



## ORANGELINE HIGH SPEED MAGLEV

### ORANGELINE DEVELOPMENT AUTHORITY REGULAR MEETING

Wednesday, June 11, 2008

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 14, 2008
6. Adopt a Resolution of the Board of Directors of the Orangeline Development Authority to Approve the Fiscal Year 2008-2009 Budget
7. Approval of Warrant Register
8. Communication Items to the Authority Board
9. Communication Items from the Authority Board
10. Closed Session: Public Employee Performance Evaluation (Government Code sec. 54957)  
  
Title: Executive Director
11. Adjournment – Next meeting July 9, 2008

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 Glendale\*  
City of Huntington Park  
City of Los Alamitos\*\*  
City of Maywood  
City of Palmdale  
City of Paramount  
City of Santa Ana\*  
City of Santa Clarita  
City of South Gate  
City of Vernon

#### Chair

Kirk Carozian  
Councilmember,  
City of Downey

#### Vice Chair

Vacant

#### 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 Long Beach  
City of Stanton

\*City Council has approved  
City joining the Authority

\*\*City membership is  
currently inactive

UNOFFICIAL UNTIL APPROVED

**DRAFT  
MINUTES OF A REGULAR MEETING OF  
THE ORANGELINE DEVELOPMENT AUTHORITY  
WEDNESDAY, MAY 14, 2008**

**CALL TO ORDER**

City of Downey Councilman and Board Chair Kirk Cartozian called the meeting to order at 6:30 p.m.

**PLEDGE OF ALLEGIANCE**

City of Vernon Councilmember Michael McCormick led the assembly in the salute to the flag.

**ROLL CALL AND INTRODUCTION OF ATTENDEES**

Board Members:

- Kirk Cartozian – Authority Chair, Councilmember, City of Downey
- W. Michael McCormick – Authority Treasurer/Secretary, Councilmember, City of Vernon
- Bruce Barrows – Authority Vice Chair, Mayor Pro Tem, City of Cerritos
- John Noguez – Councilmember, City of Huntington Park
- Ana Rosa Rizo – Councilmember, City of Maywood
- Daryl Hofmeyer – Councilmember, City of Paramount
- Steve Hofbauer – Councilmember, City of Palmdale
- Scott Larsen – Mayor, City of Bellflower
- Maria Davila – Councilmember, City of South Gate
- Frank Gurulé – Vice Mayor, City of Cudahy

Others:

- Albert Perdon – Executive Director, Orangeline Development Authority
- Sharad Mulchand – Transportation Planning Manager, MTA
- Rory Burnett – City of Vernon
- Kristin Huy – City of Cerritos
- Roy Reynolds –
- A. Perdon – Transit Media Consultants
- Maria Shafer – Minute Secretary

**PUBLIC COMMENTS**

City of Downey Councilman 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.

**ITEM 5 - APPROVAL OF MEETING MINUTES OF APRIL 9, 2008**

**MOTION:** City of Cerritos Mayor Pro Tem Bruce Barrows moved to approve the Minutes from the meeting of April 9, 2008, as corrected. City of South Gate Councilmember Maria Davila seconded the motion, which carried unanimously.

**Item 6 - APPOINTMENT OF AUTHORITY VICE CHAIR**

The Chair reported this item was discussed at the last meeting and noted positions for Chair and Vice Chair will be reconsidered in the summer. He stated the Authority's By Laws requires that members of both Los Angeles County and Orange County serve as either Chair

or Vice Chair. However, since there are currently no Orange County cities Board Members, only members from Los Angeles County would occupy either of the positions. Mr. Kartoian emphasized that candidates for the positions need to be flexible with their schedules and requested input from the Board.

Discussion followed regarding elections regularly occurring in July. Mr. Perdon provided options for consideration by the Board. Discussion continued regarding length of terms, people previously nominated, work needed in Washington DC, resources currently available, the need to maintain momentum and continue moving the project forward and needing to act now.

Board Member Steve Hofbauer reiterated his previous nomination of Bruce Barrows for Vice Chair of the Board.

Mr. Perdon noted the Authority is currently at a point where the Board will be visibly active in a political environment and the position will require a lot of work.

Members of the Board spoke in support of Bruce Barrows for the position of Vice Chair.

The importance of choosing a Vice Chair at this point was noted.

City of Cudahy Vice Mayor Frank Gurulé stated he had previously nominated City of Vernon Councilmember Mike McCormick but that he spoke to him and he was willing to relinquish the nomination to City of Cerritos Mayor Pro Tem Bruce Barrows.

**MOTION:** Board Member Hofbauer moved to name Bruce Barrows Vice Chair of the Orangeline Development Authority. Board Member Hofmeyer seconded the motion, which carried unanimously.

City of Cerritos Mayor Pro Tem Bruce Barrows was declared Vice Chair of the Orangeline Development Authority.

Discussion followed regarding the need for continuity in leadership. It was noted that the Chair's term will be running out in July. Vice Chair Barrows suggested the Chair remain in the position as long as he desires. The Chair suggested in the future, a Member from one of the northern cities be considered.

**MOTION:** Vice Chair Barrows moved to leave the position of Chair as is to a date uncertain. Board Member Davila seconded the motion.

Mr. Perdon reported that the Board will need to hold elections in July, as stated in the By-Laws.

The motion failed.

**ITEM 7 - REPORT ON SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS APPROVAL OF 2008 REGIONAL TRANSPORTATION PLAN AND RELATED ITEMS; CONSIDER POSSIBLE ACTION**

The Chair introduced the item and deferred to Executive Director Al Perdon for a report.

Mr. Perdon reported there was an action taken by the Southern California Association of Governments (SCAG) to adopt the Regional Transportation Plan (RTP). He added that the Orangeline is in the Strategic Plan.

The Chair reported this is a work in progress and that cities were well represented. He referenced an email and request for a conference call by the MTA, OCTA and SCAG because of a perception that the Orangeline High Speed Maglev cities along the proposed alignment were not being heard. Mr. Kartoian noted the objective of the conference call and reported he was able to meet with the three agencies. He reported the Orangeline project is in the Strategic Plan and feels we are on the right path and are in a strong negotiating position.

The Chair addressed frustration voiced publicly and noted the Orangeline Development Authority has a lot of credibility but needs to work within the system. He further reported talking to a non-quorum body who indicated they would support the Chair meeting with the three agencies. He wanted to be on record that he would accept the project being placed in the Strategic Plan but that the Authority would have the option to petition to have the Orangeline Maglev be placed in the constrained portion of the RTP.

Members of the Board commended the Chair and Executive Director Perdon for their efforts and persistence. The Chair stated it was a collective effort.

Discussion followed regarding diversity of speakers and evidence that the project is moving forward and making progress. It was noted that the SCAG action was a difficult decision but the project will continue to be considered. Everyone will need to work together and within the system. The meeting resulted in the Orangeline High Speed Maglev project gaining support from other cities and agencies.

Mr. Perdon added that the vote at the SCAG Transportation & Communications Committee (TC&C) to move the Orangeline project to the Strategic Plan was 15 to 9 and that the main argument was that SCAG staff felt that by putting the Orangeline High Speed Maglev into the constrained plan would put the other projects at risk. He noted that there was not a quorum present when the TC&C voted and that he discussed the issue with legal council who indicated their by-laws allow for a decision without a quorum. He added there are 59 members in the TC&C committee and that the decision was made by a relatively small number of Committee members.

Vice Chair Barrows added that support by Member Cities showed there is solidarity among the Authority's Los Angeles County cities.

#### **ITEM 8 - REPORT ON ACTION TAKEN BY THE CITY COUNCIL OF THE CITY OF GLENDALE TO BECOME A MEMBER OF THE ORANGELINE DEVELOPMENT AUTHORITY**

Mr. Perdon reported on the recent meeting of the Glendale City Council attended by a number of Authority Board members at which the City Council voted to join the Orangeline Development Authority. He addressed voting statistics and reported the City of Glendale has not yet appointed a representative to the Board.

#### **ITEM 9 - APPROVAL OF WARRANT REGISTER**

The Chair reported that a meeting of the budget committee needs to be called in order to develop a draft budget at the June meeting. He will send an email to the committee regarding the item.

**ITEM 10 - COMMUNICATION ITEMS TO THE AUTHORITY BOARD**

Mr. Perdon referenced the Treasurer's report, pointed out the cash ending balance and reported there is an anticipated invoice related to the development conference that has not yet been submitted.

Discussion followed regarding City fees and assessment due date. It was recommended that the Authority Board Budget Committee meet as soon as possible. In addition, it was suggested that City Managers should be provided with a letter indicating fees. Mr. Perdon was directed to send out such a letter. He reported fees will be as reflected in the current budget but with a cost of living increase.

Mr. Perdon referenced the project milestones included in the packets for each City to get an idea of the progress made thus far. He added that having the City of Glendale join is a good accomplishment and emphasized actions of the Los Angeles City Council in June 2000 supporting construction of a Maglev system in Southern California.

**ITEM 11 - COMMUNICATION ITEMS FROM THE AUTHORITY BOARD**

City of Huntington Park Councilmember John Noguez announced an upcoming meet-and-greet event introducing John Perez to the community.

Discussion followed regarding the upcoming California Contract Cities (CCC) program. It was reported that leaders of the CCC have encouraged Authority Board Members to bring the message to the conference as well as supporting literature. It was noted that there is a possibility that the Orangeline Development Authority will be part of the program which will present a good opportunity to spread the message about the Orangeline High Speed Maglev project.

The Chair reported on a recent meeting with SCAG, MTA and OCTA to make them aware of the needs of the cities. The meeting resulted in an agreement to bring to the table \$3 million to study the Orangeline corridor alignment to determine options for moving people.

City of South Gate Councilmember Maria Davila thanked all of the Members for attending the meeting and commended them for the accomplishments. Although it was a collaborative effort, good leadership was acknowledged.

The Chair reported the Orangeline Development Authority will work within the system and agencies to study the corridor. He stressed that the Authority is in a good place to be part of the studies.

**ITEM 12 - ADJOURNMENT**

The Chair requested the meeting adjourn in memory of Ray Knabe, Supervisor Don Knabe's father.

There being no further business to come before the Orangeline Development Authority, the meeting was adjourned at 7:52 p.m. with a moment of silence in memory of Ray Knabe. The next regularly scheduled meeting will be held on Wednesday, June 11, 2008.

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Secretary

Attest:

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Chair

Approved:



ORANGELINE DEVELOPMENT AUTHORITY

AGENDA REPORT

TO: Members of the Orangeline Development Authority
FROM: Albert Perdon, Executive Director
DATE: June 11, 2008
SUBJECT: Orangeline Development Authority Draft Fiscal Year 2008-2009 Budget and Business Plan

RECOMMENDATION

That the Authority Board adopts the attached Resolution:

A RESOLUTION OF THE AUTHORITY BOARD OF DIRECTORS OF THE ORANGELINE DEVELOPMENT AUTHORITY ADOPTING THE FISCAL YEAR 2008-2009 BUDGET AND BUSINESS PLAN

DISCUSSION

Attached is the Draft Orangeline Development Authority Budget and Business Plan for Fiscal Year 2008-2009. On June 5, 2008 the Authority Board Budget Committee met to review the key fiscal aspects of the proposed Budget. This report and recommendation for adoption of the Draft 2008-2009 Draft Budget and Business Plan reflects the input received at the Budget Committee meeting. The Draft Budget and Business Plan 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 Orangeline High Speed Maglev Milestone 10 – Financial Plan Supplement. This financial analysis updated the \$1.35 million Phase 1 preliminary engineering and financial analysis completed in partnership with ARCADIS and its team of 21 local, national and international firms; the supplemental analysis re-affirmed the potential financial viability of the Orangeline High Speed Maglev as a primarily privately-funded transportation improvement, when undertaken in conjunction with a transit-oriented corridor development strategy.
Met with and secured feedback from investment bankers and potential development partners in regard to the Authority's program and confirmed private sector interest in investing in the Project. Conducted an investor and developer conference in Sacramento attended by Legislative leaders, key Administration officials and private sector representatives.

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 Glendale\*
City of Huntington Park
City of Los Alamitos\*\*
City of Maywood
City of Palmdale
City of Paramount
City of Santa Ana\*
City of Santa Clarita
City of South Gate
City of Vernon

Chair

Kirk Cartozian
Councilmember,
City of Downey

Vice Chair

Bruce Barrows
Mayor Pro Tem,
City of Cerritos

Secretary/Treasurer

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

\*City Council has approved
City joining the Authority

\*\*City membership is
currently inactive

- Secured approvals from the city councils of the City of Santa Ana and City of Glendale to join the Authority. It is anticipated that the City of Glendale will execute the joint powers agreement and become a member of the Authority. Santa Ana's participation was conditioned on funding from OCTA, which was not granted.
- Gained significant awareness and interest in the Project through the RTP approval process, secured inclusion of the Orangeline High Speed Maglev in the 2008 Regional Transportation Plan – Strategic Plan and obtained agreement by SCAG, LACMTA and OCTA to fund a \$3 million Orangeline High Speed Maglev corridor “Orange Alignment Transit Study” (OATS).
- Attracted interest of the Governor's Office, including the interest of Governor Schwarzenegger's Deputy Chief of Staff and Cabinet Secretary Dan Dunmoyer, who participated in the Authority's Sacramento Investor conference, along with Caltrans Director Will Kempton; Secretary Dunmoyer expressed a desire to review a public-private sector proposal to finance the Orangeline. Actions to securing such a proposal are well underway.
- Maintained the Orangeline High Speed Maglev Corridor Development Project website at [www.orangeline.calmaglev.org](http://www.orangeline.calmaglev.org) to keep Project stakeholders informed and to broaden public interest in the Project.

During Fiscal Year 2008-2009, the Authority's main goal will be to secure funding for and initiate Phase 2. To accomplish this goal, the Authority will release an Invitation for Offers (IFO) from the infrastructure and real estate developer and investor community. A second goal will be to add additional cities as members of the Authority. The third goal will be to increase legislative and community leader support and broaden public awareness of and support for the Project.

Key objectives related to accomplishing these goals include:

- By December 31, 2008
  - Secure proposals from development and investment partners to fund the Phase 2 Pre-deployment tasks
  - Secure support of additional cities in Los Angeles County as members of the Authority
  - Secure State Legislature and Governor support
  - Coordinate with SCAG, MTA and OCTA for the Orange Alignment Transit Study (OATS)
- By June 30, 2009
  - Enter into financial agreements with investment partners to fund Phase 2.
  - Secure membership or supporting resolutions from additional cities along the corridor in support of the Orangeline High Speed Maglev.
  - Support completion of the SCAG, MTA and OCTA “OATS” study.
  - Develop agreements with the Authority's development partner and other firms to enable Phase 2 work to proceed.

Due to funding uncertainties, three budgets are presented for Authority Board review. The first is the Base Budget. This Budget is predicated upon anticipated member contributions



from current active member agencies. The Authority Board Budget Committee, on recommendation of South Gate City Manager Ron Bates, recommended that member assessments for Fiscal Year 2008-2009 be reduced by 5% compared to current year rates to reflect the fiscal distress that cities are currently experiencing. This rate results in an approximate 9% reduction in member assessments, when compared to current-year rates, taking cost inflation into account. The recommended rate reduction is incorporated into the Fiscal Year 2008-2009 Budget recommendations. The Base Budget is \$222,000, of which an estimated \$30,000 will cover carry-over expenses from the current fiscal year, leaving \$192,000 available for next year's program. This Base Budget includes \$70,000 in in-kind investment contributions from the Authority's private partners and \$152,000 in current-member investment contributions.

The second budget is the Proposed Budget. This Budget increases available funding by including the anticipated member assessment revenues from the City of Glendale. The City has not yet executed the First Amended Joint Powers Agreement, and thus revenues from the City of Glendale are not yet assured. Staff recommends that the Authority approve both the Base Budget and the Proposed Budget, with approval of the Proposed Budget contingent upon payment of the member assessment by the City of Glendale. This recommendation is reflected in the attached resolution.

Caltrans is processing the federal grant application submitted by the Authority for federal funding in the amount of \$240,000. These potential funds are reflected in the Enhanced Budget. Based on recent discussion with Caltrans staff, it is likely that the grant agreement will not be executed until the second quarter of the new fiscal year. It is recommended that once the agreement with Caltrans has been executed, the Board consider a Budget amendment to incorporate the additional grant funding.

Draft Budget tables reviewed by the Budget Committee are shown in Attachment 3. The Budget Committee requested that Fiscal Year 2007-2008 Budget tables be provided to the Authority Board to facilitate a comparison of the Proposed Budget for next year with the current year adopted Budget. These tables are included in Attachment 4.

Approval of the Fiscal Year 2008-2009 Budget requires approval by a 2/3 vote of the Authority Board (a minimum 9 votes) per the Authority's 1st Amended Joint Exercise of Powers Agreement (Sec. 3.2(a) (1)).

**ATTACHMENTS:**

1. A Resolution of the Authority Board of Directors of the Orangeline Development Authority Adopting the Fiscal Year 2008-2009 Budget and Business Plan
2. Proposed Fiscal Year 2008-2009 Budget and Business Plan
3. Draft Fiscal Year 2008-2009 Budget Tables (Presented to Authority Board Budget Committee on June 5, 2008)
4. Fiscal Year 2007-2008 Budget Tables

## RESOLUTION NO. 08-\_\_

**A RESOLUTION OF THE AUTHORITY BOARD OF DIRECTORS  
OF THE ORANGELINE DEVELOPMENT AUTHORITY  
ADOPTING THE FISCAL YEAR 2008-2009 BUDGET AND  
BUSINESS PLAN**

**WHEREAS**, the Authority Board of Directors has given careful consideration to the Proposed Budget and Business Plan recommended by the Executive Director for Fiscal Year 2008-2009.

**NOW, THEREFORE, THE AUTHORITY BOARD OF DIRECTORS OF THE  
ORANGELINE DEVELOPMENT AUTHORITY DOES HEREBY RESOLVE AS  
FOLLOWS:**

**SECTION 1.** The Authority Board adopts the Draft Fiscal Year 2008-2009 Budget and Business Plan presented and reviewed, and as may have been amended, at the Authority Board meeting of June 11, 2008.

**SECTION 2.** The Executive Director is hereby authorized to expend, in accordance with the laws of the State of California and Authority policies and procedures, on behalf of the Authority Board of Directors, an amount of \$222,000 for the Authority programs detailed in the **Base Budget** for Fiscal Year 2008-2009. The authorized expenditure level is increased to \$253,000, as detailed in the **Proposed Budget**, conditioned on receipt of anticipated revenues from the City of Glendale, which is expected to become a member of the Authority. The expenditure levels may be adjusted by and upon any supplemental revisions or amendments hereto authorized by the Authority Board of Directors:

	<b>Base Budget</b>	<b>Proposed Budget</b>
For FY 2007-2008 Expenditures	\$ 30,000	\$ 30,000
Policy and Administration	83,000	87,000
Organizational Development	24,000	64,000
Project Development	<u>85,000</u>	<u>101,000</u>
Total:	<u>\$ 222,000</u>	<u>\$ 282,000</u>

**SECTION 3.** The amount of dollars specified above is hereby appropriated from the following funds:

General Funds	\$ 222,000	\$ 282,000
Grant Funds	<u>0</u>	<u>0</u>
Total	<u>\$ 222,000</u>	<u>\$ 282,000</u>

**SECTION 4.** The amount of dollars appropriated to cover carry-over FY 2007-2008 expenditures, for Policy and Administration and for Organizational Development is drawn from the following revenue sources:

Member Investment Contributions	\$ 132,000	\$ 176,000
In-kind Investment Contributions	<u>5,000</u>	<u>5,000</u>
Total	<u>\$ 137,000</u>	<u>\$ 181,000</u>

**SECTION 5.** The amount of dollars appropriated for Project Development is drawn from the following revenue sources:

Member Investment Contributions	\$ 20,000	\$ 36,000
In-kind Investment Contributions	<u>65,000</u>	<u>65,000</u>
Total	<u>\$ 85,000</u>	<u>\$ 101,000</u>

**SECTION 6.** The amount of appropriated In-kind Contribution dollars specified above is drawn from the following revenue sources:

ARCADIS	\$ 25,000	\$ 25,000
Albert Perdon & Associates	40,000	40,000
Transit Media Consultants	<u>5,000</u>	<u>5,000</u>
Total	<u>\$ 70,000</u>	<u>\$ 70,000</u>

**SECTION 5.** The appropriations specified above shall constitute the maximum amounts authorized for each program in each fund, subject to availability of funds. The Authority Executive Director, with the concurrence of the Authority Chair, is hereby authorized to make budget transfers between each program in each fund if, in their opinion, such transfers are necessary and proper to the effective operation of the Authority.

**SECTION 6.** The Secretary shall certify to the adoption of this Resolution.

**APPROVED AND ADOPTED** this 11<sup>th</sup> day of June, 2008.

\_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Secretary

Resolution 08-\_\_\_  
June 11, 2008  
Page 2

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Authority Board of Directors of the Orangeline Development Authority at a regular meeting held on the 11<sup>th</sup> day of June, 2008, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Secretary

**ORANGELINE DEVELOPMENT AUTHORITY**

**DRAFT**

**FISCAL YEAR 2008-2009**

**BUDGET**

**and**

**BUSINESS PLAN**

**June 11, 2008**

Orangeline Development Authority  
DRAFT  
Fiscal Year 2008-2009 Budget  
and Business Plan

## I. Summary

The Orangeline Development Authority Fiscal Year 2008-2009 Budget and Business Plan describes the Authority's goals and objectives for the next four years and the work plan for FY 2008-2009. The Authority's vision is to place into operation a high-speed maglev system to serve its member cities and the region, in conjunction with station-area housing, office, retail and other real estate improvements to accommodate a growing population within the Authority's member cities.

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 stimulate 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 and financial analysis for the Orangeline High Speed Maglev. The Authority updated the financial analysis in 2007 and in 2008; the current update is documented in the Orangeline High Speed Maglev Milestone 10 Financial Plan Supplement. The engineering cost analyses and ridership modeling, combined with the financial analyses, 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 Supplement, 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. The value that the Orangeline High Speed Maglev could potentially bring to its members cities is illustrated in the Appendix, which shows the current value to each corridor city of the financial model-projected \$36 billion Project surplus in current dollars.

The Draft Fiscal Year 2008-2009 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, on the positive responses from investment bankers, 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 2014 and the entire 108-mile system by 2018. 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 2016 as the target date for beginning operations and 2020 for completion of the full Project. During the coming Budget year, Authority activities will focus on achieving the following objectives:

<b>FY 2008-2009 PROGRAM MILESTONES</b>		
	PROPOSED BUDGET	\$252,000
A.	Secure developer/investor offers and enter into financial agreements to fund Phase 2 pre-deployment tasks	
B.	Secure membership or supporting resolutions from additional cities along the corridor in support of the Orangeline High Speed Maglev	
C.	Secure State Legislature and Governor support	
D.	Support completion of the SCAG, MTA and OCTA Orange Alignment Transit Study (OATS)	
E.	Develop agreements with the Authority's development partner and other firms to enable Phase 2 work to proceed.	

***Budget Assumptions***

The proposed Budget for FY 2008-2009 is \$252,000. This budget is predicated on a base budget of \$222,000 and the addition of approximately \$60,000 in anticipated member assessment revenues from the City of Glendale, minus a carry-over expenditure of \$30,000 from the prior fiscal year. The Budget includes \$70,000 in in-kind contributions from the Authority's private partners.

An enhanced budget is presented that includes potential funding of \$240,000 from a federal grant that has been applied for and is expected to be made available within or shortly after the first quarter of the fiscal year.

It is estimated that completion of pre-deployment planning for the entire 108-mile line will require a budget of up to \$200 million. 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 2008-2009, as in FY 2007-2008, the ARCADIS team will continue to 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 13 active cities along a 108-mile corridor stretching from north Los Angeles County into Orange County, California. Recently, the City of Glendale City Council approved a motion for the City to join as a member of the Authority.

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. Downey City Councilmember Kirk Cartozian currently serves as Chair of the Authority Board. Cerritos Mayor Pro Tem Bruce Barrows currently serves as Vice Chair. Vernon City Councilmember Mike McCormick serves as Secretary. Colantuono & Levin serves as Legal Counsel. Rory Burnett 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](http://www.orangeline.calmaglev.org) and at public meeting notice locations of each member city.

## III. Accomplishments during FY 2007-2008

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

- Completed the Orangeline High Speed Maglev Milestone 10 – Financial Plan Supplement. This financial analysis updated the \$1.35 million Phase 1 preliminary engineering and financial analysis completed in partnership with ARCADIS and its team of 21 local, national and international firms; the analysis demonstrates the potential financial viability of the Orangeline High Speed Maglev as a primarily privately-funded transportation improvement, when undertaken in conjunction with a transit-oriented corridor development strategy.
- Met with Wall Street bankers to secure feedback on the Authority’s program and assess private sector interest in investing in the Project. Conducted an investor and development conference in Sacramento attended by Legislative leaders, key Administration officials and private sector representatives.
- Secured approvals from the city councils of the City of Santa Ana and City of Glendale for their cities to join the Authority. It is anticipated that the City of Glendale will execute the joint powers agreement and become a member of the Authority.



- Gained significant awareness and interest in the Project through the SCAG RTP approval process, secured inclusion of the Orangeline High Speed Maglev in the 2008 Regional Transportation Plan – Strategic Plan and obtained agreement by SCAG, LACMTA and OCTA to fund a \$3 million Orangeline High Speed Maglev corridor transit study.
- Attracted interest of the Governor’s Office in the Orangeline Corridor Development Project, including the interest of Governor Schwarzenegger’s Deputy Chief of Staff and Cabinet Secretary who expressed a desire to review a private sector proposal to finance the Orangeline; securing such a proposal is well underway.
- Maintained the Orangeline High Speed Maglev Corridor Development Project website at [www.orangeline.calmaglev.org](http://www.orangeline.calmaglev.org), to keep Project stakeholders informed and to broaden public interest in the Project.
- Undertook the following activities aimed at securing funding and government approvals for the next Project development phase.
  - 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 during the first quarter of FY 2008.
  - Prepared an Invitation for Offers to private investors and developers for funding in the amount of \$200 million for the next development phase.
  - 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 confirming its viability and 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 2006, 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 and into Fiscal Year 2007-2008, 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. The second risk factor is with the government. The uncertainty of government commitment to the Project and the ability and willingness of the government agencies to partner with the private sector 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.

In May 2008, the Southern California Association of Governments (SCAG) approved the updated 2008 Regional Transportation Plan (RTP). Following considerable debate over a period of several months, the Orangeline High Speed Maglev Corridor Development Project was included in the RTP Strategic Plan. The Authority's efforts to secure inclusion of the Project in the RTP resulted in agreement by SCAG, the Orange County Transportation Authority (OCTA) and the Los Angeles County Metropolitan Transportation Authority (LACMTA) to fund and undertake the \$3 million Orange Alignment Transit Study (OATS).

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 have increased awareness and interest in the Project. While there is a growing interest in and support for the Project, doubts continue regarding the Authority's ability to secure private funding.

As stated in one of the early 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. The Authority's job is to bring stakeholders together to demonstrate the Project's benefits for both public and private interests, to demonstrate that the Authority studies are credible and can serve as a reliable foundation upon which to move forward, and that the Project can be realized if there is a will to make it happen.

To achieve that objective, the Authority will focus on the following tasks:

- a. *Secure developer/investor offers and enter into financial agreements to fund 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 for completing Phase 2, as well as other sources of credit enhancements, as a means to attract competitive private investment proposals and to reduce borrowing costs.
- b. *Secure membership or supporting resolutions from additional cities along the corridor in support of the Orangeline High Speed Maglev.*** Discussions have been held with all cities along the Orangeline Maglev corridor since before the Authority was formed. During the past year, those discussions focused on securing the City of Santa Ana and the

City of Glendale as new members. The Authority will continue its efforts to secure participation of additional cities. Meetings will be held with local elected officials and city staff to discuss the benefits that the Project will bring to their cities.

- c. **Secure State Legislature and Governor Support.** The Authority will follow-up on its efforts during the past year to secure support of the State Legislature and Governor. The Governor's Deputy Chief of Staff and Cabinet Secretary, Dan Dunmoyer, spoke at the Authority's investor and developer conference in Sacramento in March 2008, expressing support for the Authority's initiatives and the desire to see a private-sector proposal for investment in the Project. Key Legislative leaders and the Director of Caltrans also participated in the conference. Follow-up meetings will be held with members of the Legislature and the Governor and State agency heads to secure their support for the Project.
- d. **Support completion of the SCAG, MTA and OCTA Orange Alignment Transit Study.** The Authority will be an active participant in this study and help to ensure that the interests of its member agencies are well represented. The Authority will provide background information on the studies undertaken by the Authority and ARCADIS and assist in the evaluation of needs, issues, and goals, and of the costs and benefits of alternative transit solutions in the corridor. The Authority will strive to ensure that the Orangeline High Speed Maglev receives fair consideration as an alternative transportation solution.
- e. **Develop agreements with the Authority's development partner and other firms to enable Phase 2 work to proceed.** The preparation 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.

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 2008-2009 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 2009-2010 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 2010-2011 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 2011-2012 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

Projected expenditures are shown in the table below. Expenditures are tied to achieving the objectives and major milestones discussed in the previous sections. Fiscal Year 2008-2009 Budget Tables Reflecting Budget Committee Recommendations of June 5, 2008

#### Draft Fiscal Year 2008-2009 Budget Tables Reflecting Budget Committee Recommendations

<b>1. Base Budget</b>						
(9% rate reduction; excludes \$30,000 carry-over FY 2007-2008 expenses)						
	BOARD	Consultant Services				TOTAL
		EXECUTIVE DIRECTOR	GENERAL COUNSEL	ARCADIS	OTHER	
Policy and Administration						83,000
Board Activities	8,000	20,000				28,000
Executive Management		14,000				14,000
Legal			6,000			6,000
Insurance						
Other Administrative		25,000			9,000	34,000
Organizational Dev./Coordination						25,000
Increase Authority Membership		10,000				10,000
Secure Operating Revenues		5,000				5,000
Interagency Coordination		10,000				10,000
Project Development						85,000
Complete Phase 1 Prelim. Engr.						
Secure Phase 2 Funding		60,000		25,000		85,000
Secure State Legislation						
Public Funding	8,000	99,000	6,000		9,000	122,000
Private In-kind		45,000		25,000		70,000
Grand Total	8,000	144,000	6,000	25,000	9,000	192,000

The above Base Budget is predicated on \$30,000 in anticipated carry-over expenditures from Fiscal Year 2007-2008 and on an approximate 9% revenue reduction from Fiscal Year 2006-2007 member cities annual assessments in Fiscal Year 2008-2009, taking into account a 4 percent cost inflation rate. Two additional funding sources have been identified that would provide an added \$300,000 in revenue, for a total of \$492,000 in anticipated revenues. Success in securing these added revenues would enable an increase in the budget to support the primary objectives for FY 2008-2009.

The table on the following page shows the allocation of additional revenues to these program tasks.

<b>2. Proposed Budget</b>						
(Includes an added \$60,000 from Glendale; excludes \$30,000 carry-over FY 2007-2008 expenses)						
	BOARD	Consultant Services				TOTAL
		EXECUTIVE DIRECTOR	GENERAL COUNSEL	ARCADIS	OTHER	
Policy and Administration						<i>87,000</i>
Board Activities	8,000	20,000				28,000
Executive Management		14,000				14,000
Legal			10,000			10,000
Insurance						
Other Administrative		25,000			10,000	35,000
Organizational Dev./Coord.						<i>64,000</i>
Increase Authority Membership		20,000				20,000
Secure Operating Revenues		15,000				15,000
Interagency Coordination		20,000			9,000	29,000
Project Development						<i>101,000</i>
Complete Phase 1 Prelim. Engr.						
Secure Phase 2 Funding		66,000		25,000		91,000
Secure State/Fed Legislation		10,000				
Public Funding	8,000	145,000	10,000	0	19,000	182,000
Private In-kind	0	45,000		25,000		70,000
Grand Total	8,000	190,000	10,000	25,000	19,000	252,000

<b>3. Enhanced Budget</b>						
(Includes Federal Grant; includes Glendale; excludes \$30,000 carry-over FY 2007-2008 expenses)						
	BOARD	Consultant Services				TOTAL
		EXECUTIVE DIRECTOR	GENERAL COUNSEL	ARCADIS	OTHER	
Policy and Administration						<i>126,000</i>
Board Activities	12,000	20,000				32,000
Executive Management		14,000				14,000
Legal			20,000			20,000
Insurance						
Other Administrative		10,000			50,000	60,000
Organizational Dev./Coord.						<i>145,000</i>
Increase Authority Membership		30,000				30,000
Secure Operating Revenues		30,000				30,000
Interagency Coordination		20,000		15,000	50,000	85,000
Project Development						<i>221,000</i>
Complete Phase 1 Prelim. Engr.						
Secure Phase 2 Funding		66,000	60,000	55,000	10,000	191,000
Secure State/Fed Legislation		30,000				30,000
Public Funding	12,000	175,000	80,000	45,000	110,000	422,000
Private In-kind		45,000		25,000		70,000
Grand Total	12,000	220,000	80,000	70,000	110,000	492,000

## 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

Anticipated/Potential Revenues			
Anticipated Revenues			
Beginning Balance			(\$30,000.00)
Current Member Investments			\$151,994.96
		Subtotal	\$121,994.96
Development Partner In-kind			\$25,000.00
Other In-kind			\$45,000.00
		Subtotal	\$70,000.00
		<b>FY 2008-2009 Revenue Base</b>	<b>\$191,994.96</b>
Anticipated Revenues			
New Member Investments			\$59,909.12
Federal Grant			\$240,000.00
Other Grants			\$0.00
		Subtotal	\$299,909.12
		Total Anticipated Public Investments	\$421,904.07
		Total Anticipated Private In-kind Investments	\$70,000.00
		<b>Total Anticipated Revenues</b>	<b>\$491,904.07</b>
Source of Revenues			
Current Members	Annual Investment	Matching Funds	Total
City of Artesia	\$4,839.29		\$4,839.29
City of Bell	\$3,914.56		\$3,914.56
City of Bellflower	\$14,213.98		\$14,213.98
City of Cerritos	\$13,560.05		\$13,560.05
City of Cudahy	\$4,460.17		\$4,460.17
City of Downey	\$8,111.96		\$8,111.96
City of Huntington Park	\$8,282.46		\$8,282.46
City of Los Alamitos	\$0.00		\$0.00
City of Maywood	\$2,779.21		\$2,779.21
City of Palmdale	\$25,465.22		\$25,465.22
City of Paramount	\$11,300.38		\$11,300.38
City of Santa Clarita	\$30,713.72		\$30,713.72
City of South Gate	\$18,835.64		\$18,835.64
City of Vernon	\$5,518.30		\$5,518.30
	Subtotal		\$151,994.96

Anticipated and Potential New Member Revenues			
Anticipated New Member	Annual Investment	Matching Funds	Total
City of Glendale	\$26,214.27	\$33,694.84	\$59,909.12
Subtotal	\$26,214.27	\$33,694.84	\$59,909.12
Potential New Members (Not Included in Budget)			
City of San Fernando	\$6,705.07		
City of Burbank	\$22,317.92		
City of Lancaster	\$24,773.17		
County of Los Angeles	\$184,396.66		
City of Los Angeles	\$165,488.81		
La Palma	\$4,453.15		
Cypress	\$13,083.65		
Buena Park	\$9,278.41		
Anaheim	\$37,404.48		
Orange	\$18,170.55		
Stanton	\$9,515.11		
Garden Grove	\$36,801.70		
Santa Ana	\$49,703.81		
Tustin	\$22,374.09		
Irvine	\$23,212.56		
Subtotal	\$627,679.14		

### ***Return on Investments***

Revenues from member cities and in-kind contributions are considered as investments in the Orangeline High Speed 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. The potential level of Project revenues to member cities from Orangeline Maglev operation is shown in the Appendix.

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 tasks, including preparation of the Project Economic and Environmental Impact Report, engineering plans, rights-of-way agreements, financial plans and public-private partnership agreements. 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.



### ***Anticipated and Potential Additional Revenue Sources***

As indicated in the Anticipated/Potential Revenue table above, the Fiscal Year 2008-2009 **Base Budget** is predicated on a carry-over of \$30,000 in anticipated expenses from Fiscal Year 2007-2008 and anticipated new revenues from existing sources. These sources include anticipated current member investments of \$151,995, which is calculated assuming FY 2007-2008 rates reduced by 5 percent, with no adjustment for inflation, for a real reduction of about 9 percent.

Additional anticipated revenues from the City of Glendale, which has approved membership in the Authority, have been identified and are included in the **Proposed Budget**. The Proposed Budget is recommended for adoption, with the understanding that expenditures would be conditioned on receipt of member assessments from the City of Glendale, and from other the other identified sources.

The **Enhanced Budget** identifies additional revenues from the federal grant previously described. Approval of the Enhanced Budget would be brought forward for consideration by the Authority Board once the grant has been approved and funding is available to the Authority.

The likelihood of securing additional resources is described below. If the Authority is successful in securing additional resources during the fiscal year beyond those contained in the Proposed Budget, the Authority Board would be given an opportunity to consider one or more Budget amendments to decide on the use of these additional funds.

The following anticipated and potential revenues sources have been identified:

1. New Member Investments
  - The City of Glendale City Council approved a motion calling for the City to join the Authority. It is anticipated that the City will follow-through on this action by entering into the Authority Amended Joint Powers Agreement and contribute its member assessment in FY 2008-2009. Member assessments for the City of Glendale are included in the Proposed Budget. The City of Santa Ana City Council voted to join the Authority. However, based on recent events, it is anticipated that the City will not join the Authority in FY 2008-2009.
2. Federal Grant
  - The source of funding indicated in the Enhanced Budget is derived from the SAFETEA-LU authorization of \$280,000 for the Orangeline Maglev Project. Caltrans has completed its pre-award audit of the Authority as a precedent to executing an agreement with the Authority for appropriated federal funding. The Authority's grant submittal is currently under review. It is anticipated that the grant will be executed in the 2<sup>nd</sup> quarter of the fiscal year. A Budget amendment would be provided for Authority Board consideration following approval of the grant agreement.
3. Other Grants
  - The Authority has considered possible funding opportunities from other sources. They include 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. More work is required to determine if funding can be obtained from these sources during the coming fiscal year.
- The infrastructure bond bill on the November 2006 ballot was passed by the voters and is now making available billions of dollars for transportation improvements. The Authority's earlier predictions that securing significant funding from this source would be difficult have been proven to be true so far, as Caltrans responded to the Authority's proposal for a loan guarantee by saying that the Authority and the Orangeline do not qualify for Bond funding. The Authority should continue to lobby for a portion of available funding.
  - 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. (Las Vegas was recently awarded a \$45 million federal grant following almost 20 years of effort.) Never-the-less, the Authority should continue to coordinate with Congresswoman Linda Sanchez and other corridor representatives to seek federal funding assistance, particularly as a change in the Administration may lead to a more receptive atmosphere for funding, and as Congress begins debating the new transportation authorization bill during the coming year.
  - 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. More recently, SCAG has placed the Orangeline in the Strategic Plan. A cooperative agreement has been reached whereby SCAG/MTA/OCTA will fund a \$3 million corridor study (Orangeline Alignment Transit Study) to assess potential transit solutions for the corridor. It is not clear if a portion of these funds will be made available to the Authority to enable meaningful participation in the study.
4. Development Partner and other private Investments
- The Authority is pursuing additional in-kind contributions and cash investments from current and future development partners. The prospects for success are judged to be favorable but uncertain; a recent investor and developer conference and follow-up meetings with investment bankers and potential development partners indicate that there is private-sector interest and a reasonable chance of success in securing private investment. An Invitation for Offers is being prepared and is planned to be released in the first quarter of Fiscal Year 2008-2009.

Orangeline Development Authority Potential Orangeline High Speed Maglev Project Revenues to Member Cities (Based on a cumulative Project surplus of \$36 billion in 2050)			
	Assumed Fare (2007\$) = \$18.03		Allocation based on population
	Cities	Population, 2000 (some 2001-2005)	Current Dollars 3% Discount
Active and Inactive Member Cities	Artesia	16,380	\$43,881,749
	Bell	36,664	\$98,222,250
	Bellflower	74,900	\$200,655,862
	Cerritos	51,488	\$137,935,501
	Cudahy	24,200	\$64,831,400
	Downey	110,600	\$296,295,573
	Huntington Park	61,348	\$164,350,278
	Los Alamitos	11,500	\$30,808,310
	Maywood	28,083	\$75,233,893
	Palmdale	121,400	\$325,228,594
	Paramount	55,266	\$148,056,701
	Santa Clarita	155,100	\$415,510,337
	South Gate	99,800	\$267,362,551
Vernon	91	\$243,787	
	<b>Total Member Cities</b>	<b>846,820</b>	<b>\$2,268,616,788</b>
Prospective LA County Cities	Burbank	102,400	\$274,327,908
	Glendale	199,000	\$533,117,712
	San Fernando	23,564	\$63,127,567
	City of LA (portion)	1,000,000	\$2,678,983,477
	County Unincorporated (portion)	50,000	\$133,949,174
	<b>Total LA County Cities</b>	<b>2,210,284</b>	<b>\$5,921,314,315</b>
Prospective Orange County Cities	La Palma	15,400	\$41,256,346
	Cypress	46,000	\$123,233,240
	Buena Park	80,100	\$214,586,576
	Stanton	38,300	\$102,605,067
	Anaheim	336,300	\$900,942,143
	Garden Grove	169,000	\$452,748,208
	Santa Ana	348,100	\$932,554,148
	Orange	128,000	\$342,909,885
	Tustin	69,200	\$185,385,657
	Irvine	191,000	\$511,685,844
	<b>Total OC cities</b>	<b>1,432,900</b>	<b>\$3,838,715,424</b>
	<b>Total Cities</b>	<b>3,643,184</b>	<b>\$9,760,029,739</b>
	<b>California</b>	<b>33,871,648</b>	

Source: Orangeline Development Authority - ARCADIS Phase 1 Preliminary Engineering Milestone 10 - Financial Plan

Draft Fiscal Year 2008-2009 Budget Tables						
Presented to Budget Committee						
on June 5, 2008						
Base Budget						
Policy and Administration	BOARD	Consultant Services				TOTAL
		EXECUTIVE DIRECTOR	GENERAL COUNSEL	ARCADIS	OTHER	
Board Activities	8,000	20,000				28,000
Executive Management		14,000				14,000
Legal			6,000			6,000
Insurance						0
Other Administrative		25,000			10,000	35,000
Organizational Dev./Coord.						0
Increase Authority Membership		10,000				10,000
Secure Operating Revenues		5,000				5,000
Interagency Coordination		10,000				10,000
Project Development						0
Complete Phase 1 Prelim. Engr.						0
Secure Phase 2 Funding		68,000		25,000		93,000
Secure State Legislation						0
Public Funding	8,000	107,000	6,000	0	10,000	131,000
Private In-kind	0	45,000	0	25,000		70,000
Grand Total	8,000	152,000	6,000	25,000	10,000	201,000

Enhanced Budget						
Policy and Administration	BOARD	Consultant Services				TOTAL
		EXECUTIVE DIRECTOR	GENERAL COUNSEL	ARCADIS	OTHER	
Board Activities	12,000	20,000				32,000
Executive Management		14,000				14,000
Legal			20,000			20,000
Insurance						0
Other Administrative		10,000			50,000	60,000
Organizational Dev./Coord.						0
Increase Authority Membership		30,000				30,000
Secure Operating Revenues		30,000				30,000
Interagency Coordination		20,000		15,000	50,000	85,000
Project Development						0
Complete Phase 1 Prelim. Engr.						0
Secure Phase 2 Funding		66,000	60,000	55,000		181,000
Secure State/Fed Legislation		30,000				30,000
Public Funding	12,000	175,000	80,000	45,000	100,000	412,000
Private In-kind	0	45,000	0	25,000		70,000
Grand Total	12,000	220,000	80,000	70,000	100,000	482,000

## Proposed Fiscal Year 2007-2008 Budget Table

PROPOPED BUDGET						
	AUTHORITY BOARD	Consultants/Services				TOTAL
		EXECUTIVE DIRECTOR	GENERAL COUNSEL	ARCADIS	OTHER	
Policy and Administration						
Authority Board Activities	12,000	20,000			10,000	42,000
Executive Management		14,000				14,000
Legal			17,000			17,000
Insurance						0
Other Administrative		30,000			25,000	55,000
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		125,000	56,000	237,000
Secure State Legislation		10,000	1,000	25,000	8,000	44,000
Public Funding	12,000	170,000	18,000	150,000	119,000	469,000
Private In-kind	0	40,000	0	25,000	5,000	70,000
Grand Total	12,000	210,000	18,000	175,000	124,000	539,000

**Proposed Fiscal Year 2007-2008  
Anticipated/Potential Revenues Table**

<b>Anticipated/Potential Revenues</b>			
Anticipated Revenues			
Beginning Balance			\$94,781.79
Current Member Investments			\$161,578.31
		Subtotal	\$256,360.10
Development Partner In-kind			\$25,000.00
Other In-kind			\$45,000.00
		Subtotal	\$70,000.00
		<b>FY 2007-2008 Revenue Base</b>	<b>\$326,360.10</b>
Potential Revenues			
New Member Investments*			\$15,323.51
Federal Grant			\$224,000.00
Other Grants			\$0.00
		Subtotal	\$239,323.51
		Total Anticipated/Potential Public Investments	\$495,683.61
		Total Anticipated Private In-kind Investments	\$70,000.00
		<b>Total Anticipated and Potential Revenues</b>	<b>\$565,683.61</b>
Source of Revenues			
Current Members	Annual Investment	Matching Funds	Total
City of Artesia	\$5,093.99	0	\$5,093.99
City of Bell	\$4,120.59	0	\$4,120.59
City of Bellflower	\$14,962.09	0	\$14,962.09
City of Cerritos	\$14,273.74	0	\$14,273.74
City of Cudahy	\$4,694.92	0	\$4,694.92
City of Downey	\$8,538.91	0	\$8,538.91
City of Huntington Park	\$8,718.38	0	\$8,718.38
City of Los Alamitos	\$1,583.63	0	\$1,583.63
City of Maywood	\$2,925.48	0	\$2,925.48
City of Palmdale	\$26,805.49	0	\$26,805.49
City of Paramount	\$11,895.14	0	\$11,895.14
City of Santa Clarita	\$32,330.23	0	\$32,330.23
City of South Gate	\$19,826.99	0	\$19,826.99
City of Vernon	\$5,808.74	0	\$5,808.74
	Subtotal	\$0.00	\$161,578.31

Anticipated/Potential Revenues Table

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		