget problems have been dealt with," said Ryan Ratcliff, an economist at the UCLA Anderson Forecast. "If you put yourself in a vulnerable situation, you have to expect your luck is going to run out," said Daniel J.B. Mitchell, a professor of management and public policy at UCLA. "Now the luck seems to have run out."
- **Will gridlocked L.A. heed this toll call?** – County transit leaders agree to develop plans for toll roads within the next three years. And this isn't pocket change: The toll on the 91 Express Lanes between Orange County and Riverside County approaches \$10 eastbound during evening rush hour. Traditionally, L.A. officials have been cool to congestion pricing, with critics calling it "Lexus Lanes" for the rich. The idea of allowing solo motorists who pay a toll to use carpool lanes is already generating strong opposition from some commuters as well as auto advocacy groups.

Chair

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- Southern California Association of Governments
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- City of Long Beach
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Meetings

Authority Board Members and the Executive Director participated in, or are scheduled to participate in, the following meetings:

- **Congressman Ed Royce** – October 13, 2007; Vice Chair Edgar and Executive Director met with staff of Congressman Royce to provide update on project.
- **Infrastructure Investment Conference** – October 18-19, 2007; Executive Director attended Conference in Tempe, Arizona and met with potential investors and transportation infrastructure contractors and concessionaires.
- **Wings, Wheels & Rotors Expo** – October 28, 2007; Alternate Board Member Dean Grose served as Chair of the 6th annual expo at the Joint Forces Training Base in Los Alamitos attended by approximately 35,000 people. Executive Director staffed an information and exhibit booth which attracted several hundred attendees who expressed great interest in the Orangeline High Speed Maglev.
- **Women's Transportation Coalition** – November 2, 2007; Executive Director participated in discussion on Public Private Partnerships attended by Billie Greer, Governor's Los Angeles Office Director.
- **Los Angeles City Council** – November 7, 2007; Chair Cartozian and Executive Director met with City Councilmember Greig Smith who indicated his support for the Orangeline High Speed Maglev and for its inclusion in the 2008 Regional Transportation Plan (RTP).
- **State Legislature** – November 7, 2007; Chair Cartozian and Executive Director met with Assembly Member Hector De La Torre to provide a status report and to secure his support for getting the Orangeline High Speed Maglev retained in the RTP.
- **Gateway Cities Council of Governments (GCCOG)** – November 7, 2007; Chair Cartozian and Executive Director spoke in support of the Authority's request for a resolution by the GCCOG supporting the Authority's proposal and application to the California Transportation Commission for a loan guarantee of up to \$200 million. The GCCOG's action in response to the request is shown in Attachment 2.
- **League of California Cities, Independent Cities Association, and Contract Cities Association** – November 8, 2007; Chair Cartozian provided a presentation on the Orangeline High Speed Maglev with support of the Executive Director. A number of other Board members/alternates attended. Eight of the officers of the three associations represent Orangeline High Speed Maglev cities.
- **City of South Gate** – November 13, 2007; Chair Cartozian, Vice Chair Edgar, Member Davila and the Executive Director will meet with South Gate Mayor De Witt, Development Director Steve Lefever and Ron Bates.
- **Private Equity Investor Forum** – November 14, 2007; Executive Director will serve as a panelist at a private equity forum sponsored by the Century City Chamber of Commerce
- **SCAG Transportation and Communications Committee** – November 27, 2007; Executive Director Cartozian, Vice Chair Edgar, and other Board Members, will attend the committee meeting to urge approval of retaining the Orangeline High Speed Maglev in the 2009 Regional Transportation Plan.
- **SCAG Transportation and Communications Committee** – December 6, 2007; Executive Director Cartozian, Vice Chair Edgar, and possibly other Board Members, will attend the committee meeting, when adoption of the draft RTP is anticipated, to urge approval of retaining the Orangeline High Speed Maglev in the 2009 Regional Transportation Plan.

Item 07 – Communication Items to the Authority Board
November 14, 2007
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ATTACHMENTS

1. Treasurer's Report October 2007
2. Photos from Wings, Wheels & Rotors Expo
3. Report on Gateway City Council of Governments motions pertaining to the Orangeline High Speed Maglev

**Orangeline Development Authority
Treasurer's Report
General Fund
From 10/11/07 to 11/14/07**

Beginning Cash Balance (10-11-07)	\$	170,356.16
Cash Receipts		11,548.68
Cash Expenditures		<u>(26,773.50)</u>
Ending Cash Balance (11-14-07)	\$	<u><u>155,131.34</u></u>

W. Michael McCormick
Treasurer

Photos from Wings, Wheels & Rotors Expo



Gateway Cities Council of Governments motions pertaining to the
Orangeline High Speed Maglev

The Authority Executive Director received the following message from the Gateway Cities Council of Governments pertaining to the Authority's request for support of the Proposal and Application submitted to the California Transportation Commission on November 16, 2006.

E-mail Message

From: Jack Joseph jackjoseph@earthlink.net
Date: Friday, November 09, 2007 12:55 PM
To: Al Perdon albertperdon@albertperdon.com
Subject: FW: Draft Minute Excerpt from Board of Directors Meeting of 11-5-07

From: Gateway Cities Council of Governments [mailto:gatewaycitiescog@earthlink.net]
Sent: Friday, November 09, 2007 12:51 PM
To: 'Anne Bayer-Downey'; 'Betty Putnam-Santa Fe Springs'; 'Bob Kennedy-Avalon'; 'Bonnie Lowenthal-Long Beach'; 'Diane Dubois-Lakewood'; 'Ed Wilson-Signal Hill'; 'Elba Guerrero-Huntington Park'; 'Felipe Aguirre-Maywood'; 'Frank Gurule-Cudahy'; 'Gene Daniels-Paramount'; 'Gil Hurtado-South Gate'; 'Gordon Stefenhagen-Norwalk'; 'Greg Nordbak-Whittier'; 'Jeff Siccama-Montebello'; 'Joe Aguilar-Commerce'; 'John Heckerman-Hawaiian Gardens'; 'Larry Nelson-Artesia'; 'Laura Lee-Cerritos'; 'Lillie Dobson-Compton'; 'Mario Beltran-Bell Gardens'; 'Oscar Hernandez-Bell'; 'Patrick O'Donnell-Long Beach'; 'Pete Dames-La Mirada'; 'Ramon Rodriguez-Lynwood'; 'Ron Beilke-Pico Rivera'; 'Run Dunton-Bellflower'; 'Stan Carroll-La Habra Heights'; 'William Davis-Vernon'
Cc: 'Richard D. Jones'; 'Richard Powers'; 'Jack Joseph'; 'Genny Cisneros'
Subject: Draft Minute Excerpt from Board of Directors Meeting of 11-5-07

Since Wednesday night's meeting, the COG has received numerous inquiries regarding the action taken by Board with respect to the request from the Orangeline Development Authority. In order to respond to these requests, and to make sure that everyone receives the same information, staff has prepared the attached minute excerpt of the motions approved by the Board of Directors regarding the Orangeline. We are distributing these to the Board of Directors, the City Managers Steering Committee, and the Orangeline Development Authority.

Attachment

It was moved by Member Lowenthal, seconded by Member Gurule, to approve the COG priorities as outlined by the executive officers and presented by President Guerrero, with the exception of the priority placement of the Orangeline Maglev project, which will be assigned a priority order by the Board of Directors after the Board has completed its consideration of the request for support by the Orangeline Development Authority of its proposal and application to the California Transportation Commission. The motion was approved unanimously.

It was moved by Immediate Past President Nelson, seconded by Member Lowenthal: 1) that the Board's officers and the COG's Executive Director meet with the COG's Sacramento lobbyist to determine what impact placing the Orangeline Development Authority's proposal into the COG's priority projects would have on the funding of the other priority COG projects and how the project would be viewed by the California Transportation Commission and CTC staff; 2) that the City Managers Steering Committee be directed to meet with the Executive Director of the Orangeline Development Authority in order to give him the opportunity to explain why the Orangeline Development Authority's proposal would not compete with the COG's other priority projects; and 3) defer action on the request for support by the Orangeline Development Authority of its proposal and

application to the California Transportation Commission until these meetings have taken place and a report is made to the Board. The motion was approved unanimously.

Background information regarding this matter is provided in the following Exhibits:

1. February 22, 2007 memo from Albert Perdon to Dick Powers regarding Request for GCCOG support.
2. February 27, 2007 letter from Albert Perdon to the Honorable Larry Nelson, President, Board of Directors, Gateway Cities Council of Governments requesting GCCOG consideration and approval of Authority Board Resolution 07-02 approving a proposal/application to the California Transportation Commission (On November 16, 2006).
3. May 9, 2007 Resolution No. 07-05 of the Board of Directors of the Orangeline Development Authority Requesting Gateway Cities Council of Governments Endorsement of the Authority's Proposal and Application to the California Transportation Commission.
4. October 31, 2007 Letter from Diane Feinstein to Mayor or Chairman of the Board of Supervisors distributed at the GCCOG meeting of November 9, 2007.
5. December 15, 2006 Caltrans letter to Chairman Larsen regarding the Authority's proposal and application to the California Transportation Commission



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:

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City of Cudahy
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City of Huntington Park
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City of Maywood
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City of Paramount
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City of Vernon

Chairman

Scott A. Larsen
Councilmember,
City of Bellflower

Vice Chairman

Fred Freeman
Mayor,
City of Los Alamitos

Secretary

Gary Milliman
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City of South Gate

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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

TO: Dick Powers
FROM: Albert Perdon, Executive Director
DATE: February 22, 2007
SUBJECT: **Request for GCCOG Support**

The Orangeline Development Authority Board of Directors requests that the Gateway Cities Council of Governments support the Authority's Orangeline High Speed Maglev Proposal and Application to the California Transportation Commission, submitted on November 21, 2007. This request was formalized in the attached Board resolution passed on February 14, 2007.

The Authority, supported by its development partner ARCADIS G&M, Inc., submitted the Proposal for funding assistance available under provisions of the voter-approved State Infrastructure Bond Program.

The funding assistance requested will be used to support building the 108-mile Orangeline High Speed maglev system serving Los Angeles and Orange Counties. The Project includes constructing stations in Palmdale, downtown Los Angeles, Anaheim, Irvine and 14 other intermediate points, including Gateway Cities in Southeast Los Angeles County, while promoting local and regional mobility through connectivity with other transportation systems. Each of the stations will be surrounded by high-density, mixed-use development, which will provide new housing, including affordable housing for low-income families. Local land use plans will provide incentives that encourage use of the high speed maglev system and other transit options.

The project also includes plans for carrying freight, such as high-value-of-time parcels and express mail, as well as the potential for carrying sea-borne cargo containers from the San Pedro Bay ports to an inland port in Palmdale, reducing truck traffic and harmful emissions while relieving congestion on over-burdened freeways.

The Orangeline High Speed Maglev is currently estimated to cost \$18.7 billion to construct. The Authority is seeking \$200 million from the State Infrastructure Bond Program. These funds will be used to complete pre-construction engineering and to secure private financing for construction. It is anticipated that these funds will be repaid to the State upon successful sale of non-recourse project revenue bonds. These bonds will be issued to finance construction of the 108-mile maglev system.

Key portions of the Authority's Proposal to the Commission are attached.

Gateway Cities Council of Governments support of the Authority's Proposal will aid in securing a favorable Commission review by demonstrating the breath of support that exists for the Orangeline High speed Maglev.

RESOLUTION NO. 07-02

RESOLUTION OF THE BOARD OF DIRECTORS OF THE ORANGELINE DEVELOPMENT AUTHORITY APPROVING A PROPOSAL/APPLICATION TO THE CALIFORNIA TRANSPORTATION COMMISSION

WHEREAS, the Board of Directors has given careful consideration to the report regarding the Proposal/Application submitted to the California Transportation Commission presented by staff and the Authority's development partner ARCADIS at the regular meeting of February 14, 2007;

NOW, THEREFORE, the Board of Directors of the Orangeline Development Authority does hereby resolve as follows:

SECTION 1. The Board of Directors approves the Proposal/Application to the California Transportation Commission attached hereto as Exhibit A.

SECTION 2. The Executive Director is directed to distribute the Proposal/Application to the Authority's member agencies and to make it available for public review on the Orangeline High Speed Maglev project website.

SECTION 3. The Executive Director is directed to seek from the Authority's member agencies and from other agencies resolutions endorsing the Proposal/Application.

The Secretary shall certify to the adoption of this Resolution.

APPROVED AND ADOPTED this 14th day of February 2007.

SCOTT A. LARSEN, Chairman

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 14th day of February 2007, by the following vote, to wit:

AYES: Board Members:
NOES: Board Members:
ABSENT: Board Members:

GARY MILLIMAN, Secretary

Proposal/Application to the California Transportation Commission



ORANGELINE DEVELOPMENT AUTHORITY

November 21, 2006

Mr. John F. Barna, Jr.
Executive Director
California Transportation Commission
1120 N Street, Room 2233 (MS-52)
Sacramento, California 95814

Dear Mr. Barna:

The Orangeline Development Authority, supported by its development partner ARCADIS G&M, Inc., is pleased to submit this Proposal and Application to the California Transportation Commission for funding under provisions of the voter-approved State Infrastructure Bond Program.

This competitive proposal is being submitted for the Orangeline High Speed Maglev Corridor Development Project. We propose building a 108-mile high speed maglev system serving Los Angeles and Orange Counties. The Project includes constructing stations in Palmdale, downtown Los Angeles, Anaheim, Irvine and 14 other intermediate points while promoting local and regional mobility through connectivity with other transportation systems. Each of the stations will be surrounded by high-density, mixed-use development, which will provide new housing, including affordable housing for low-income families. Local land use plans will provide incentives that encourage use of the high speed maglev system and other transit options.

The project also includes plans for carrying freight, such as high-value-of-time parcels and express mail, as well as the potential for carrying sea-borne cargo containers from the San Pedro Bay ports to an inland port in Palmdale, reducing truck traffic and harmful emissions while relieving congestion on over-burdened freeways.

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Our proposal is fully described in the enclosed Proposal and Application.

We look forward to a favorable response to the Authority's Proposal and Application. Please feel free to contact me or the Authority's Executive Director, Albert Perdon, if you have any questions or need further information.

Sincerely,

Scott A. Larsen
Orangeline Development Authority
Chairman

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State Infrastructure Bond Program Proposal and Application

November 21, 2006

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Authority Board Members
Authority Members City Managers/Administrators
Corridor Cities Mayors

Enclosure

Proposal and Application

Proposal and Application

Submitted to:

**California Transportation Commission
&
California Department of Transportation**

Submitted by:

Orangeline Development Authority
supported by
ARCADIS G&M, Inc.

A public-private partnership

November 21, 2006

Proposal

The Orangeline Development Authority & ARCADIS propose to enter into a partnership with the State of California to address a number of pressing issues. Our Proposal helps to carry-out the Governor's comprehensive Strategic Growth Plan, ensuring Californian's an improved quality of life and continued economic growth. Our Proposal will help the Legislature realize its vision for California's future, and help deliver the promise of improved mobility as outlined in the voter-approved infrastructure bond measures.

We propose to partner with the State in pursuing \$18.7 billion in private funding to build an advanced technology transportation system with the equivalent capacity of a 108-mile, 8-lane freeway. This system is currently being planned for one of the most congested transportation corridors in the State of California. It will provide transportation to an estimated 255,000 daily commuters.

Construction of this major transportation infrastructure would be accompanied by the development of 18 major urban centers to accommodate new housing, commercial and industrial improvements, and new public spaces and amenities.

The value of this new investment in transportation infrastructure and real estate development is projected to exceed \$70 billion and provide the following benefits:

- 500,000 one-time annual FTE jobs
- \$21 billion in wages and salaries
- \$76 billion in total (direct and indirect) business revenue
- \$499 million in one-time tax and fee revenues
- \$10 billion in annual income for new residents and \$10 billion in annual revenues earned by businesses

The Governor's Strategic Growth Plan details the challenges facing the State of California. In 1955, a mere 51 years ago, the state's population was about 13 million. The state's population is now about 37 million. By 2025 it will be 46 million. By 2050, it could be 60 million. An estimated 6 million people are projected to be added to Southern California's population by 2025. The infrastructure investments of a half century ago are showing their age; they are not able to support a vibrant economy and population much larger than they were originally designed to accommodate. Our highways and ports too often are choked by the volume of people and goods moving through them.

Our Proposal addresses these needs directly and is in concert with the Governor's stated policy that taxpayers have paid for existing infrastructure and thus they should not be asked to pay for it again through fees. Rather, the beneficiaries of new infrastructure should pay the costs of the new improvements.

The Proposal will help to ensure that all available resources are brought to bear in addressing California's infrastructure needs. This will be accomplished by offering an innovative approach to funding and delivering this major project through a public private partnership involving federal, state and local governments and the private sector.

The following Application outlines the details of our Proposal:

Application

The Orangeline Development Authority and ARCADIS hereby apply for \$200 million in State funding support available through the voter-approved State Infrastructure Bond Program. The funds will be used to advance the Orangeline High Speed Maglev Corridor Development Project.

The Authority and ARCADIS have completed a project study report, which details the description of the proposed transportation corridor improvement project. This report, funded with both public and private funds, estimates the costs, revenues and public benefits of the project, and describes the project deployment plan and financing plan. The project study consists of ten "Milestone Reports" prepared over the course of 12 months beginning in November 2005 and concluding with Milestone 10 in October 2006.

The funding that is being applied for in this Application will be used in the manner described in the Milestone 10 Report. In summary, the money will be utilized to complete pre-construction planning and engineering, a project specific EIR/EIS, a financial plan and public private partnership arrangements, and to secure necessary government permits and approvals. An \$18.7 billion project revenue bond is being planned to implement the Project.

Pre-construction activities are estimated to take 3 years once funding agreements are in place and the technical work program proceeds. It is projected that the \$200 million funding from the State will be included as a liability in the construction funding plan and be reimbursed to the State upon successful completion of the construction bond sale.

Upon completion of pre-construction activities and the sale of construction bonds, final design and construction and procurement of vehicles and equipment would commence. It is projected that high speed maglev service may begin as early as 2012 on an initial segment, as construction of the full 108-mile system continues to a target 2018 completion date.

The project study report is based upon prior major investment studies conducted by the Southern California Association of Governments. Approximately \$10 million has been expended in assessing the options for meeting Southern California transportation needs and evaluating the potential feasibility of a privately-funded high speed maglev network. The Orangeline High Speed Maglev Corridor Development Project is an outgrowth of these initial studies. The proposed project is included as an element of the regional high speed maglev network contained in the adopted Southern California Regional Transportation Plan. The Orangeline High Speed Maglev is included in SAFETEA-LU as a "High Priority Project".

The proposed transportation improvement project is fully described in the Milestone Reports prepared during the Phase I preliminary engineering work program and may be downloaded from the Internet at www.orangeline.calmaglev.org. A copy of the Milestone 10 report is attached and is made a part of this Proposal and Application.

Expenditure Plan

Year 1

Budget - \$50 million

Activity - Early Elimination of Key Risk Factors

- Secure conditional rights-of-way agreements
- Secure participation of remaining cities as members in the Authority
- Secure participation of stakeholder public agencies
- Develop the public private partnership team and capabilities
- Identify potential fatal flaws; develop mitigation strategies
- Secure conditional Phase 3 financing commitments
- Secure conditional Pricing agreements on major system components
- Develop preliminary station area specific plans
- Advance Phase 2 Preliminary Engineering to 5% of total design
- Initiate environmental review process – circulate draft EIR/EIS
- Conduct public outreach

Year 2

Budget – \$75 million

Activity – Eliminate or reduce additional risk factors

- Advance Phase 2 Preliminary Engineering to 10% of total design
- Secure additional rights-of-way agreements
- Develop financing plan/prospectus for construction financing
- Secure required inter-agency agreements/permits
- Secure agreements with developer team and project partners
- Advance development of station area plans
- Conduct public outreach
- Develop final EIR/EIS; circulate for public comment

Year 3

Budget – \$75 million

Activity – Finalize Phase 2 Preliminary Engineering and sell construction bonds

- Advance Phase 2 Preliminary Engineering to 15% of total design
- Adopt the EIR/EIS and mitigation plan
- Acquire rights of way (right of way protection/use permits)
- Adopt station area specific plans
- Finalize financing plan; issue prospectus
- Sell construction bonds to finance construction
- Develop and implement public private partnership agreements

Attachment

Milestone 10 – Orangeline High Speed Maglev Financial Plan, Orangeline Development Authority – ARCADIS, November 8, 2006.



**Orangeline Development Authority & ARCADIS
– A Public Private Partnership**

MILESTONE 10

ORANGELINE HIGH SPEED MAGLEV PROJECT

FINANCIAL PLAN

Adopted November 8, 2006



ORANGELINE DEVELOPMENT AUTHORITY

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City of Paramount
City of Santa Clarita
City of South Gate
City of Vernon

Chair

Scott A. Larsen
City Council Member,
City of Bellflower

Vice-Chair

Troy Edgar
City Council Member,
City of Los Alamitos

Secretary

Gary Milliman
City Manager,
City of South Gate

General Counsel

Michael Colantuono
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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

February 27, 2007

Honorable Larry Nelson
President, Board of Directors
Gateway Cities Council of Governments

The Orangeline Development Authority Board of Directors requests that the Gateway Cities Council of Governments support the Authority's Orangeline High Speed Maglev Proposal and Application to the California Transportation Commission, submitted on November 21, 2007. The Board's resolution formalizing this request is attached.

The Authority's Proposal seeks funding assistance made available under the voter-approved Infrastructure Bond Program. The funds being sought would be used to further develop the 108-mile Orangeline High Speed Maglev system serving Los Angeles and Orange Counties. The Project would serve the Gateway Cities area, while promoting local and regional mobility through connectivity with other transportation systems.

The project includes plans for carrying freight, such as high-value-of-time parcels and express mail, as well as the potential for carrying sea-borne cargo containers from the San Pedro Bay ports to an inland port in Palmdale, reducing truck traffic and harmful emissions while relieving congestion on over-burdened freeways.

The Orangeline High Speed Maglev is currently estimated to cost \$18.7 billion to construct. The Authority is seeking \$200 million from the State Infrastructure Bond Program. These funds will be used to complete pre-construction engineering and to secure private financing for construction. It is anticipated that these funds will be repaid to the State upon successful sale of non-recourse project revenue bonds. These bonds will be issued to finance construction of the 108-mile maglev system. Key portions of the Authority's Proposal to the Commission are included in the attached.

Gateway Cities Council of Governments support of the Authority's Proposal will aid in securing a favorable Commission review by demonstrating the breath of support that exists for the Orangeline High Speed Maglev.

The Gateway Cities Council of Governments has been a strong supporter of the Orangeline High Speed Maglev. Your continued support will help to make the project a reality for Southern California.

Albert Perdon
Executive Director

Attachment: Orangeline Development Authority Board Resolution

RESOLUTION NO. 07-02

RESOLUTION OF THE BOARD OF DIRECTORS OF THE ORANGELINE DEVELOPMENT AUTHORITY APPROVING A PROPOSAL/APPLICATION TO THE CALIFORNIA TRANSPORTATION COMMISSION

WHEREAS, the Board of Directors has given careful consideration to the report regarding the Proposal/Application submitted to the California Transportation Commission presented by staff and the Authority's development partner ARCADIS at the regular meeting of February 14, 2007;

NOW, THEREFORE, the Board of Directors of the Orangeline Development Authority does hereby resolve as follows:

SECTION 1. The Board of Directors approves the Proposal/Application to the California Transportation Commission attached hereto as Exhibit A.

SECTION 2. The Executive Director is directed to distribute the Proposal/Application to the Authority's member agencies and to make it available for public review on the Orangeline High Speed Maglev project website.

SECTION 3. The Executive Director is directed to seek from the Authority's member agencies and from other agencies resolutions endorsing the Proposal/Application.

The Secretary shall certify to the adoption of this Resolution.

APPROVED AND ADOPTED this 14th day of February 2007.

SCOTT A. LARSEN, Chairman

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 14th day of February 2007, by the following vote, to wit:

AYES: Board Members:
NOES: Board Members:
ABSENT: Board Members:

GARY MILLIMAN, Secretary

Proposal/Application to the California Transportation Commission



ORANGELINE DEVELOPMENT AUTHORITY

November 21, 2006

Mr. John F. Barna, Jr.
Executive Director
California Transportation Commission
1120 N Street, Room 2233 (MS-52)
Sacramento, California 95814

Dear Mr. Barna:

The Orangeline Development Authority, supported by its development partner ARCADIS G&M, Inc., is pleased to submit this Proposal and Application to the California Transportation Commission for funding under provisions of the voter-approved State Infrastructure Bond Program.

This competitive proposal is being submitted for the Orangeline High Speed Maglev Corridor Development Project. We propose building a 108-mile high speed maglev system serving Los Angeles and Orange Counties. The Project includes constructing stations in Palmdale, downtown Los Angeles, Anaheim, Irvine and 14 other intermediate points while promoting local and regional mobility through connectivity with other transportation systems. Each of the stations will be surrounded by high-density, mixed-use development, which will provide new housing, including affordable housing for low-income families. Local land use plans will provide incentives that encourage use of the high speed maglev system and other transit options.

The project also includes plans for carrying freight, such as high-value-of-time parcels and express mail, as well as the potential for carrying sea-borne cargo containers from the San Pedro Bay ports to an inland port in Palmdale, reducing truck traffic and harmful emissions while relieving congestion on over-burdened freeways.

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Our proposal is fully described in the enclosed Proposal and Application.

We look forward to a favorable response to the Authority's Proposal and Application. Please feel free to contact me or the Authority's Executive Director, Albert Perdon, if you have any questions or need further information.

Sincerely,

Scott A. Larsen
Orangeline Development Authority
Chairman

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November 21, 2006

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Proposal and Application

Proposal and Application

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Submitted by:

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A public-private partnership

November 21, 2006

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The Orangeline Development Authority and ARCADIS hereby apply for \$200 million in State funding support available through the voter-approved State Infrastructure Bond Program. The funds will be used to advance the Orangeline High Speed Maglev Corridor Development Project.

The Authority and ARCADIS have completed a project study report, which details the description of the proposed transportation corridor improvement project. This report, funded with both public and private funds, estimates the costs, revenues and public benefits of the project, and describes the project deployment plan and financing plan. The project study consists of ten "Milestone Reports" prepared over the course of 12 months beginning in November 2005 and concluding with Milestone 10 in October 2006.

The funding that is being applied for in this Application will be used in the manner described in the Milestone 10 Report. In summary, the money will be utilized to complete pre-construction planning and engineering, a project specific EIR/EIS, a financial plan and public private partnership arrangements, and to secure necessary government permits and approvals. An \$18.7 billion project revenue bond is being planned to implement the Project.

Pre-construction activities are estimated to take 3 years once funding agreements are in place and the technical work program proceeds. It is projected that the \$200 million funding from the State will be included as a liability in the construction funding plan and be reimbursed to the State upon successful completion of the construction bond sale.

Upon completion of pre-construction activities and the sale of construction bonds, final design and construction and procurement of vehicles and equipment would commence. It is projected that high speed maglev service may begin as early as 2012 on an initial segment, as construction of the full 108-mile system continues to a target 2018 completion date.

The project study report is based upon prior major investment studies conducted by the Southern California Association of Governments. Approximately \$10 million has been expended in assessing the options for meeting Southern California transportation needs and evaluating the potential feasibility of a privately-funded high speed maglev network. The Orangeline High Speed Maglev Corridor Development Project is an outgrowth of these initial studies. The proposed project is included as an element of the regional high speed maglev network contained in the adopted Southern California Regional Transportation Plan. The Orangeline High Speed Maglev is included in SAFETEA-LU as a "High Priority Project".

The proposed transportation improvement project is fully described in the Milestone Reports prepared during the Phase I preliminary engineering work program and may be downloaded from the Internet at www.orangeline.calmaglev.org. A copy of the Milestone 10 report is attached and is made a part of this Proposal and Application.

Expenditure Plan

Year 1

Budget - \$50 million

Activity - Early Elimination of Key Risk Factors

- Secure conditional rights-of-way agreements
- Secure participation of remaining cities as members in the Authority
- Secure participation of stakeholder public agencies
- Develop the public private partnership team and capabilities
- Identify potential fatal flaws; develop mitigation strategies
- Secure conditional Phase 3 financing commitments
- Secure conditional Pricing agreements on major system components
- Develop preliminary station area specific plans
- Advance Phase 2 Preliminary Engineering to 5% of total design
- Initiate environmental review process – circulate draft EIR/EIS
- Conduct public outreach

Year 2

Budget – \$75 million

Activity – Eliminate or reduce additional risk factors

- Advance Phase 2 Preliminary Engineering to 10% of total design
- Secure additional rights-of-way agreements
- Develop financing plan/prospectus for construction financing
- Secure required inter-agency agreements/permits
- Secure agreements with developer team and project partners
- Advance development of station area plans
- Conduct public outreach
- Develop final EIR/EIS; circulate for public comment

Year 3

Budget – \$75 million

Activity – Finalize Phase 2 Preliminary Engineering and sell construction bonds

- Advance Phase 2 Preliminary Engineering to 15% of total design
- Adopt the EIR/EIS and mitigation plan
- Acquire rights of way (right of way protection/use permits)
- Adopt station area specific plans
- Finalize financing plan; issue prospectus
- Sell construction bonds to finance construction
- Develop and implement public private partnership agreements

Attachment

Milestone 10 – Orangeline High Speed Maglev Financial Plan, Orangeline Development Authority – ARCADIS, November 8, 2006.



**Orangeline Development Authority & ARCADIS
– A Public Private Partnership**

MILESTONE 10

ORANGELINE HIGH SPEED MAGLEV PROJECT

FINANCIAL PLAN

Adopted November 8, 2006

RESOLUTION NO. 07-05

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
ORANGELINE DEVELOPMENT AUTHORITY URGING THE GATEWAY
CITIES COUNCIL OF GOVERNMENTS TO ADOPT A RESOLUTION IN
SUPPORT OF THE AUTHORITY'S PROPOSAL AND APPLICATION TO THE
CALIFORNIA TRANSPORTATION COMMISSION**

WHEREAS, the Orangeline Development Authority has completed Phase 1 preliminary engineering and financial studies for the Orangeline High Speed Maglev project, which indicate that construction and operation of the 108-mile \$19 billion maglev system can be funded from operating funds;

WHEREAS, the next Orangeline High Speed Maglev project development phase (Phase 2) entails additional engineering, environmental studies and project financing, and is estimated to take three years to complete at a cost of up to \$200 million;

WHEREAS, the Orangeline Development Authority is seeking both public and private funding for completion of Phase 2 and submitted, on November 21, 2006, a Proposal and Application to the California Transportation Commission proposing that up to \$200 million in Infrastructure Bond revenues be loaned to the Authority or used as a loan guarantee to secure a short-term private loan for this purpose;

WHEREAS, the proposed State loan or loan guarantee would be retired upon the sale of construction bonds following completion of Phase 2, thereby relieving the State of any financial obligations for construction or operation of the Orangeline High Speed Maglev;

WHEREAS, the Authority's Proposal and Application would have positive impact on the \$19 billion State Infrastructure Bond program by leveraging Bond revenues to attract an additional \$19 billion in private investment to essentially double the size of the transportation improvement program to be funded from Bond revenues and private investments;

WHEREAS, the Orangeline High Speed Maglev would provide significant transportation, air quality and economic benefits to the State over the first 50 years of operation, estimated to be valued as follows:

Orangeline High Speed Maglev Benefits	
Project Surplus	\$23,312,080,297
Operating Reserves	\$2,000,132,327
Station Area Improvements & Feeder Services	\$21,116,691,148
Investor Interest Earnings	\$23,359,337,310
Rider Cost Savings	\$3,113,357,602
Rider Delay Savings	\$29,217,442,288
Total Surplus	\$91,285,485,109
Emission Savings	\$6,025,162,484
Reduction in Gasoline Consumption (gallons)	2,549,314,071
Annual Reduction in NOx & CO ₂ Emissions (tons in 2027)	744,985

NOW, THEREFORE, the Authority Board of Directors of the Orangeline Development Authority does hereby resolve as follows:

SECTION 1. The Authority Board of Directors urges the Gateway Cities Council of Governments to adopt a resolution in support of the Proposal and Application submitted on November 21, 2006 to the California Transportation Commission.

SECTION 2. The Authority Board of Directors urges that the adopted resolution be submitted to the California Transportation Commission, with copies to Governor Schwarzenegger and to the members of the State Legislature.

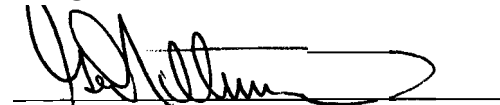
SECTION 3. The Authority Board of Directors urges that the Gateway Cities Council of Governments encourage its member cities to adopt and forward similar resolutions to the Governor and Legislature.

The Secretary shall certify to the adoption of this Resolution.

APPROVED AND ADOPTED this 9th day of May 2007.


SCOTT A. LARSEN, Chairman

WEST:

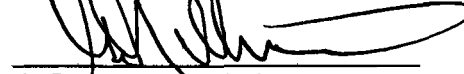

GARY MILLIMAN, Secretary

■ **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 9th day of May 2007, by the following vote, to wit:

AYES: Board Members: Larsen, Edgar, Cartozian, **McLean**, Davila, **McCormick**, Gurule, Martin, **Barrows**, Lima, Lackey

NOES: Board Members: None

ABSENT: Board Members: Guerrero, **Martinez**


GARY MILLIMAN, Secretary

October 31, 2007

Dear Mayor or Chairman of the Board of Supervisors:

I am writing to you because you requested Congressionally-directed funding (earmarks) in Fiscal Year 2008 and I understand that you may now be considering what projects to put forward for consideration in Fiscal Year 2009. I anticipate that this will again be a difficult year for financing local projects and programs with federal funding and would like to inform your decisions on what to request.

As you know, the federal government is operating within a very tight budget. Congress, under new leadership, has significantly reduced the number of earmarks included in appropriations bills for local projects. Even so, I received more requests for earmarks in FY2008 than in prior years. While we do not yet know what funding will be available in FY2009, it is likely to remain limited.

Due to the size of our state and the incredible needs throughout California, I am asking that you only submit to me projects of regional significance for consideration in FY2009. They must be maior public needs that can only be addressed through the federal appropriations process. with broad support and of the most critical nature.

Cities and counties should include all items of importance on their request lists, even if another entity is the primary agency involved. For example, flood control projects benefiting a city should be included on the city's list, not just the local flood control district's list. Likewise, a highway widening or mass transit expansion should not only be on the transportation commission or transit agency's list, but on the Mayor's or Board of Supervisors' lists as well. This will ensure that I understand which projects have the greatest support from local officials.

You should receive the FY2009 appropriations request forms by February 1, 2008. It might also benefit you to have a field representative from my California offices visit a project location, if they have not already.

Thank you for your attention to this matter. It is my hope that with fewer requests and more projects of regional significance, I can be of greater assistance to you. If you have questions or need clarification, please contact Ryan Hunt of my staff at (202) 224-3841.

Sincerely,

Dianne Feinstein
United States Senator

DEPARTMENT OF TRANSPORTATION

DIVISION OF RAIL
1120 N STREET
P. O. BOX 942874 - MS 74
SACRAMENTO, CA 94274-0001
PHONE (916) 654-6542
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TTY (916) 651-6827



*Flex your power!
Be energy efficient!*

December 15, 2006

Mr. Scott A. Larsen, Chairman
Orangeline Development Authority
16401 Paramount Boulevard
Paramount, CA 90723

Dear Mr. Larsen:

This is in response to your November 21, 2006, letter to Will Kempton, Director of the California Department of Transportation (Department), transmitting the Orangeline Development Authority's (Authority) application for \$200 million to complete pre-construction engineering for the High Speed Maglev Corridor Development Project. The requested source of that funding is from the recently enacted Infrastructure Bond Program (Proposition **1B**). Director Kempton asked that I respond to your letter.

The Department is interested in finding new and innovative solutions to improving mobility, enhancing the environment, and encouraging efficient land use patterns. The apparent success of the maglev system in Shanghai demonstrates the viability of the technology. As envisioned, the Orangeline Corridor project also appears to have the potential to help address a number of transportation-related challenges including air quality and efficient land use.

Although the technology and the project both appear to have great potential, finding funding to make that potential a reality will be problematic. California has suffered **from** decades of underinvestment in its transportation infrastructure. The resulting traffic congestion has negatively affected California's economy and quality of life. The Governor's Strategic Growth plan and Proposition **1B** is a down payment on reversing that underinvestment. The Proposition's initial thrust is on projects which can be delivered quickly and which have a demonstrable impact on traffic congestion.

Proposition **1B** contains a variety of funding programs. Almost all the programs have qualifications attached to them on as to how the funds are to be allocated, who can apply for funding, the type of projects that can be funded, set timelines within which funds must be expended, or require non-state matching funds. These requirements effectively preclude the Orangeline High Speed Maglev Corridor Development Project qualifying for infrastructure bond funds.

Mr. Scott A. Larsen, Chairman

December 15, 2006

Page 2

Those bond programs, whose **funds** are not allocated by formula, require either the Regional Planning Agency to be the applicant or have the concurrence of the Regional Planning Agency. I would encourage the Authority, working through its member agencies, to have the Project programmed in the Regional Transportation Plans of both Los Angeles and Orange Counties.

Finally, I would also encourage the Authority to find a way to restructure its expenditure plan to reduce the amount of funding required at any single point. The **\$200** million requested constitutes **40** percent of the State's or **60** percent of the Los Angeles County's discretionary funding (funding allocated to augment the **2006** State Transportation Improvement **Program**) contained in the Proposition. This would seriously limit the State and the County's ability to **fund** other high priority projects. Section **5.4** of the Milestone **10** Financial Plan attached to your application alludes to taking a "progressive approach..." I would encourage that approach.

We believe maglev technology will have a place in California's transportation future. It is unfortunate that ~~there~~ is not currently sufficient transportation funding to further develop and refine its role. We look forward to continuing to work with the Authority and its partners in exploring how maglev technology fits into California's transportation future.

If you have any questions or if you would like to discuss **further**, please do not hesitate to let me know.

Sincerely,



WILLIAM D. BRONTE

Chief

Division of Rail

c: Mr. Albert **Perdon**
Orangeline Development Authority
16401 Paramount Boulevard
Paramount, CA **90723**