

San Joaquin Hills  
Corridor Agency

Chairwoman:  
Carmen Vall-Cave  
Aliso Viejo



**TRANSPORTATION CORRIDOR AGENCIES**

Foothill/Eastern  
Corridor Agency

Chairman:  
Jim Thor  
Rancho Santa Margarita

June 21, 2007

Ms. Chris Goldsworthy  
City of Costa Mesa  
77 Fair Drive  
Costa Mesa CA 92626

RE: Selection of a Board Member for the Transportation Corridor System  
First meeting scheduled for July 12, 2007

Dear Ms. Goldsworthy:

On June 14, 2007, the Foothill/Eastern and San Joaquin Hills Transportation Corridor Agencies voted to reactivate the Transportation Corridor System. We are requesting that your city identify a city council member to represent the city on the Transportation Corridor System (TCS) Board of Directors. To retain continuity on the various issues to be considered by the TCS, I encourage your city to consider appointing the same council member who is currently your San Joaquin Hills Transportation Corridor Agency representative.

The Transportation Corridor System is a joint powers authority created in April 2003 to potentially acquire the two existing Agencies. It's goals are increasing the long-term financial strength of Orange County's toll road system and minimizing the risk of the San Joaquin Hills Transportation Corridor Agency going into default on its bonds.

The TCS was created and a few meetings were held, however, it never proceeded with the acquisition that was originally considered. Instead, a mitigation and loan agreement between the two Agencies was developed and approved in November 2005. The agreement reduced the risk of the San Joaquin Hills Transportation Corridor Agency going into technical default and eventually, monetary default, on its bonds. Included in the agreement was cooperative directive that the two Boards of Directors would work together on options that would reduce the San Joaquin Hills Agency's need for loans and enable the Foothill/Eastern Agency to most effectively finance the completion of the 241 Toll Road, Foothill-South.

A Joint Financial Ad Hoc Committee began in December 2005. After analyzing a variety of options, the Ad Hoc Committee recommended in April 2007 that the Boards of Directors pursue an analysis of an acquisition that would join the two Agencies under one new entity, enabling the organization to operate more efficiently. The recommendation was made after the results of a recalibrated traffic and revenue model showed an average annual revenue increase of 14 percent for the Foothill/Eastern Agency and a 20 percent for the San Joaquin Hills Agency. The current acquisition plan could streamline operations, increase financing capacity for Foothill-South, and potentially save money over the remainder Agencies' existence.

*William Woollett Jr., Chief Executive Officer*

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Both Boards of Directors approved this recommendation and authorized a contract with Stantec Consulting to conduct a complete Traffic and Revenue Study, a necessary step in the continuing development of a potential acquisition transaction.

Now that the Boards have voted to reconvene the Transportation Corridor System, the next step is for each of the TCS member agencies to identify a member of the City Council for the Board of Directors.

The TCS is an existing JPA and would continue to operate under its existing governance structure of 21 members and a supermajority voting requirement. Members of the Transportation Corridor System include:

Aliso Viejo	Lake Forest
Anaheim	Mission Viejo
Costa Mesa	Newport Beach
County of Orange 3 <sup>rd</sup> District	Orange
County of Orange 4 <sup>th</sup> District	Rancho Santa Margarita
County of Orange 5 <sup>th</sup> District	San Clemente
Dana Point	San Juan Capistrano
Irvine	Santa Ana
Laguna Hills	Tustin
Laguna Niguel	Yorba Linda
Laguna Woods	

The first meeting of the Transportation Corridor System Board of Directors is scheduled for July 12, 2007, in the Transportation Corridor Agencies' Board Room, 125 Pacifica, Irvine, California. The meeting will take place immediately following the meeting of the San Joaquin Hills Transportation Corridor Agency Board of Directors.

Please send a letter to Annita Henzie, Clerk of the Board, identifying your city's TCS representative.

Sincerely,



Carmen Cave, Chairwoman  
San Joaquin Hills Transportation Corridor Agency

cc: The Honorable Eric Bever  
William Woollett, Chief Executive Officer - TCA  
Annita Henzie, Clerk of the Board - TCA