

CITY COUNCIL TRANSMITTAL

David Everitt, Chief of Staff

Date Received: _____
Date sent to Council: _____

TO: Salt Lake City Council
Jill Remington Love, Chair

DATE:

FROM: David Everitt, Chief of Staff

SUBJECT: Sugar House Streetcar – Phase 1 Interlocal Agreement
FY 2011-12 Budget Amendment #4, Funding for Interlocal Agreement

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DOCUMENT TYPE: Briefing, Resolution and Ordinance

RECOMMENDATION: The Administration recommends that the City Council set the date for a public hearing for Budget Amendment #4 of FY 2011-12, and subsequently approve funding necessary for the City to sign an interlocal agreement to begin construction of the baseline Sugarhouse streetcar project.

The Administration further recommends that a resolution authorizing the approval of an interlocal agreement between the City, Utah Transit Authority, and South Salt Lake City be adopted.

BUDGET IMPACT:

In order to sign the Interlocal Agreement (ILA), the Administration requests the Council approve an ordinance amending the FY 2011-12 Salt Lake City budget. This amendment creates a budget in the **Capital Improvement Project (CIP) Fund** of **\$8,021,000**. The Administration is proposing to issue sales tax bonds, payable over 20 years, for this amount.

Uses of Funds:

Issuance Costs/Contingency	\$ 141,000
Salt Lake City Commitment to Baseline Project	\$5,380,000
Potential Advance of Funds to South Salt Lake City	<u>\$2,500,000</u>
	\$8,021,000

Sources of Funds:

CIP Funds (from CAM Placeholder)	\$3,271,000
CIP Funds (RDA Funds as Source)	\$2,250,000
Repayment from South Salt Lake City	<u>\$2,500,000</u>
	\$8,021,000

In addition, the ILA requires Salt Lake City to support up to the first 2 years of streetcar operations with the commitment of operating funds for this project. This commitment would not begin until the line is operational, which is expected to be in mid-2013, meaning that Salt Lake City funds would not be needed for this purpose until FY 2013-14. Because the budget for FY 2013-14 has not yet been proposed or adopted, this amendment would not commit those funds; however, a future budget would reflect this commitment.

BACKGROUND/DISCUSSION:

Issue Origin:

In October 2010, the U.S. Department of Transportation awarded \$26,000,000 in federal grant funds to the Sugar House Streetcar project. Sponsored by Salt Lake City, South Salt Lake City, and the Utah Transit Authority as partners, the grant application described the proposed project as a 2-mile modern streetcar line running from the Central Pointe TRAX Station at 2100 South, along the old freight rail corridor at approximately 2200 South, east to the intersection with McClelland Street in the Sugar House Business District. The three project sponsors must execute an Inter-local Agreement (ILA) to specify their respective roles and responsibilities for the funding and construction of the baseline streetcar project, all pursuant to the terms of the federal grant.

While the federal grant covers the majority of the project’s cash needs, it leaves approximately \$11.18 million to be covered with local funds, in addition to the provision of vehicles and right-of-way. UTA has pledged to provide the needed 3 streetcar vehicles, valued at \$12 million, and the right-of-way, valued at \$6.3 million, at no cost to the cities. The cities and UTA will share the \$11.18 cash gap, with South Salt Lake pledging \$4.2 million, Salt Lake City pledging \$5.38 million, and UTA pledging up to \$1.6 million. For a limited initial period, ending no 2 years after revenue service begins, UTA will require the cities each to contribute approximately 1/3 of the cost to operate the line, after farebox revenues have been applied to that cost. UTA’s estimate for the annual need is \$1.2 million. Dividing this amount into thirds, each party’s annual 1/3 share (UTA will also contribute 1/3), is \$400,000, up to a maximum total for two years of \$800,000 per party.

While Salt Lake City, UTA, and South Salt Lake City have shared all costs of the project equally up to this time, South Salt Lake City does not have the financial capability to contribute to the capital costs of the project at a rate equal to Salt Lake City’s. With a general fund roughly 1/10 the size of Salt Lake City’s, South Salt Lake has determined that it cannot provide a total contribution greater than \$5.0 million. Based on a resolution both City Councils passed several years ago to commit \$2.5 million in local match toward the project, South Salt Lake has access to its committed \$2.5 million, of which \$800,000 will likely go toward its O&M commitment. If the project requires additional capital funds, which is almost certain, South Salt Lake is willing

to invest up to an additional \$2.5 million, but may request Salt Lake City’s assistance in financing that amount over a multi-year term.

Therefore, the ILA governing funding of the project provides for a Salt Lake City contribution up to \$5.38 million, a South Salt Lake City contribution up to \$5.0 million (jointly covering the capital gap), and commits Salt Lake City to lend South Salt Lake up to \$2.5 million, if requested by a certain date. Furthermore, the ILA calls for up to \$800,000 in contributions toward operating and maintenance costs.

Analysis:

1. Capital Funds

The federal grant application enumerated the project’s capital budget as follows:

Capital Costs	
Guideway and Track Elements	\$5,400,000
Stations	\$1,140,000
Sitework	\$12,320,000
Systems	\$8,900,000
Right-of-way	\$700,000
Professional Services	\$2,720,000
Unallocated Contingency	\$6,000,000
Total Cash Needed:	\$37,180,000
Right-of-Way (owned by UTA)	\$6,300,000
3 Vehicles (owned by UTA)	\$12,000,000
Total Project Budget:	\$55,480,000

These costs are proposed to be covered as follows:

USDOT TIGER II Grant	\$26,000,000
Salt Lake City - Cash Commitment	\$2,500,000
South Salt Lake - Cash Commitment	\$2,500,000
UTA Vehicles	\$12,000,000
UTA Rail Corridor	\$6,300,000
Total Sources:	\$49,300,000
Gap to be covered:	\$6,180,000

The grant application proposed local contributions of \$2.5 million from each city, which the cities committed to provide by resolutions adopted by the city councils in August 2009. As awarded, however, the grant requires a larger local share, consisting of the initial contributions of \$2.5 million each, plus an additional local share of \$6.18 million. Therefore, the total cash gap needing to be covered is \$11.18 million.

Based on the financial circumstances of each of the partners, the partners have agreed that the cities will share the initial portions of the cash contribution, while UTA will be responsible for the final \$1.6 million of capital funds, if those funds are needed. UTA's contribution to the capital costs of the project will also include the three Siemens S70 vehicles needed (valued at \$12 million total), the right-of-way (valued at \$6.3 million), and the management and oversight of the project's procurement and construction processes. While the two cities have shared all costs equally thus far, the allocation of capital costs creates a disproportionate burden on South Salt Lake's funding resources, which are roughly 1/10 of Salt Lake City's. Therefore, the Administration is proposing that the City assume responsibility for a larger share of the capital costs, with Salt Lake City committing to cover up to \$5.38 million, and South Salt Lake City up to \$4.2 million.

The qualifier "up to" in the preceding sentence is important, as the project budget as presented above carries a healthy contingency of \$6 million, very close to the amount of the outstanding \$6.18 million capital gap. While FTA requires the budget to contain this contingency and for the parties to commit to covering the full amount, UTA believes the nature of the project and the current construction climate may present an opportunity to construct the project for less than the full budgeted cost. If the project is built for a lower amount, the first \$1.6 million in savings will be credited to UTA's capital commitment; the next \$1.18 million in savings will accrue to Salt Lake City. Thereafter, each city's capital obligation would be reduced by an equal amount. By working closely with UTA on management of the contractor and the scope of work, the cities may be able to reduce the level of their capital obligations on the baseline project.

Such a reduction, however, would have consequences for the grant. For the full \$26 million in federal funds to be accessed, the project must consume the full amount of the budget, including the \$6 million contingency. If the project does not use the full contingency, the 70/30 federal-to-local matching ratio will reduce the amount of federal dollars available to the project.

There are two approaches available to the parties in this situation. The first is to simply close out the project at the lower cost, and accept a lower sum of federal dollars. The second is to identify other capital components that would complement the project, but which go beyond the baseline project, and which would qualify for federal matching contributions.

Because this project is an economic development project in addition to being a transportation project, the FTA has preliminarily indicated it would certify some "betterments" in the corridor as expenses that would be eligible for the federal matching dollars at the 70/30 ratio. Because the Baseline Project includes only the core elements needed for operation of the streetcar, there are several physical improvements to the remaining width of the corridor that would greatly enhance its appearance and its effectiveness as an economic development catalyst.

These betterments have been the subject of a robust public process and professional urban design analysis over the past 6 months. With presentations to the City Council planned in November 2011, and additional input expected from the public and property owners in the months ahead, the Administration plans to develop a “vision” for the corridor, along with a budget for implementation of the improvements needed to accomplish that vision. If the baseline project is completed under budget, some of these improvements could benefit from the federal matching dollars available in the TIGER II grant. This component of the project will be developed in the months ahead, and presented to the City Council for consideration at a later date, likely in mid-2012. The City will also need to consider a funding mechanism for those betterments at that time.

In order to meet the timeline specified in the TIGER II grant, however, the initial ILA governing the baseline project cannot wait for completion of the betterments discussion and decision process. The grant requires project construction to begin in April 2012, and meeting that deadline requires the execution of an Inter-local Agreement no later than the end of 2011. Again, the current ILA need only cover the costs associated with the baseline project, and can be amended later to add any desired betterments.

Proposed Funding Sources:

The ILA commits Salt Lake City to fund up to \$5.38 million of the capital construction cost. In the ILA, Salt Lake City would also commit to lend South Salt Lake City up to \$2.5 million of its \$4.2 million capital contribution, if South Salt Lake elected to utilize that option. Therefore, Salt Lake City must be prepared to provide up to \$7.88 million in funding for the project, understanding that \$2.5 of that amount accounts for a loan to South Salt Lake City, which would provide an annual repayment, based on the terms to be negotiated in a separate agreement with South Salt Lake City.

The Administration proposes to issue a sales tax revenue bond for the full amount needed, up to \$7.88 million, plus the cost of issuance, estimated to be approximately \$140,000 with repayments coming from the following sources:

RDA: \$2.25 million
CIP: \$3.27 million
SSL: \$2.50 million
Total: \$8.02 million

The assumption for RDA participation is based on RDA’s current balance of \$750,000 in cash allocated for the streetcar project, and an assumption that the Board would allocate at least \$500,000 toward the project in each of the three remaining fiscal years of the project area, adding \$1.5 million to the total. This amount could be transferred to the City’s CIP Fund, or could be paid annually from allocated RDA funds. Alternatively, available cash from the RDA could be used to reduce the overall amount of bonds issued.

As an alternative, the Council could, acting as the RDA Board, opt to allocate higher annual amounts from the Sugar House Budget in each of the future years, thereby reducing the burden on the City's CIP program. This, of course, would reduce the flow of RDA dollars available for other projects in Sugar House, such as public art, streetscape improvements and amenities, and public infrastructure improvements. RDA staff estimates that, if the Board wished, it could allocate up to \$750,000/year without jeopardizing funding for current ongoing commitments. Over three fiscal years, this level of RDA allocation would reduce the City's total General Fund share by \$750,000.

If South Salt Lake City requests a loan from Salt Lake City before June 1, 2012, the ILA would commit Salt Lake City to provide the loan on the following terms:

- Must be requested in writing by June 1, 2012
- Funds only available for SSL's contribution to Baseline project (not Betterments)
- Repayment secured with pledge of SSL Excise Tax revenues
- Interest rate and term to be negotiated by the cities
- No penalty for early repayment
- SSL will make good faith efforts to secure the funds on its own.

Attached is spreadsheet outlining several possible debt service scenarios, assuming repayment from South Salt Lake City over a period of 13 years, at an interest rate of approximately 6%. These scenarios are included for illustrative purposes only. A myriad of issues regarding debt service remain to be determined, including whether we would prefer to consider revenue from both South Salt Lake and the RDA as "special revenue" and pledge the revenues directly to our bond issue, thus excluding those pieces from our debt capacity calculations, or whether we would prefer to apply those revenues in a manner that equalizes the City contribution over time, which would likely mean those revenues could not be pledged, and the City's overall debt capacity would be reduced by the total amount of the bond. Further, an agreement regarding the terms of a loan with South Salt Lake has not yet been reached, and the highest rate the City would negotiate is included in these illustrations. These scenarios are meant to provide Council members with the range of choices that may be available once bonds are issued and a debt service budget is developed, likely in FY 2012-13.

Scenario One proposes to use the advance of funds repayment monies from South Salt Lake first, and supplement as necessary with RDA funds, which could be transferred to the City before the end of the RDA Sugarhouse District. In this scenario, CIP placeholder funds are not needed until FY 2021, but then escalate quickly, with CIP assuming full responsibility for the final 7 years of debt service. Scenario Two reverses the order between South Salt Lake and RDA funds, which would be held for debt service and then used as illustrated. In this scenario, CIP placeholder funds would not be needed until FY 2021, with CIP assuming full responsibility for the final 7 years of debt service. Scenario Three equalizes RDA payments over the full life of the bond, but uses South Salt Lake funds as they are collected for debt service. This would leave the CIP placeholder contributing the remainder of the debt service amount, which would begin around \$140,000 and then escalate as the South Salt Lake loan is paid off to around \$425,000. Finally, Scenario Four equalizes all payments across the life of the bond, which would require a contribution of approximately \$244,000 annually from the CIP placeholder amount. Prior to

bond issuance, the Administration will present a recommendation for debt service over the life of the bond, and will likely recommend Scenario 4, which would equalize payments over the full term of the bond.

2. Operations and Maintenance Funds

Representatives of South Salt Lake and Salt Lake Cities approached UTA in the mid-2000s asking for support of the project. UTA was receptive and agreed to support the process for evaluating the project, and has been an equal and committed partner throughout the process. UTA has consistently indicated, however, that its long range revenue projections (which revenues are based primarily on sales tax collections) would not likely be strong enough to pay for operations of the Streetcar line. Thus, UTA has insisted that the cities consider sharing the cost of operations and maintenance (O&M) for this project.

Based on experience with its existing rail service, UTA estimates that the annual O&M cost will be approximately \$1.5 million. This cost can be offset by fare box revenues, which UTA expects will produce approximately \$300,000 of revenue per year. This leaves an annual gap of approximately \$1.2 million that needs to be covered for O&M. The parties have agreed that this will be shared in equal thirds of \$400,000 per year for up to two years after the beginning of revenue service. After the end of two years, UTA will assume full responsibility for O&M costs on the line. Salt Lake City's maximum obligation will be \$800,000.

The cities' O&M obligations may be reduced from this amount if a voter referendum passes increasing UTA's sales tax collections. We are also negotiating other contingencies that might truncate the cities' O&M obligations.

Assuming Salt Lake City's O&M obligation is not extinguished or reduced by a referendum, the Administration believes there are several options for funding the City's \$800,000 O&M obligation. As mentioned above, these funds would not be needed until the FY 2013-14. Options include appropriating \$400,000 of revenue growth we may see in the next two years for this purpose from the City's General Fund, committing \$400,000 from fund balance in each year for this purpose, or reducing the CAM "placeholder" in CIP by \$400,000 in FY 2014 and FY 2015 in order to fund this commitment.

3. Additional Capital Costs: Corridor Vision and "Betterments"

The current ILA deals only with construction of the "Baseline" project, which includes ballasted track, overhead wires, 7 station locations, and in general, the equipment and material needed to enable the streetcar operate, but nothing more. Only a portion of the UTA corridor, which varies from 40-66 feet in width, will be needed for the streetcar track. The remainder of the corridor will be available to cities or adjacent property owners for the installation of improvements and amenities that serve the public, support the streetcar line, and help to catalyze development.

The two cities have funded and led a Corridor Visioning Process over the last six months to involve the general public, nearby property and business owners, and potential developers in an effort to define how the corridor should look. That process has included significant public involvement, as described below, as well as urban design and development assistance from Citiventure Associates and CRSA Architects. The formal results of this process will be presented to the community and the City Councils in the coming weeks and months.

In general, the results include a series of upgrades and finishes to the remainder of the corridor to create both a linear park corridor and a series of plazas and gathering places around the stations that would support development. We are currently working with a Citizens Advisory Committee in both cities to prioritize various elements of the recommended improvements, and to establish more accurate costs for those improvements. As the proposals are refined with additional public input, we will also evaluate opportunities and the appetite for private participation in those costs.

In the meantime, the City's Engineering Division has provided very rough cost estimates of approximately \$5.4 million for a "complete finish" of the Salt Lake City portion of the corridor with a series of landscaped trail sections and plazas. In addition, providing embedded track in the Salt Lake City portion of the corridor would add another \$2.1 million in cost. While these improvements and their costs need further public input and refinement, and do not need to be selected or funded at this time, we provide the rough estimates for informational purposes for the Council.

The Administration is not anticipating issuing a sales tax bond for this project prior to the completion of the betterment review. Once the visioning process is complete, the Administration will bring this issue back to the Council, and will request the Council adopt a parameters resolution in order to issue the sales tax bond at that time.

PUBLIC PROCESS:

Sugar House Streetcar Phase I Community Visioning

The Sugar House Streetcar Community Visioning project has been a collaboration of the RDA, City of South Salt Lake, Citiventure (Consultant), and UTA.

Community Open Houses May 12 & August 25:

Community open houses were held on May 12 and August 25 to provide information and collect public comments on the Sugar House Streetcar Line. The RDA staff sent postcards to residents and businesses located within one-block on each side of the Sugar House Rail Corridor, notifying them about the open houses. Over 3,000 postcards were mailed for both meetings. The meetings were also posted on the Salt Lake City Meeting Calendar, City Council, and Sugar House Streetcar websites. In addition, email blasts about the open houses were sent to community members and groups, businesses, and other stakeholders by the Sugar House Community Council, Westminster College, East Central Community Council, Liberty Wells

Community Council, Salt Lake City Planning Division, and the RDA. Also, flyers were distributed throughout the Sugar House community by members of the Sugar House Community Council about the open houses.

May 12 Community Open House:

The purpose of the open house was to educate the public about how this streetcar system will work, the public space and potential amenities in the corridor, including Parley's Trail, and what new development is planned nearby. The public shared their ideas and thoughts on what they would like to see and potential changes in the corridor potential changes and how they think they will use the corridor in the future. Over 150 members of the public attended the open house.

August 25 Community Open House:

The open house was a follow up to the May 28 meeting. Design concepts of the Sugarmont Corridor and Streetcar Line were presented for the community to review and provide input. Over 75 members of the public attended the open house.

July 20 Developers' Forum:

The RDA, Urban Land Institute, and the City of South Salt Lake partnered to host a developers' forum on July 20 to offer an early look at the designs and opportunities of the upcoming Sugar House Streetcar. Developers were brought up to speed on the project, met other key property owners and developers, and explored specific station area development opportunities. At the forum it was also discussed that the public sector has taken the lead on planning the infrastructure element, but capitalizing on the investment and building the community will need to come from the private sector. Developers were encouraged to construct new residential, commercial, retail and entertainment projects and plan to invest in civic projects to complement the streetcar line. Thirty-five developers and stakeholders attended the forum, which included walking tours of several station areas.

Community Events:

The RDA and the City of Salt Lake hosted booths at the Freedom Festival on July 2 and the Sugar House Street Fair on July 4. Posters showing renderings and other information on the streetcar were presented at the booth. Members of the public were encouraged to provide comments. An estimated 500 people passed through the booths and received information during the two events.

Sugar House Community Council Meetings:

The RDA staff has attended the Sugar House Community Council meetings since May to present information on the Sugar House Streetcar Line, provide updates on upcoming open houses and outreach events, and collect public comment.

Open City Hall:

The Sugar House Streetcar has been listed and maintained as a topic on Open City Hall since May 2011, with an emphasis on gathering input about what people would like to see in the corridor. The forum has attracted 279 participants, and generated 25 written comments, which are attached to this transmittal.

Publication of this Transmittal:

On November 8, 2011, this transmittal was posted to Open City Hall for public review and comment.

ATTACHMENTS:

1. Proposed Inter-local Agreement for Baseline Streetcar Project (work scope attached).
2. Resolution for Approving the Inter-local Agreement
3. List of public comments collected on Open City Hall
4. Debt Service Analysis Scenarios
5. Budget Ordinance for Budget Amendment #4
6. Budget Amendment Narrative
7. Budget Amendment Document
8. Debt Service Schedule, \$7.9 million for 20 Year Sales Tax Bond issue
9. Repayment Schedule, \$2.5 million over 13 years at 6% interest
10. General Fund Revenue projection, as of October 2011

**INTERLOCAL AGREEMENT
REGARDING
THE SUGAR HOUSE STREETCAR PROJECT**

THIS INTERLOCAL AGREEMENT REGARDING THE SUGAR HOUSE STREETCAR PROJECT (this “Agreement”), is entered into as of _____, 2011 (the “Effective Date”), by and between SALT LAKE CITY CORPORATION, a municipal corporation and political subdivision of the State of Utah (“SLC”), SOUTH SALT LAKE CITY, a municipal corporation and political subdivision of the State of Utah (“SSL”), and UTAH TRANSIT AUTHORITY, a public transit district and political subdivision of the State of Utah (“UTA”). SLC, SSL, and UTA are hereafter sometimes collectively referred to as “Parties” and may be referred to individually as a “Party.”

RECITALS

WHEREAS, UTA owns a discontinued rail corridor known as the “Sugar House Spur,” which runs easterly from UTA’s North/South TRAX light rail corridor for approximately two miles through SSL and SLC at approximately 2200 South;

WHEREAS, the Parties desire to construct and operate a streetcar system along the Sugar House Spur (the “Project”), and have worked together toward that goal for several years;

WHEREAS, the Project has been selected for federal assistance under the TIGER II Discretionary Grants program pursuant to Title I (Department of Transportation) of the FY 2010 Appropriations Act (Pub. L. 111-117, Dec. 16, 2009), in an amount not to exceed \$26,000,000; and

WHEREAS, the Parties desire to document herein their mutual goals, and their respective roles and obligations with respect to the Project.

AGREEMENT

NOW, THEREFORE, based upon the stated Recitals, which are incorporated herein by reference, and for and in consideration of the mutual covenants and agreements hereinafter set forth, it is hereby agreed as follows:

ARTICLE 1. DEFINITIONS

In addition to capitalized terms defined elsewhere in this Agreement, the following terms shall have the following meanings:

1.1 “Actual Project Cost” means the actual amount of money expended to design and construct the Baseline Project.

1.2 “Baseline Project” is defined in Article 3, Project Scope.

1.3 “Betterment” means any work that is (i) related to the Project and requires the expenditure of funds or other resources, (ii) not required by this Agreement to be performed as part of the Baseline Project, and (iii) performed at the request of one of the Parties pursuant to Article 12.

1.4 “Cities” means SLC and SSL.

1.5 “Contractor” means the Construction Manager/General Contractor (“CM/GC”) to be selected by the Parties and placed under contract to (a) coordinate with the Final Design Consultant during final design; (b) provide preconstruction value engineering and constructability reviews; (c) construct those portions of the Project to be self-performed by the CM/GC; (d) procure, manage and oversee those portions of the Project to be subcontracted; (e) negotiate and establish a lump sum price for the Project as identified in the CM/GC Contract; (f) procure, manage and oversee work that is considered Betterments, and which any Party requests to be performed by the Contractor as provided in Article 12; and (g) perform such other work as agreed by the Parties and incorporated into the terms of the CM/GC Contract.

1.6 “Construction Submittals” means design and construction drawings submitted to UTA by the Contractor, pursuant to the CM/GC Contract.

1.7 “CM/GC Contract” means the construction manager/general contractor contract to be entered into between UTA and the Contractor, pursuant to the terms of Article 5.

1.8 “Design Consultant” means HDR, Inc., the engineering firm selected by the Parties and currently under contract with UTA to perform preliminary design services, and any firm engaged by UTA to perform final design services.

1.9 “Design Services Contract” means that certain Contract for Professional Services between UTA and HDR, Inc., dated August 11, 2011, for preliminary design services, and any contract between UTA and an engineering firm engaged to provide final design services.

1.10 “Design Submittals” means all plans, drawings, or other design documents submitted to UTA by the Design Consultant, pursuant to the Design Services Contract.

1.11 “Final Design Consultant” means HDR, Inc., or such other firm engaged by UTA to provide final design services.

1.12 “Performance Specifications” means those standards, requirements, and criteria set forth in Exhibit C, attached hereto.

1.13 “Project” means the design and construction of a modern rail streetcar line of approximately two miles in length, running between UTA’s Central Pointe TRAX light rail station on the existing north-south light rail corridor, on the west, and McClelland Avenue, or approximately 1050 East. The term “Project” includes the Baseline Project, along with any Betterments desired by a Party and approved pursuant to Article 12.

1.14 “Project Costs” means all costs and expenses heretofore or hereafter incurred by UTA in connection with, and reasonably allocated to, the planning, management, and implementation of the Project in accordance with the Final Design Documents, including by way of example, and not limitation, environmental review costs; preliminary design, final design and construction engineering costs; costs of equipment, materials, supplies and labor; construction costs; and costs of managing construction and enforcing the terms of the CM/GC Contract. Project Costs shall not include legal fees or other expenses incurred in negotiating or drafting this Agreement, or the Parties’ financing costs.

1.15 “Project Executive Team” means the SLC Mayor, the SSL Mayor, and the UTA General Manager.

1.16 “Project Footprint” means that portion of the Sugar House Spur physically occupied by facilities and improvements required in the Baseline Project.

1.17 “Project Integration Team” means the SLC Representative, the SSL Representative, and the UTA Representative.

1.18 “SLC Representative” means the SLC City Engineer. As of the Effective Date, the SLC Representative is John Naser.

1.19 “SSL Representative” means the SSL Public Works Director. As of the Effective Date, the SSL Representative is Dennis Pay.

1.20 “UTA Representative” means the UTA Project Manager for the Project. As of the Effective Date, the UTA Representative is Jim Webb.

ARTICLE 2. PURPOSE OF AGREEMENT

2.1 The Parties have entered into this Agreement for the following primary purposes:

2.1.1 To identify and document the interests and objectives of each Party with respect to the Project, and to establish Project parameters with respect to design, cost and service requirements. This Agreement shall constitute the guiding document governing the Project.

2.1.2 To provide for the allocation of Project Costs among the Parties.

2.1.3 To describe the respective responsibilities of the Parties and establish cooperative procedures that will achieve the objectives identified herein.

2.1.4 To establish a mechanism for achieving critical path milestones (such as obtaining Tiger II Grant funding), and for establishing construction commencement and completion dates.

2.1.5 To establish procedures for making decisions in connection with a number of unresolved issues relating to the Project.

2.1.6 To provide for the future operation and maintenance of the Project, and the payment of the costs thereof.

2.1.7 To establish mechanisms for resolving any disputes between the Parties arising in connection with the Project.

2.1.8 To establish procedures for making changes in the Scope of Project, Performance Specifications, and other matters relating to the Project.

ARTICLE 3. PROJECT SCOPE

3.1 The scope of the Project includes (i) the Baseline Project, and (ii) optional Betterments that may be included in the Project pursuant to the terms of Article 12. The Baseline Project is more particularly described in the Scope of Work, attached hereto as Exhibit B. The Scope of Work has been drafted and approved by the Parties, and the final design shall be prepared, with the objective of establishing the absolute minimum criteria that will result in a Project (i) physically capable of initially providing a minimally acceptable level of streetcar service within the Project corridor, and (ii) meeting the commitments made by the Parties in the TIGER II Grant, at the lowest possible cost. An initial list of optional Betterments is attached hereto as Exhibit C.

3.2 The Scope of Work, along with the Performance Specifications, define and establish the “baseline” design and construction requirements for the Project (the “Baseline Project”). All costs and expenses associated with completing the Baseline Project in conformity with the Scope of Work and the Performance Specifications shall be considered Project Costs.

3.3 The Parties may amend the Baseline Project to include additional scope or, with the approval of FTA, exclude existing scope. Any such changes to the Baseline Project shall be made by mutual written agreement of the Parties.

3.4 The total cost to design and construct the Baseline Project is estimated to be \$37,180,000.

ARTICLE 4. PROJECT DESIGN

4.1 UTA has engaged the firm of HDR, Inc. as the Design Consultant to prepare the preliminary design for the Project, and has the option of extending HDR’s contract to include the final design for the Project. In addition, the Parties may enter into other design contracts as recommended by the Project Integration Team.

4.2 UTA shall oversee and manage the efforts of the Design Consultant consistent with the Scope of Work, the Performance Specifications and the provisions of this Agreement. The Cities may provide comments to any Design Submittals and UTA will direct the Design Consultant to incorporate appropriate changes into the Design Submittals. UTA shall be the sole point of formal contact with the Design Consultant.

4.3 The Design Consultant has been tasked with the responsibility of meeting the Parties' objectives in connection with preparation of the Scope of Work, as those objectives are described in paragraph 3.1, above.

4.4 Throughout the design process, UTA shall cause the Design Consultant to provide the Cities with the opportunity of reviewing and commenting on all Design Submittals, including the preliminary design documents and the final design documents. The City Representatives shall be available to conduct "over-the-shoulder" reviews of Design Submittals and related work. UTA shall cause the Design Consultant to address all comments on the Design Submittals that are timely offered by the City Representatives.

4.5 UTA shall ensure that the Cities have the opportunity to participate in all formal and informal design meetings and reviews with the Design Consultant.

4.6 Any Party may request changes in the Scope of Work or any of the Performance Specifications, which changes must be approved by the other Parties prior to implementation. Each Party agrees to consider such requests in good faith.

4.7 When completed, the final design documents shall consist of and include (i) the Baseline Project Scope of Work, and (ii) any optional Betterments incorporated into the Project pursuant to Article 12. The preliminary design documents shall not be included in, or form the basis of, the CM/GC RFP or bid documents until the preliminary design documents have been approved by the Project Integration Team.

ARTICLE 5. AWARD OF CM/GC CONTRACT; CONSTRUCTION OF THE PROJECT

5.1 The Project shall be undertaken by UTA using the construction manager/general contractor procurement method. The CM/GC shall be selected as provided in this Section 5.1, and is hereinafter referred to as the "Contractor". UTA shall, with the assistance of the Project Integration Team, prepare an RFP for the solicitation of proposals by potential CM/GCs. The RFP shall not be released until the same has been approved by the Project Integration Team. Proposals shall be reviewed and evaluated by the Parties, generally as provided in the approved RFP. UTA shall select the winning Proposal only with the consensus of all of the Parties.

5.2 UTA shall negotiate, prepare, and execute the CM/GC Contract in a form acceptable to the Project Integration Team. Unless otherwise agreed by the Parties, UTA will not issue a Notice to Proceed to the CM/GC under the CM/GC Contract unless and until UTA and the Contractor have negotiated a contract price for the Baseline Project not to exceed \$37,180,000, less a reasonable contingency, to be agreed on by the Parties. UTA shall manage the Contractor and the CM/GC Contract in consultation with the Project Integration Team. The CM/GC Contract shall incorporate and require compliance with all applicable terms and

provisions of this Agreement. The CM/GC Contract shall include performance and payment bonds in a form and from a surety acceptable to the Parties.

5.3 UTA shall hold a standing, weekly construction coordination meeting, to which the Design Consultant, the Contractor and the City Representatives shall be invited.

5.4 UTA shall cause the Contractor to provide the City Representatives with the opportunity to review and comment upon all Construction Submittals. The City Representatives shall be available to conduct “over the shoulder” reviews of Construction Submittals and related work. UTA shall cause the Contractor to address all comments on the Construction Submittals that are timely offered by the City Representatives.

5.5 UTA shall oversee and manage the efforts of the Contractor consistent with the CM/GC Contract, the Performance Specifications and the provisions of this Agreement. UTA shall be the sole point of formal contact with the Contractor during the preconstruction and construction phases of the Project. UTA recognizes that the Cities will have considerable interaction with the Contractor, but the Cities agree that they shall not provide formal direction to the Contractor.

5.6 The Cities shall have continuous access to the Project site to monitor all Project construction. If, as a result of a City’s observation of construction, a City objects to the manner in which work is being performed, the City Representative shall immediately notify the UTA Representative or his or her designee. UTA shall cause the Contractor to comply with the design documents, the Performance Specifications and the terms and conditions of this Agreement. A City shall not directly order the Contractor to stop or correct work except as necessary to prevent or mitigate an imminent threat of death, bodily injury, other serious damage to persons or property, or the imminent threat of the disruption of critical utility facilities, as determined by the City in good faith.

5.7 UTA shall oversee the construction-phase services to be performed by the Design Consultant and others including, without limitation, processing all construction submittals, invoices, change orders, requests for clarification and quality control on behalf of the Parties.

5.8 UTA agrees to enforce all terms, conditions, performance requirements and warranties provided under the CM/GC Contract on behalf of the Cities and to cause the Contractor to correct any defective or non-compliant work as required by the CM/GC Contract and as reasonably requested by a City.

5.9 Change orders (which include, but are not limited to, Betterments) may be requested by any Party, or by the Contractor. UTA may approve and execute any requested change order, with the approval of the Project Integration Team. Notwithstanding the foregoing, UTA may approve change orders in an amount less than \$25,000 without the prior approval of the Project Integration Team.

ARTICLE 6. DESIGN AND CONSTRUCTION COSTS AND CONTRIBUTIONS

6.1 ESTIMATED PROJECT COST. Design and construction of the Baseline Project is currently estimated to cost a total of \$37,180,000 (“Estimated Project Cost”). The Estimated Project Cost includes the cost the cost of design and construction itself, the cost of additional right-of-way acquisitions, professional services, and unallocated contingency. Those cost categories are set forth more fully in the TIGER II Grant. Such figure is only an estimate. The actual cost to design and construct the Baseline Project (the “Actual Project Cost”) may turn out to be either more or less than the Estimated Project Cost.

6.2 FEDERAL MATCH. The Parties have been awarded a federal grant for the Project under the TIGER II Department of Transportation grants program, in an amount not to exceed \$26,000,000 (the “TIGER II Grant”). The TIGER II Grant, together with local funding in the amount of \$11,180,000, will fund the Estimated Project Cost of \$37,180,000.

6.3 The TIGER II Grant is based on a 70% federal to 30% local ratio, under which UTA, as the grantee, expends funds on the Project and then submits those expenditures for 70% reimbursement.¹ Effectively, this means that 30 cents of local funds spent on the Project “earns” approximately 70 cents of federal funds to be spent on the Project (and every local \$1.00 spent on the Project earns approximately \$2.325 of federal funds for the Project). Since the Tiger II Grant is capped at \$26,000,000, any local funds spent on the Project in excess of approximately \$11,180,000 will not receive federal matching dollars.

6.4 LOCAL SHARE. The Parties hereby agree to provide local funding as follows.

6.4.1 TIER I. SLC and SSL shall provide TIER I local funding in equal amounts as follows:

Local Contribution		Federal Match (approximate)	Total
SLC	\$1,700,000	\$3,952,500	\$5,652,500
SSL	\$1,700,000	\$3,952,500	\$5,652,500
TIER I Total	\$3,400,000	\$7,905,000	\$11,305,000

While the Actual Project Cost is not known at this time, it is expected to exceed the TIER I budget of \$11,305,000.

6.4.2 If the Actual Project Cost exceeds the combined TIER I budget of \$11,305,000, SLC and SSL must each provide their entire TIER I commitment of \$1,700,000. In no event shall SLC or SSL be required to contribute more than \$1,700,000 to the Project under TIER I.

¹ The figure 70% is approximate. The Estimated Project Cost of \$37,180,000, divided by the Tiger II Grant amount of \$26,000,000, means that the federal share is actually 69.993006%.

6.4.3 SLC and SSL shall provide their TIER I local funding in the manner set forth in Article 11.

6.4.4 TIER II. If the Actual Project Cost exceeds the TIER I budget of \$11,305,000, the Cities agree to provide TIER II local funding in equal amounts as follows:

Local Contribution		Federal Match (approximate)	Total Funding
SLC	As necessary to fund the Actual Project Cost, up to \$2,500,000	Up to \$5,812,500	\$8,312,500, maximum
SSL	As necessary to fund the Actual Project Cost, up to \$2,500,000	Up to \$5,812,500	\$8,312,500, maximum
TIER II Subtotal	SLC + SSL TIER II contributions, \$5,000,000 maximum	Up to \$11,625,000	\$16,625,000, maximum
Tiers I and II, Total	\$8,400,000, maximum	\$19,530,000, maximum	\$27,930,000, maximum

6.4.5 Under TIER II, SLC and SSL are only obligated to expend the amount necessary, together with the federal match and the amounts available under the TIER I budget, to fund the Actual Project Cost. If the Actual Project Cost is less than the TIER I and II budget of \$27,930,000, SLC and SSL will not be required to fully expend their respective TIER II commitments of \$2,500,000.

6.4.6 If the Actual Project Cost exceeds the combined TIER I and II budget of \$27,930,000, SLC and SSL must each provide their entire TIER II commitment of \$2,500,000. In no event shall SLC or SSL be required to contribute more than \$2,500,000 to the Project under TIER II.

6.4.7 TIER II funding shall not be due from SLC or SSL prior to August 1, 2012, but otherwise shall be provided in the manner set forth in Article 11.

6.4.8 TIER III. If the Actual Project Cost exceeds the combined TIER I and TIER II budget of \$27,930,000, SLC shall provide TIER III funding as follows:

Local Contribution		Federal Match (approximate)	Total Funding
SLC	As necessary to fund the Actual Project Cost, up	Up to \$2,743,500	\$3,923,500, maximum

	to \$1,180,000		
Total (together with TIER I and TIER II funding)	\$9,580,000, maximum local	\$22,273,500, maximum	\$31,853,500, maximum

6.4.9 Under TIER III, SLC is only obligated to expend the amount necessary, together with the federal match, and the amounts available under the TIER I and II budgets, to fund the Actual Project Cost. If the Actual Project Cost is less than the combined maximum TIER I, II and III budget of \$31,853,500, SLC will not be required to expend its entire TIER III commitment of \$1,180,000.

6.4.10 If the Actual Project Cost exceeds the TIER III budget of \$31,853,500, SLC must provide its entire TIER III commitment of \$1,180,000. In no event shall SLC be required to contribute more than \$1,180,000 to the Project under TIER III.

6.4.11 TIER III funding shall not be due from SLC prior to August 1, 2012.

6.4.12 TIER IV. In the event that the Actual Project Cost exceeds the combined TIER I, II and III budget of \$31,853,500, UTA agrees to provide TIER IV funding as follows:

Local Contribution		Federal Match (approximate)	Total Funding
UTA	As necessary to fund the Actual Project Cost, up to \$1,600,000	Up to \$3,726,500	\$5,326,500, maximum
Total (together with TIER I, II and III funding)	\$11,180,000, maximum	\$26,000,000, maximum	\$37,180,000, maximum

6.4.13 Under TIER IV, UTA is only obligated to expend the amount necessary, together with the federal match, and the amounts available under the TIER I, II and III budgets, to fund the Actual Project Cost. If the Actual Project Cost is less than the Estimated Project Cost/TIER IV budget of \$37,180,000, UTA will not be required to expend its entire TIER IV commitment of \$1,600,000.

6.4.14 If the Actual Project Cost is equal to or exceeds the TIER IV budget of \$37,180,000, UTA must provide its entire TIER III commitment of \$1,600,000. In no event shall UTA be required to contribute more than \$1,600,000 to the Project under TIER IV.

6.4.15 TIER IV funding shall not be due from UTA prior to January 1, 2013.

6.4.16 TIER V. Pursuant to Section 5.2 above, UTA shall not issue a Notice to Proceed to the Contractor unless UTA is successful in negotiating a contract price for the Baseline Project of \$37,180,000 or less. If, however, due to cost overruns, the Actual Project Cost exceeds the Estimated Project Cost/TIER IV budget of \$37,180,000, the Parties will fund any such cost overruns in three equal shares. This obligation is separate from and in addition to any Party's funding obligations under TIERS I, II, III, or IV. The Parties agree, however, to make every effort to construct the Project within the Estimated Project Cost. The Parties agree that they will offset unanticipated cost overruns by cutting scope from the Baseline Project, if possible and with any required FTA approval, before exceeding the Estimated Project Cost. TIER V funding shall be due in the manner set forth in Article 11.

6.4.17 In-Kind Contributions. It is anticipated that each of the Parties may make in-kind contributions to the Project, in the form of staff time, right-of-way, etc. Such contributions may be eligible for federal matching dollars. The Project Integration Team shall determine whether to submit such in-kind expenditures for reimbursement under the TIGER II Grant. Such in-kind contributions shall, at the direction of the Project Integration Team, be credited to the Cities' funding obligations under this Article if they are (i) approved by FTA for federal match, and (ii) budgeted as part of the Estimated Project Cost, as determined by the Project Integration Team. Such in-kind contributions made by UTA shall be credited as agreed by the Project Integration Team.

6.4.18 Subject to the provision of this Section 6.4.17, each City shall be responsible for funding its own payment obligations under this Agreement in such manner and utilizing such financing mechanisms as each such City shall deem appropriate. Notwithstanding the foregoing, the Cities agree between themselves as follows:

6.4.18.1 The Cities shall in good faith explore the feasibility of creating an interlocal entity pursuant to Title 11, Chapter 13 of the Utah Code, by mutual agreement, for the purpose, among others, of issuing bonds to finance, or otherwise providing financing vehicles for, all or a portion of the funding obligations of the Cities hereunder. The Cities shall immediately begin discussions toward such end, with a view to creating such an entity not later than April 1, 2012.

6.4.18.2 SSL shall make good faith efforts to diligently pursue separate public financing for the portion of its payment obligations it does not intend to meet with cash reserves or by other methods.

6.4.18.3 If, by June 1, 2012, SSL is unable to secure financing for its Tier II payment obligations on commercially reasonable terms, it shall so notify SLC in writing. The Cities shall thereupon, in consultation with UTA, identify the amount of SSL's Tier II payment obligation (the "SSL Tier II Amount"). SLC shall thereafter advance the SSL Tier II Amount to the Project in the same manner as all other payments to the Project are made. SSL shall agree to repay to SLC the SSL Tier II Amount so advanced by SLC, and to pledge as a source of payment and security for such repayment obligation the excise taxes currently pledged to the payment of the \$15,000,000 City of South Salt Lake Redevelopment Agency Excise Tax and Tax Increment Revenue Bonds Series, 2010 (the "Existing SSL Bonds"). SSL is planning on refunding the Existing SSL Bonds, which refunding will create an annual debt service savings

of \$290,000 (the “Debt Service Savings”). SSL agrees to repay the SSL Tier II Amount to SLC in equal semi-annual installments, based on an amortization over a period of not less than ten (10) years, and in some combination of term and interest rate mutually agreeable to the Cities that results in debt service payments that do not exceed the Debt Service Savings; provided that SLC may require SSL to fund a debt service reserve fund in an amount reasonably required by SLC that, together with debt service, does not exceed the Debt Service Savings. If, upon completion of the Project, SLC has not fully advanced the SSL Tier II Amount, the remaining amount shall be credited as a prepayment of principal against SSL’s repayment obligation. SLC’s agreement to advance the SSL Tier II Amount, and SSL’s obligation to repay such amount to SLC, shall be documented with an interlocal agreement between the Cities, or such other documentation as the Cities shall mutually agree.

ARTICLE 7. SPENDING PROJECT SAVINGS

7.1 If the Actual Project Cost is below the Estimated Project Cost, the Parties may elect to spend additional local funds on Project Betterments in order to “earn” some or all of the remaining available federal matching dollars. No Party will be required to provide additional funding under this Article. The Parties understand and agree that local funding applied to any such Betterments will only receive federal matching dollars if the FTA deems the Betterments eligible for federal matching.

7.2 Subject to paragraph 7.2.1, each City shall be entitled to spend an amount equal to the remainder, if any, of its TIER I, II, or III commitment to “claim” the corresponding federal match to fund Betterments within each respective City. Any portion of the federal share unclaimed by one City may be claimed by the other City, upon the City’s commitment to pay the necessary local share.

7.2.1 Notwithstanding the foregoing, SSL may not use funds advanced by SLC on its behalf under paragraph 6.4.17 to claim a federal match for Betterments.

7.3 UTA shall be entitled to spend the remainder, if any, of its TIER IV commitment to “claim” the federal match to fund Betterments to the Project. Any portion of the TIER IV federal share unclaimed by UTA may be claimed by another Party, upon that Party’s commitment to pay the necessary local share.

ARTICLE 8. RIGHT OF WAY COSTS AND CONTRIBUTIONS

8.1 UTA acquired the Sugar House Spur rail corridor from Union Pacific Railroad in 2002, as part of a larger transaction in which UTA acquired approximately 75 miles of rail corridor property. The estimated value of the Sugar House Spur is \$6,300,000. UTA agrees to allow the use of the Sugar House Spur for the Project. It is anticipated that the Project Footprint will not occupy the entirety of the Sugar House Spur. UTA retains the right to use the remainder of the Sugar House Spur for purposes not inconsistent with the Project, or the Sugar House Corridor Management Policies described in Article 16.

8.2 SSL has jurisdiction over the following local streets that must be crossed by the Project: West Temple, Main, 200 East, 300 East, 400 East. SSL agrees to allow the use of these

streets for the Project. The value of this contribution may be treated as an in-kind contribution pursuant to paragraph 6.4.12, with the approval of the Project Integration Team.

8.3 SLC has jurisdiction over the following local streets that must be crossed by the Project: 500 East, 600 East, Lake Street, 800 East, and 900 East. SLC agrees to allow the use of these streets for the Project. The value of this contribution may be treated as an in-kind contribution pursuant to paragraph 6.4.12, with the approval of the Project Integration Team.

8.4 The Parties understand and agree that there will be additional right-of-way acquisition needs as the Project is designed and constructed. Costs associated with such acquisitions, to the extent necessary for the Baseline Project, will be deemed Project Costs.

ARTICLE 9. VEHICLE COSTS AND CONTRIBUTION

9.1 The Parties agree that efficient operation of the Project will require three vehicles, and that current funding sources do not provide a means to acquire vehicles. UTA is in the process of acquiring, testing, and commissioning a number of Siemens S70 light rail vehicles (“Siemens LRVs”), to be used in connection with UTA’s existing TRAX system, as well as with other ongoing capital expansion projects. UTA agrees to devote three Siemens LRVs to the Project. UTA will retain full ownership of the Siemens LRVs at all times.

9.2 The Parties understand and agree that there will be additional vehicle costs associated with modifying the Siemens LRVs from UTA’s light rail specifications, to accommodate Project-specific requirements. Such costs will be considered Project Costs.

ARTICLE 10. ALTERNATIVE FUNDING SOURCES

10.1 The Parties may attempt to fund some or all of the Actual Project Cost and O&M Costs (defined in Article 13, below) from third party sources, as described herein. Such third party sources may include, but are not limited to: other grant programs, appropriations by the Utah State Legislature, contributions from Salt Lake County, contributions from business associations, and contributions or investments from private landowners with an interest in the Project. Any such funding contributions shall be allocated to Project Costs and O&M Costs as follows:

10.2 Any funds contributed toward Project Costs shall be credited against the Parties local funding obligations as determined by the Project Executive Team.

10.3 Any funds charged by UTA to non-Parties for the use of the Sugar House Spur shall be retained by UTA. Further, any funds charged by UTA to Parties for uses of the Sugar House Spur wholly unrelated to the Project (such as, for example, the placement of a utility facility unrelated to the Project) shall be retained by UTA. Any such uses shall be consistent with the Sugar House Corridor Management Policies.

ARTICLE 11. MANNER AND TIMING OF FUNDING

11.1 UTA will prepare and deliver to the Cities monthly invoices for their respective shares of the local portion of Project Costs, as Project Costs are incurred. Each invoice shall be

accompanied by documentation of the Project Costs incurred for which payment is being requested, and the Cities shall remit payment to UTA within 30 days after receipt of such invoices. If the Cities dispute any portion of an invoice, they shall remit payment of the undisputed portion within 30 days, while the Project Integration Team reviews the disputed amounts.

11.2 The Parties recognize and agree that UTA has already incurred costs that are considered Project Costs. Such costs include monies paid for professional services, including monies paid to the Design Consultant. Immediately upon execution of this Agreement, UTA may invoice the Cities for such costs, and the Cities shall remit payment to UTA within 30 days after receipt of such invoices.

ARTICLE 12. BETTERMENTS

12.1 Any Party may request Betterments in accordance with the terms of this Section.

12.2 Requests for Betterments shall be made as early in the Project planning and design process as possible. Requests shall be submitted in writing to the Project Integration Team.

12.3 A request for a Betterment shall be implemented by the Parties if: (i) the Betterment is not prohibited by a governing State or federal standard; (ii) the Betterment does not substantially adversely impact the operation of the Project; and (iii) the Betterment will not unreasonably delay or interfere with the Project schedule.

12.4 Unless otherwise agreed by the Parties, the Party requesting the Betterment shall be responsible for all incremental costs incurred as a result of the Betterment; provided that the Parties shall only be responsible for the local match portion of any Betterments funded from Project savings, as contemplated in Article 7. The Parties shall enter into a letter agreement or similar document governing the terms pursuant to which the Party requesting the Betterment shall pay for the Betterment. The Party Representative requesting the Betterment shall be solely responsible for obtaining any necessary internal approval of the requested Betterment in a timely manner.

ARTICLE 13. OPERATIONS AND MAINTENANCE

13.1 Upon completion of the Project and the opening of the Project for use by the public (the "Revenue Operations Date"), UTA will begin to incur costs associated with operations and maintenance ("O&M Costs"). The Parties anticipate that the O&M Costs will exceed the revenues recovered through fares for some time. SLC and SSL agree to offset a portion of UTA's O&M Costs for a period not to exceed two years, as set forth herein.

13.2 For the first two years following the Revenue Operations Date, SLC and SSL shall each pay to UTA the amount of \$100,000 per quarter, in a total amount not to exceed \$800,000 per City.

13.3 The Cities' obligation hereunder shall terminate on the "Cessation of O&M Funding Date," which shall be the earlier of: (i) December 31st of a year in which a referendum

is held by which Salt Lake County voters approve a [1/4] cent sales tax increase dedicated to transit purposes, or (ii) two years after the Revenue Operations Date. Upon the cessation of the Cities' O&M funding obligations hereunder, UTA shall assume full responsibility to fund the O&M Costs.

13.4 UTA will invoice the Cities for their respective shares of the O&M Costs, as described hereunder, on a quarterly basis. The Cities shall remit payment to UTA within 30 days after receipt of such invoices.

13.5 UTA agrees to discuss in good faith the Cities' concerns about balancing rail and bus service within the 2100 South/Sugar House Spur corridor.

ARTICLE 14. PROJECT MANAGEMENT AND DECISION-MAKING

14.1 The Parties hereby create a Project Integration Team consisting of the UTA Representative, the SSL Representative, and the SLC Representative.

14.2 Each member of the Project Integration Team shall consult with such technical experts, principals or other personnel of the Cities or UTA, as appropriate, as may be required to properly perform his or her duties on the Project Integration Team, and shall obtain any authority or approval required prior to authorizing, approving or taking any action on behalf of the Project.

14.3 During the design and construction phase of the Project, the Project Integration Team shall: (a) meet on a regular basis; (b) perform all functions expressly assigned to the Project Integration Team in this Agreement, (c) review and approve relevant deliverables as set forth in this Agreement; (d) recommend any amendments to this Agreement or the Scope of Project deemed necessary or desirable; and (e) facilitate the development of the Sugar House Corridor Management Policies; and (f) address and resolve issues, disputes or concerns arising during the course of the Project.

14.4 Once the Project begins revenue operations, the Project Integration Team shall: (a) meet on a regular basis; (b) jointly make recommendations to the Project Executive Team regarding service levels, schedules, and other operational issues; (c) review and make recommendations regarding capital improvements deemed necessary or desirable; (d) recommend any amendments to this Agreement deemed necessary or desirable; (e) continue to facilitate the development of the Sugar House Corridor Management Policies; (f) address and resolve issues, disputes or concerns between the Parties arising from or related to the Project or the operation thereof; and (g) perform all other functions expressly assigned to the Project Integration Team in this Agreement.

14.5 The Parties hereby create a Project Executive Team consisting of the following individuals: (i) for SLC, the SLC Mayor, (ii) for SSL, the SSL Mayor, and (iii) for UTA, the General Manager. The Project Executive Team shall: (i) meet on at least a quarterly basis to review the progress and status of the design and construction of the Project, and once the Project begins revenue operations, to review the operations and performance of the Project, (ii) jointly make decisions regarding service levels, (iii) perform such duties and functions as are expressly

assigned to the Project Executive Team in this Agreement, and (iv) resolve all disputes and make all decisions escalated to the Project Executive Team by the Project Integration Team.

14.6 Any dispute that cannot be resolved by the Project Integration Team shall be forwarded to the Project Executive Team.

14.7 On the Cessation of O&M Funding Date, the Project Integration Team and Project Executive Team shall be dissolved, and UTA shall assume sole responsibility and authority to operate the Project, consistent with the Sugar House Corridor Management Policies and Article 16 below. Nevertheless, the SLC Mayor, SSL Mayor, and UTA General Manager may still meet to review and discuss UTA's operation of the Project, and the Parties' efforts in implementing the Sugar House Corridor Management Policies.

14.8 The Parties shall exhaust the dispute escalation and resolution process identified in this Article prior to the initiation of any formal legal action. If a dispute cannot be resolved by the Parties after good faith negotiations as outlined in this Article, the dispute may then be brought before a court of competent jurisdiction as set forth in Article 23 of this Agreement.

14.9 Except for decisions which are expressly reserved in this Agreement to the UTA Board, whenever in this Agreement a decision, approval consent or other action is to be made or taken by "UTA," such decision, approval, consent or other action shall be made or taken by the General Manager of UTA, without further approval from the UTA Board.

ARTICLE 15. PROJECT STATIONS

15.1 The Project shall include stations at the locations identified on the Scope of Work, attached hereto.

15.2 All stations shall include the elements and features, and shall be built to the standards, described in the Scope of Work.

15.3 UTA shall consult with the Mayors prior to the selection of names for the stations. UTA shall consider, in good faith, any station names proposed by the Cities.

ARTICLE 16. OWNERSHIP AND MAINTENANCE OF IMPROVEMENTS

16.1 The Project Integration Team will coordinate a process for establishing Sugar House Corridor Management Policies. Such Management Policies, to be completed prior to the Revenue Operations Date, will identify how the Parties will operate within the Sugar House Spur. The underlying goals for the Management Policies will include the expectation of the Parties to create an overall integrated area of development that will facilitate the use of the Sugar House Spur by users of the Project, a bike and walking trail, residential areas, and commercial areas, and enhance the overall redevelopment of neighboring areas within each City.

16.2 Unless otherwise agreed by the Parties, upon satisfactory completion of all improvements constructed as part of the Baseline Project, UTA shall accept ownership of such improvements as part of its transit system. UTA shall assume all maintenance and operation responsibility with respect to such improvements.

16.3 Unless otherwise agreed by the Parties, upon satisfactory completion of the utility, roadway, sidewalk and related improvements constructed pursuant to the Project, each City shall accept such improvements as the City's public improvements. Each City shall assume all maintenance and operation responsibility with respect to such improvements within its own boundaries.

ARTICLE 17. TERM

This Agreement shall be effective as of the Effective Date and, unless otherwise agreed between the Parties, shall continue thereafter in full force and effect until all obligations, commitments and requirements have been fully performed as set forth hereunder. Nothing provided herein shall be construed so as to exceed the term limitation provided in the Act. The expiration or termination of this Agreement shall not relieve or excuse any Party of any obligations accruing prior to the expiration or termination hereof including, without limitation, the covenants and warranties made hereunder and any obligations accruing under the indemnification provisions set forth in Article 18 of this Agreement

ARTICLE 18. INDEMNITY

Each Party (the "Indemnifying Party") hereby agrees to indemnify, defend and hold harmless the other Party and such Party's respective agents, employees, officers, officials, directors, trustees and assigns (collectively, the "Indemnified Party") from and against any and all claims, demands, liens, liabilities, costs, fees (including reasonable attorneys' fees), damages or other losses incurred by the Indemnified Party and arising out of or by reason of: (a) the negligent acts or omissions of the Indemnifying Party or its agents; or (b) the material breach of this Agreement by the Indemnifying Party or its agents. The indemnities provided hereunder are contractual obligations personal to the Parties hereto. Nothing provided in this Agreement is intended to waive, modify, limit or otherwise affect any defense or provisions that the Parties may assert with respect to any third party under the Utah Governmental Immunity Act or other applicable law.

ARTICLE 19. DEFAULT

A Party shall be deemed in default of this Agreement upon the failure of such Party to observe or perform a covenant, condition or agreement on its part to be observed or performed, and the continuance of such failure for a period of thirty (30) days after the giving of written notice by the non-defaulting Party, which notice shall specify such failure and request that it be remedied; provided, however, that if the failure stated in such notice cannot be corrected within the applicable period, it shall not give rise to a default hereunder if corrective action is instituted within the 30-day period and diligently pursued until such failure is corrected. In the event of a default hereunder, the non-defaulting Party shall have a breach of contract claim remedy against the defaulting Party in addition to all other remedies provided or permitted by law, provided that no remedy which would have the effect of amending any provisions of this Agreement shall become effective without formal amendment of this Agreement.

ARTICLE 20. NOTICES

Any notice, demand, request, consent, submission, approval, designation or other communication which either Party is required or desires to give under this Agreement shall be made in writing and mailed or faxed to the other Party at the addresses set forth below or at such other addresses as the Party may provide in writing from time to time. Such notices shall be hand delivered, mailed (by first-class mail, postage prepaid) or delivered by courier service as follows:

If to the SLC:

Salt Lake City Corporation
Attn: City Mayor
City & County Building
451 South State Street, Room 306
Salt Lake City, Utah 84111

With a Copy to:

Salt Lake City Attorney's Office
City & County Building
451 South State Street, Room 505
Salt Lake City, Utah 84111

If to UTA:

Utah Transit Authority
Attn: General Manager
3600 South 700 West
Salt Lake City, Utah 84119

With a Copy to:

Utah Transit Authority
Attn: General Counsel's Office
3600 South 700 West
Salt Lake City, Utah 84119

If to SSL:

South Salt Lake City
Attn: City Mayor
220 E. Morris Avenue, Suite 200
South Salt Lake, Utah 84115

With a Copy to:

South Salt Lake City
Attn: City Attorney
220 E. Morris Avenue, Suite 200
South Salt Lake, Utah 84115

ARTICLE 21. NON-WAIVER

No covenant or condition of this Agreement may be waived by either Party unless done so in writing by such Party. Forbearance or indulgence by a Party in any regard whatsoever shall not constitute a waiver of the covenants or conditions to be performed by the other Party.

ARTICLE 22. SEVERABILITY

If any provision of this Agreement shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatsoever.

ARTICLE 23. GOVERNING LAW

This Agreement shall be governed by the laws of the State of Utah, both as to interpretation and performance. It shall be enforced only a court of competent jurisdiction located in Salt Lake City, Utah.

ARTICLE 24. NO THIRD PARTY BENEFICIARIES

There are no intended third Party beneficiaries to this Agreement. It is expressly understood that enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the Parties, and nothing contained in this Agreement shall give or allow any claim or right of action by any third person under this Agreement. It is the express intention of the Parties that any third person who receives benefits under this Agreement shall be deemed an incidental beneficiary only.

ARTICLE 25. ENTIRE AGREEMENT; AMENDMENT

Except as expressly provided herein, this Agreement contains the entire agreement between the Parties with respect to the subject matter hereof, and no statements, promises or inducements made by any Party or agents of any Party that are not contained in this Agreement shall be binding or valid. This Agreement may not be amended, enlarged, modified or altered except through a written instrument signed by all Parties.

ARTICLE 26. POLICE POWER

The Parties acknowledge the rights vested in the Cities pursuant to general law to exercise their police powers for the protection of health, safety and welfare of its constituents and their properties. Nothing in this Agreement shall be construed as precluding the Cities from exercising such powers in connection with the Project.

ARTICLE 27. INTERLOCAL COOPERATION ACT REQUIREMENTS

In satisfaction of the requirements of the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended, and in connection with this Agreement, the Parties agree as follows:

27.1 The Agreement shall be authorized by resolution or ordinance of the governing body of each Party pursuant to §11-13-202.5 of the Act.

27.2 This Agreement shall be approved as to form and legality by a duly authorized attorney on behalf of each Party pursuant to §11-13-202.5 of the Act.

27.3 A duly executed original counterpart of this Agreement shall be filed with the keeper of records of each Party pursuant to §11-13-209 of the Act.

27.4 Prior to the expiration of the term of this Agreement pursuant to Article 17, this Agreement may only be terminated by and upon the express written consent of the Parties.

27.5 Except as otherwise specifically provided in this Agreement or in any of the documents incorporated herein, any real or personal property acquired by a Party, or by the

Parties jointly, pursuant to this Agreement or in conjunction with the Project shall be acquired and held, and disposed of by such Party upon termination of this Agreement as agreed among the Parties or as otherwise required by applicable local, state and federal law.

ARTICLE 28. LIMITED OBLIGATIONS

Any obligations of the Parties to pay money or incur costs under this Agreement shall be subject to appropriation of sufficient funds for such purpose to the extent such payments or incurrance of costs fall outside of the present fiscal year or exceed amounts budgeted and available therefore in the budget for the present fiscal year. Except as otherwise provided herein, this Agreement shall not be construed to obligate any Party to make financial contributions toward the Project. It is not the intention of the Parties to create, and no obligations of the Parties hereunder shall be construed as creating or constituting, debt within the meaning of Article XIV, Section 3 of the Utah Constitution.

ARTICLE 29. NO PRECEDENT

The Parties acknowledge the unique circumstances relating to the planning, design and funding of the Project, and agree that nothing in this Agreement relating to Project funding, Project design, Scope of Project or the Parties' contributions to the Project shall be deemed as precedent between the Parties during negotiations on future agreements relating to transit improvements in either of the Cities.

ARTICLE 30. INCORPORATION OF EXHIBITS

This Agreement in its entirety includes Exhibits A through C, all of which are incorporated herein and made a part hereof by this reference. The Exhibits to this Agreement are as follows:

Exhibit A – Scope of Work

Exhibit B – Optional Betterments

Exhibit C – Performance Specifications

IN WITNESS WHEREOF, the Parties have each executed this Interlocal Agreement Regarding the Sugar House Streetcar Project as of the date first set forth above.

SALT LAKE CITY CORPORATION

UTAH TRANSIT AUTHORITY

By: _____
Ralph Becker, Mayor

By: _____
Michael Allegra, General Manager

ATTEST AND COUNTERSIGN:

By: _____
City Recorder

By: _____
Steven Meyer, Chief Capital Development Officer

APPROVED AS TO FORM AND LEGALITY:

APPROVED AS TO FORM AND LEGALITY:

Senior City Attorney

UTA Legal Counsel

CITY OF SOUTH SALT LAKE

By: _____
Cherie Wood, Mayor

ATTEST AND COUNTERSIGN:

By: _____
Chief Deputy City Recorder

APPROVED AS TO FORM AND LEGALITY:

City Attorney

EXHIBIT A

[Scope of Work.]

The scope of the project is split into two descriptions. The first is for a Baseline Project, the minimum required to provide streetcar service as committed to the Federal Transit Administration in the TIGER II grant. The second, provided in Exhibit B, is a list of additional project elements, amenities, and/or improvements that the Parties of this agreement would like to be included if funds are available to pay for them.

BASELINE PROJECT

Guideway and Track Elements

The Sugar House Streetcar will run in the existing Sugar House spur rail corridor from just south of existing 2100 South Central Pointe TRAX Station to the east nearly two miles to McClelland Street. The configuration shall be single track with one passing siding currently located near 500 East and a tail track at eastern end of line. The location of the track alignment will be approximately centered in the corridor based on building the north track of the vision document. The final alignment will be determined as part of the environmental re-evaluation, design, and FTA approval processes and may vary from block to block. The conceptual drawings, dated _____, provide additional information regarding the requirements of building the track elements. This item includes guideway and track for ballasted streetcar construction including rough grading, excavation, fill, and track elements from sub-ballast to 115 RE rail, including all construction materials and labor. Fourteen grade crossings of varying widths will use embedded concrete or concrete crossing panels. Landscaping is not included in the baseline project.

Stations/Stops

Stations include all materials and labor for the work of rough grading, excavation, finish-grading, platforms, shelters, mechanical and electrical components, and lighting. The stops for this project are designed for single-car trains with a horizontal length for door access of not more than 65 feet. Platforms will be reinforced concrete construction. Platform height is 8 inches, designed to be consistent with UTA's existing system. There are seven (7) stations planned for this project at: the western terminus near the 2100 South TRAX light rail station, between Main Street and State Street, 300 East, 500 East, 700 East, 900 East, and the eastern terminus at McClelland Street which is approximately 1050 east. Exact locations as shown in the conceptual drawings are subject to change pending FTA approval. All stations will meet ADA requirements.

Public artwork to fulfill the obligations described in the Memorandum of Agreement between FTA and the Utah State Historic Preservation Office will be provided at one or more station locations. All other artwork is part of the additional project amenities.

Site-work and Special Conditions

Site-work includes all construction materials and labor for the following tasks: demolition, utility relocation and modification, hazardous materials, roadwork, and indirect contractor costs associated with the construction. Demolition consists of typical railroad corridor features

including but not limited to curbs, paving, old track and train systems elements, walls, bollards and barriers, signs, fences, and landscaping. Some hazardous material planning, monitoring and screening are required in association with the removal of old signal houses and in compliance with Environmental Protection Agency and/or Utah Department of Environmental Quality requirements pertaining to existing soil contamination, if any, location within the Sugar House Spur.

The Project may require minor relocation, modification or rehabilitation of affected public and private utilities that are in conflict with, and are located along and/or crossing the track work alignment and within the station areas. Maintenance and access to utilities are to be considered as a conflict. It may include cities exercising their rights under utility franchise agreements, applicable only if on city right of way. No undergrounding of the power line or any other utilities is assumed.

Because the project is being built in an existing railroad corridor, the roadway elements are limited to those measures required at the at-grade crossings. Some curb and gutter, sidewalk, paving, striping, and signage has been included. No major structures are anticipated. There are no park and ride lots associated with any station. The temporary indirect contractor expenses include mobilization, temporary facilities, traffic control, insurance, bonding, permits, project management, construction oversight, and community relations.

Systems

This category includes all the material and labor associated with the purchase, installation, and construction of all train control, traction power, communications, and fare collection systems. Project planning suggests a service of 15-minute headways during the peak hour, and 30-minute headways during off-peak times. Additionally, the project is being designed to accommodate a future second track.

Train control will consist of a fixed block system. All 14 at-grade road crossings will use traffic signals or other active warning devices. Traction power will be distributed through an over head catenary system at a nominal 750-volt direct current via traction power substations to be sized for the potential future service. Communication systems will include a ductbank to accommodate fiber for the communication transmission systems including: TPSS, ATMS, train control block system, information technology, and telephone. Fare collection equipment is also included in this cost category.

The Project will include a signal priority or pre-emption system to give consistent priority to streetcar trains at intersections with public streets under the jurisdiction of UDOT, Salt Lake City and South Salt Lake City.

The project will employ galvanized H-Beam steel overhead catenary system poles, except at stations, where black tubular poles will be installed. The overhead catenary system will be standard (full depth high profile) catenary wire, per current UTA standards.

Right-of-Way

This item consists of professional services associated with the real estate component of the project as well as costs to acquire any necessary right-of-way. Because this project will be built in an existing rail corridor, most of the land acquisitions occur where the alignment turns north toward the western terminus to meet the existing light rail station. Some additional sliver parcels may be required along the corridor.

Professional Services

This cost category includes all professional, technical and management services. Preliminary engineering includes advancing the conceptual design to a point sufficient to procure contracting services. Final design includes engineering and architectural services, compilation of as-built plans, environmental mitigation services, specialty services such as safety and security analyses, value engineering, risk assessment, cost estimating and scheduling, and surveying.

Project management consists of agency staff and/or professional service consultants who manage and oversee the entire project; insurance provides the owner, contractor/subcontractors, and consultant/sub-consultants with worker's compensation, environmental, various liability insurances, builder's risk, and railroad protective insurance. Legal costs and permits for plan reviews or other fees are also included in this cost category. Surveys, testing, investigation, inspection costs include environmental and hazardous contamination remediation oversight, testing, and clean-up support. Start-up costs include agency staff and professional services to provide support and training to begin revenue operations. An agency force account includes work performed by agency or partner staff including providing all necessary data for reporting requirements.

EXHIBIT B

Optional Betterments

North Greenway						
1	Parley's Trail					
2	Native landscape w-irrigation					
3	Pedestrian Lighting					
4	Wayfinding signage					
5	Artistic/Hisoric Interpretive elements					
6	Benches					
7	Enhanced landscaping					
South Greenway						
8	Crushed gravel path					
9	Native landscape w-irrigation					
10	Pedestrian Lighting					
11	Wayfinding signage					
12	Park features					
Stations- Urban Design						
13	Plaza hardscape					
14	Landscape w-irrigation					
15	Light fixture on OCS poles					
16	Pedestrian Lighting					
17	Bike racks					
18	Bike share kiosk					
19	Wayfinding signage					
20	Intersection improvements					
21	Shelter canopy					
22	Artwork					
23	Interpretive elements					
	Additional stations-urban design		3			
Streetcar changes						
24	In-street alignment-Main/Utopia					
25	In-street alignment-W Temple/Commonwealth					
26	In-street alignment-Sugarmont					
27	Additional station-Main					
28	Additional station-200 East					
29	Additional station-800 East					
Streetcar upgrades						
30	bury Transmission power lines		LF			
31	bury Distribution power lines		LF			
32	Upgrade Utility poles - lighting+material					
33	Upgraded OCS poles-lighting+color					
34	Guideway curb on ballast next to trail					
35	Concrete embedded track at stations					
36	Concrete embedded track between stations					
37	Rubberized embement at station					
38	Paver embedment at station					
Street upgrades						
39	State St. Intersection improvement					
40	300 East Intersection improvement					
41	500 East Intersection improvement					
42	700 East Intersection improvement					
43	900 East Intersection improvement					
44	Central Pointe Plaza street					
Miscellaneous						
38	Above grade ped/bike crossing					
39	landscape screen to neighbors					
40	Parley's Trail as bike lane					

Exhibit C

Performance Specifications

The following standards shall constitute the Performance Specifications:

1. UTA's Light Rail Design Criteria Manual, as amended by the Parties.
2. Manual of Standard Specifications, as published by the Utah Chapter of the American Public Works Association (2007 Edition).
3. Manual of Standard Plans, as published by the Utah Chapter of the American Public Works Association (2007 Edition).
4. The Salt Lake City Public Utilities Department Performance Specifications and Design Criteria for culinary water, sanitary sewer and storm drain facilities, current edition.
5. All public works infrastructure owned and operated by the City of South Salt Lake shall be designed and installed in accordance with the latest edition of the Manual of Standard Plans and the Manual of Standard Specifications published by the Utah Chapter of the American Public Works Association, and South Salt Lake City design standards.
6. The FHWA Manual on Uniform Traffic Control Devices, current edition.
7. The Traffic Control Manual published by the Utah LTAP Center of Utah State University, current edition.
8. The Americans With Disabilities Act, and all rules, regulations, interpretive guidance and other authority promulgated pursuant to the Americans With Disabilities Act.
9. All applicable building codes, laws and regulations.
10. American Association of State Highway and Transportation Officials standard practices for roadway and bridge design and construction.

Resolution No. _____ of 2011

Authorizing the Approval of an
Interlocal Cooperation Agreement
Among Salt Lake City Corporation, Utah Transit Authority
and South Salt Lake City for Construction of the Sugar House Streetcar

WHEREAS, Title 11, Chapter 13, Utah Code Ann., 1953, allows public entities to enter into cooperative agreements to provide joint undertakings and services; and

WHEREAS, the Utah Transit Authority (“UTA”) is a public transit district, which presently owns and operates a high capacity fixed guideway system serving portions of the Salt Lake Valley; and

WHEREAS, this fixed guideway system has been a major success with ridership substantially exceeding pre-construction projections and public sentiment strongly supporting rapid expansion of high capacity fixed guideway systems; and

WHEREAS, UTA proposes to expand fixed guideway systems to include, among other things, a 2-mile extension of the system from South Salt Lake to the Sugar House community of Salt Lake City (the “Sugar House Streetcar”) with an existing rail corridor owned by UTA (the “Sugar House Transit Corridor”); and

WHEREAS, the construction of a modern rail-based streetcar along the Sugar House Transit Corridor would substantially benefit the residents of the Salt Lake City Corporation and South Salt Lake City (the “City Sponsors”) by increasing access to the public transit system for all residents of the region through a fixed guideway access to more residents and job sites; and

WHEREAS, construction and operation of a streetcar in the Sugar House Transit Corridor will reduce reliance on the private automobile, improve air quality, reduce the growth of vehicle miles traveled, and support the objectives of the Wasatch Front Regional Council’s Long Range Transportation Plan; and

WHEREAS, both City Sponsors desire to promote transit-oriented development within and around the corridor and encourage a greater use of transit by individuals living, working and visiting in the greater Sugar House area; and

WHEREAS, because the Sugar House Transit Corridor will benefit and serve the transportation needs of present and future residents, the City Sponsors support and encourage implementation of a streetcar within the Sugar House Transit Corridor at the earliest possible date; and

WHEREAS, the City Sponsors and UTA have desired to construct and operate a streetcar system along the Sugar House Transit Corridor (the "Project"), and have worked together toward that goal for several years; and

WHEREAS, the Project has been selected for Federal assistance under the TIGER II Discretionary Grants program pursuant to Title I (Department of Transportation) of the FY 2010 Appropriations Act (Pub. L. 111-117, Dec. 16, 2009), in an amount not to exceed \$26,000,000; and

WHEREAS, the City Sponsors and UTA are now prepared to undertake the construction of the Project and to operate the Sugar House Streetcar; and

WHEREAS, the attached agreement has been prepared to accomplish such purposes;

THEREFORE, BE IT RESOLVED by the City Council of Salt Lake City, Utah, as follows:

1. It does hereby approve the execution and delivery of the following:

Interlocal Cooperation Agreement Among Salt Lake City Corporation, Utah Transit Authority and South Salt Lake City Regarding the Sugar House Streetcar Project.

2. Ralph E. Becker, Mayor of Salt Lake City, Utah, or his designee, is hereby authorized to approve said agreement on behalf of Salt Lake City Corporation, subject to such minor changes which do not materially affect the rights and obligations of the City thereunder and as shall be approved by the Mayor, his execution thereof to constitute conclusive evidence of such approval.

Passed by the City Council of Salt Lake City, Utah, this _____ day of _____, 2011.

SALT LAKE CITY COUNCIL

By: _____
CHAIRPERSON

ATTEST AND COUNTERSIGN:

CITY RECORDER

APPROVED AS TO FORM:



SENIOR SALT LAKE CITY ATTORNEY

HB_ATT-#20606-v1-Resolution_for_Construction_of_Sugar_House_Streetcar_11-11

Sugar House Streetcar

What would you like to see in the streetcar corridor?

Public comments as of November 3, 2011, 2:00 PM

All Participants around Salt Lake City



As with any public comment process, participation in Open City Hall is voluntary. The statements in this record are not necessarily representative of the whole population, nor do they reflect the opinions of any government agency or elected officials.

Sugar House Streetcar

What would you like to see in the streetcar corridor?

Introduction

Mayor Becker has made the return of the streetcar to Salt Lake City a priority and Sugar House is where it all begins!

Sugar House Streetcar

What would you like to see in the streetcar corridor?

As of November 3, 2011, 2:00 PM, this forum had:

Attendees:	279
Participants around Salt Lake City:	25
Hours of Public Comment:	1.3

Sugar House Streetcar

What would you like to see in the streetcar corridor?

All Participants around Salt Lake City

Heather Hendriksen in District 7

August 25, 2011, 4:17 PM

I live between 700 E and 900 E. Where will the stop be for 700 E? On the west side or the east side? Will there be a traffic light, cross walk, or sky walk in the plans for 700 E? There are many people who jay-walk near Simpson Ave in order to cross 700 E and I can only imagine that there will be more of this once the street car is finished.

Jahn Barlow in District 3

August 15, 2011, 5:04 PM

As a former Sugar House resident, now living in the Avenues, I am jealous. This is going to be a real asset to the east-west corridor, especially since the streetcar will not be competing with vehicle traffic as much as the 400 South University TRAX line. I agree with others, it would be cool to see the street car connect to Sugar House Park and Highlind High - or better yet all the way to Parleys Way and the new Wal-Mart. Eventually, a new Trax line could run from the University along Foothill and connect to the Sugar House streetcar on Parleys, thus making a full public transit loop around the east side of the city. Maybe the city should negotiate a deal with Wal-Mart to incorporate the streetcar line into their design in exchange for letting them tear down the old K-Mart building and build a new one like they want. If we're going to have a new Wal-Mart, it would be cool if it were as environmentally friendly as possible. Public transit should be a part of that.

Name not shown in District 6

August 2, 2011, 6:07 PM

I am, overall, very excited about the prospect of a street car in the Sugarhouse business area. It would be terrific to be able to easily access different areas of the district without driving. We currently ride our bikes and walk, and I would very much like to see a project that incorporates and improves both pedestrian and cycling traffic. We are east of 2100 South, so for us, access would be primarily within the area between Granite Block and Central Point, including transferring to other trax lines. We will still use our bikes and walk between 1500 East and Granite Block. As such, we're very excited about the trail creating access from Sugarhouse Park to the west side of 2100 South and that shopping/entertainment area-- without having to cross the surface street at 2100 South.

In reading previous comments, I've noted that some have expressed interest in an extension of the line northward on 1500 East. I absolutely OPPOSE any such extension. 1500 East between 2100 South and 1300 South is for many families and children the primary (if not the only) route to schools in the neighborhood.

My children and many others, must cross 1500 East to get to school no matter what school they attend. Adding a street car line to cross would exponentially increase the safety hazard of the road. 1500 East is in the heart of a number of neighborhoods and I do not believe it is appropriate to have a line running right in front of the homes where children, families, and pets are at play and where kids of all ages must use and cross the street to access their schools.

The line is going to be a fantastic addition to the business district and we look forward to the development it will bring to the area. Our car is used very little around town, and with a streetcar line, we'll need to use it even less. The currently proposed line-- at least from what limited detail is available from the map-- seems like a well suited location, providing access to businesses, parks,

Sugar House Streetcar

What would you like to see in the streetcar corridor?

All Participants around Salt Lake City

recreation, and entertainment, with (hopefully) minimal disturbance to neighborhoods.

Name not shown in District 7

June 20, 2011, 11:37 AM

The streetcar will be an great asset to the Sugar House business district and the residential neighborhoods around it. The public investment will be returned many times over by the increase in private business investment. Developers know that more people will be moving into the neighborhood because of the permanent transit system, which they can rely on for decades. Bus routes change all the time, but with UTA and the City making this serious commitment for the streetcar, investors can be assured that the streetcar service will be here for the long-term, long enough to justify new residential and commercial developments in the area.

I want to see a beautiful trail alongside the streetcar; new housing; convenient, safe and accessible connections to intersecting sidewalks, bike paths, and streets; street furniture, lighting, and amenities that make it attractive, safe, and pleasant to use at all hours, every day of the week.

Ross Chambless in District 3

May 27, 2011, 4:14 PM

I am very supportive of the proposed streetcar for the same reasons that others have mentioned here. In addition, I simply see this as smart planning for the future. Future generations will thank us for having some foresight (something that's often lacking in our society) in regard to energy and mobility in the future. We have lost our cultural knowledge of streetcars since they passed several generations ago, so we have lots of questions. But I don't see gasoline prices getting any cheaper. Along with impending carbon regulations, fossil fuel options will be diminished in the future. And as our population grows urbanites like myself will look for accessible and reliable modes for getting around. I think streetcar lines, if planned carefully, could bring multiple benefits to our communities.

I think the proposed streetcar "pilot" for the existing passage area of Sugar House makes a lot of sense. I'd like to see lots of public areas around the line, so that neighborhoods have room to flourish around the line corridor. And these corridors should also be designed safely for pedestrians or bicyclists.

Ashley Eddington Hoopes in District 6

May 25, 2011, 10:19 AM

I am in favor of the street car but I wish that it would extend up 21st south, have a stop at Sugarhouse park, and then head north along 15th East. The university neighborhoods of Wasatch Hollow and Yalecrest would love to have the street car return to their area, and would support it en mass. To have the streetcar pass the 15th and 15th business district, and then head east on 15th and 13th to pass the 13th and 17th business district would be fantastic. It could continue all the way up to Foothill where it would make sense to have a line heading to the new Natural History Museum and Red Butte Gardens. The fact that streetcars used to wind through out the Salt Lake City neighborhoods shows that it can be successful. People are ready to ditch their cars, connect with their neighborhoods, and get on the street cars! Thanks Mayor Becker!!

Name not shown in District 3

May 24, 2011, 10:24 AM

Suggest you title the artist's rendering 2175(?) South 800 East.

Sugar House Streetcar

What would you like to see in the streetcar corridor?

All Participants around Salt Lake City

Please reconsider the use of ballast (crushed stone) for the railway base. It is difficult to walk or bike on or near. It's best attribute, I suppose, is that it is cheap.

Please educate us all on the safety aspects of streetcars coexisting on the same right-of-way as pedestrians and automobiles. That is how it was designed in the early 1900s. What are the streetcar speeds? I hope we can avoid chain link fences cutting the streetcar off from the rest of the world in this 3-mile section. After all, we don't fence in all of our streets to keep pedestrians and bicycles away from traffic. How is this different?

Living as I do east of 2300 East, I hope to see this streetcar line extended at least to 2300 East. Currently the 21 bus is a 20 minute walk away for my neighbors and me. It was only 5 minutes prior to the route change, which is much more reasonable.

Jack Matheson in District 3

May 19, 2011, 3:45 PM

- What would you like to see in the streetcar corridor?

It would be awesome if we could daylight Parley's Creek after Hidden Hollow and run it down this corridor!!!

- What do you think about the potential changes?

Very excited to be able to access Sugarhouse via rail! I hope Bike and Pedestrian Networks will be well accommodated in this corridor as well.

- How you think you will use this corridor in the future?

I will ride the Streetcar, Walk down the sidewalks, and ride my bike. Hopefully along Parley's Creek.

John Wilkes in District 5

May 19, 2011, 11:06 AM

There have been many failures and bad decisions concerning Sugarhouse recently. This could revive the area again, if it is handled properly.

What solutions are being considered to ensure the very heavy auto traffic already in the area will not become a larger problem? I'd like to think people would reduce their driving, but that seems idealistic. How about designating the entire corridor area as pedestrian only, kind of like a park? In fact, if the streetcar line was extended to the Sugarhouse Park area, that could reduce the unsavory type of traffic that enters the park. In any case, having the streetcar go to the park seems sensible instead of ending at 11th East (if I'm reading the map correctly).

I always enjoyed the off track, old-fashioned trolley cars that used to run from Trolley Square to the downtown hotels. I never understood why they were eliminated. Anything that reduces traffic and pollution is a great idea.

Sugar House Streetcar

What would you like to see in the streetcar corridor?

All Participants around Salt Lake City

As a Sugar House resident I have been in favor of this idea for a long time. The current corridor is wasted space and does nothing to enhance our community. I envision using this street car to get to work and downtown to avoid traffic and parking hassles.

The big questions to me as a very near resident of the business district is the holistic approach to getting people into Sugar House via the streetcar. Currently we have nearly impossible roads to cross of 2100 S, 1100 E, and 1300 E. Unless you are at a major intersection it is extremely dangerous to cross the street. We need safer crosswalks, we need a better pedestrian circulation system in the business district that doesn't encourage people to drive from each development pad as currently happens. It doesn't do any good to create a pedestrian oriented business district when it's down right dangerous to be a pedestrian. We need to rethink how traffic goes along 2100 S and perhaps mirror the improvements done on 1300 E that created a dedicated turn lane in the middle and allows traffic to flow on either side more smoothly. It is no surprise that traffic along 2100 S between 700 E- 1300 E is an absolute nightmare.

I am very excited about the streetcar!

Matthew Kirkegaard in District 6

May 18, 2011, 4:44 PM

I very much support the streetcar as currently planned. In fact I support it to such an extent that I do not believe the current plan goes far enough. The city ought to have streetcars all around the city especially jutting off of Trax lines to reach areas untouched by much public transportation such as the 9th and 9th district or up either 3300 S or 3900 S. In terms of the Sugar House line, I would even like to see it extend just a bit farther to at least Highland Drive. I would hope there will be accommodations for bikes on the streetcar itself, so that riders may bike to and from the line.

The leaders of Salt Lake City should be applauded for this great move towards mobility and sustainability, especially Mayor Becker. As an environmentalist, it is inspiring to finally see efficacious environmental efforts on a city wide scale for the benefit of the citizens of Salt Lake.

Adam Holmes in District 7

May 18, 2011, 7:42 AM

Extend the proposed streetcar terminus at least to Highland Dr. This will make the streetcar more visible to everyone and reduces the walking time to current businesses in the area. People who shop have bags and don't want to carry them very far. Extend into Sugarmont Dr, if needed. I highly support this project as it uses an existing transportation corridor and could revitalize properties along the route. This will also speed up the construction of the PRATT walking trail along the corridor, another benefit to the region.

Name not shown in District 5

May 17, 2011, 11:15 PM

Every day at certain times I see a Trax train with 2-4 cars going up or down 400/500 South with only a scattering of passengers. Looks great though. The Sugarhouse streetcar will likely be another pretty addition to the ambience of Salt Lake but will not provide much benefit because few will use it. The majority of shoppers in Sugarhouse live in Sugarhouse and must therefore drive south, north or west to the stores. Very few will come from a connection through Trax. And if it really does result in an influx of businesses and new housing units, congestion on 2100 South will only increase. And the artist's rendition shows pedestrians and a pretty red train peacefully co-existing, but the reality is that

Sugar House Streetcar

What would you like to see in the streetcar corridor?

All Participants around Salt Lake City

kids and others will be at greater risk of being crushed. Another reality of Trax is that it creates an almost impenetrable barrier to both cars and pedestrians, which will reduce walkability.

I like the concept, but the benefits will not equal the costs, both initial and ongoing.

Glen Elkins in District 5

May 17, 2011, 9:04 PM

It seems many people are thinking 21st South per se, when the route is actually a bit south of 21st South. I don't see it requiring little if any demolition; the rail corridor already exists.

I support the concept, and hope there would be cafes and shops along the route with wide sidewalks and outdoor dining.

I would hope that passengers could get on and off along the route using one ticket ... it would encourage use and promote commerce.

I'm on board!

Name not shown in District 5

May 17, 2011, 5:29 PM

I'm excited to expand the rail system. I haven't really seen the kind of transit oriented urban infill development that is described in the plan, though. For example, it seems like 400 S. is all full of surface parking lots and strip malls despite easy access by rail. Sugar House has been having issues with unwanted strip-mall type development.

In general I like rail better than buses because the bus routes keep changing and the rail stays where it is. The proposed streetcar doesn't really substitute for the existing 21 bus line which connects Sugar House to the U of U and is also used by Highland High School students. If the 2 mile rail line eliminates the existing 17 and/or 21 routes it's going to become a lot harder for Sugar House/ Liberty Wells transit riders to get to the University of Utah.

Some of the nodes shown on the map (Salt Lake Community College, Columbus Center, Sugar House Park) aren't very walkable from the proposed rail line, especially at night.

The pedestrian/bike linkage between the Sugar House Business District and Sugar House Park should be improved and perhaps that could be part of this project.

I like the idea of having a bike path in the transit corridor since East/West biking presents some difficulties in the Sugar House area. The bike route going south along 600 E kind of dead ends at 21st S since there is no traffic light, though.

Name not shown in District 3

May 17, 2011, 4:39 PM

I hoped this corridor would eventually be used for a future high-speed rail to Park City and Denver...

Matthew Gray outside Salt Lake City

May 17, 2011, 4:06 PM

Sugar House Streetcar

What would you like to see in the streetcar corridor?

All Participants around Salt Lake City

I am very supportive of the Sugar House Streetcar Line. Not only would it help to relieve congestion along 2100 South, but it would also be a major incentive for economic development in the area. I think it would be great to have a pedestrian and bike path running parallel to the streetcar line, as I have seen in renderings of the project. The streetcar, accompanied by a pedestrian/bicycle pathway would greatly encourage pedestrian-oriented development and a greener and healthier lifestyle.

Julie van der Wekken outside Salt Lake City

May 17, 2011, 3:56 PM

I've been excited about this project since first hearing about it 3 years ago. We live just south of Sugarhouse (across from Nibley Golf Course in an unincorporated area of Salt Lake), and would definitely frequent the streetcar if indeed it is established. We frequent the area often, but it is just a bit too far to be within walking distance for us. If the streetcar is established we would be within walking distance to one of the stops along the route. I'm hoping this project will focus on local businesses and in getting more local shops established along and within walking distance of the route. I also hope that open space will also be a big consideration in regards to this project. That could include park space, community gardens and walking paths among other things.

Name not shown in District 3

May 17, 2011, 3:00 PM

I see a lot of concerns around cost and "subsidies." Do our highways and roadways pay for themselves? No. They are all funded through taxpayer dollars. Why the big concern around public transportation being subsidized? The idea of returning the streetcar to Salt Lake City is very forward thinking. Gas is slowly getting more and more unaffordable over time and I'll be pleased that city leaders saw this coming and have alternatives ready to go when most of us get to the point of losing our cars because of the expense.

Many areas along the corridor are ripe for development so don't assume that a large swath of single family homes is going to be razed - that's simply not economically feasible for the city or for a developer to do. Go down to the area and take a look at where the streetcar will be and you'll see that there's more than enough space to redevelop.

Joseph Doubek in District 7

May 17, 2011, 2:35 PM

What will this cost the taxpayers? We are currently paying some unknown level of subsidy for every ticket UTA sells. How much does it cost to provide a ride on the buses or light rail? Two times the amount the ticket costs ... or maybe three times.... or maybe more? Let's require UTA to tell us what their current costs are before we commit to adding additional costs to the tax paying public. And then, before heading down the street car path, let's have an honest discussion about cost and funding. Where will the money come from to obtain the corridor and other land needed, to lay the tracks and buy the cars? Equally important how much will it cost to run the system including management, labor, security, maintenance and depreciation. Until I see realistic cost figures, I will strongly oppose the Sugar House street car corridor plan.

Name not shown in District 6

May 17, 2011, 2:17 PM

I have a few questions when I read the specs of this endeavor. The project analysis specifies 4000 new households and 7000 new permanent jobs in the street car corridor. Are these 4000 new

Sugar House Streetcar

What would you like to see in the streetcar corridor?

All Participants around Salt Lake City

households actual houses with yards? Or are they predominately densely packed apartment buildings? How many single-family houses need to be demolished and replaced with apartments to support this 4000 household figure. As for the jobs, how many of these are full-time jobs that are capable of sustaining a family versus how many are low-paying cashier and burger-flipping occupations? What are the annual on-going maintenance costs of the system compared to alternatives? Are these costs to be paid by the 3000-or-so daily users of the street cars and the surrounding businesses? Or, will the rest of Salt Lake's residents be forced to sustain the project? Unlike Trax, it seems this project is only going to be useful for a relatively small area. How will the increased development and displaced auto-traffic impact the east-west corridors in the area? I know the street cars themselves take some of the load, but they certainly can't take it all. Will the already packed 2100 south corridor be widened to accommodate the extra vehicle traffic, or should we just expect it to get worse?

Overall, I think a traditional street with sidewalks makes more sense as it can be used by street cars, bikes, cars, buses, delivery vehicles, van-pools, taxis, etc. The rail-only approach is basically only for UTA.

Burton Brown in District 7

May 17, 2011, 12:54 PM

I used to kind of support the idea of a street car...but Mayor Becker is ruining my support for it. Instead of keeping it simple, its now a complicated TRAX Lite.....

I urge everyone to speak up when/if the city tries to take current open space or even City Park space and use it for anything other than open space or park use. Please speak up if the city tries to allow the building pathetic strip-type malls along the route, or if the city tries to build apartments or some such nonsense in nice, open park space....these have all been mentioned directly to me by Mayor Becker...so it can not be denied. Please speak up if any zoning change requests do not make any practical sense.

Name not shown in District 7

May 17, 2011, 12:17 PM

I hope the City is realistic about the ongoing subsidies that will be required to keep this running and where they will be found. This is much more an ego trip than a thoughtful response to a transportation need.

Carole Straughn in District 7

May 17, 2011, 12:08 PM

Since I live in Sugar House, the streetcar will really help get me out of my car to shop or go out via public transit. Good job! Keep up the work, City Leaders!

Debt Service Analysis Illustrative Scenarios
SUGARHOUSE STREETCAR
POTENTIAL SALES TAX BOND ISSUE

Scenario One: SSL funds applied first, then RDA funds, then CIP-GF	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Uses:											
TOTAL DEBT SERVICE on \$7.9 million Sales Tax Bond	537,088	536,755	536,974	537,200	536,502	537,030	536,592	537,193	536,723	536,547	536,579
Sources:											
Salt Lake City CIP Funds (RDA funds as source)	251,905	252,924	252,791	253,212	252,258	253,139	252,662	252,895	228,214		
Salt Lake City CIP Funds (So. Salt Lake Repayment)	285,183	283,831	284,183	283,988	284,244	283,891	283,930	284,298	283,936	284,843	283,898
Salt Lake City CIP Funds (Capital Assets Placeholder)	-	-	-	-	-	-	-	-	24,573	251,704	252,681
Total Sources:	537,088	536,755	536,974	537,200	536,502	537,030	536,592	537,193	536,723	536,547	536,579
Difference	-	-	-	-	-	-	-	-	-	-	-
Scenario Two: RDA Funds applied first, SSL funds stockpiled then applied, the CIP-GF	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Uses:											
TOTAL DEBT SERVICE on \$7.9 million Sales Tax Bond	537,088	536,755	536,974	537,200	536,502	537,030	536,592	537,193	536,723	536,547	536,579
Sources:											
Salt Lake City CIP Funds (RDA funds as source)	537,088	536,755	536,974	537,200	101,983	-	-	-	-	-	-
Salt Lake City CIP Funds (So. Salt Lake Repayment)	-	-	-	-	434,519	537,030	536,592	537,193	512,150	284,843	283,898
Salt Lake City CIP Funds (Capital Assets Placeholder)	-	-	-	-	-	-	-	-	24,573	251,704	252,681
Total Sources:	537,088	536,755	536,974	537,200	536,502	537,030	536,592	537,193	536,723	536,547	536,579
Difference	-	-	-	-	-	-	-	-	-	-	-
Scenario Three: SSL Funds applied first, RDA Funds used as a source for CIP	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Uses:											
TOTAL DEBT SERVICE on \$7.9 million Sales Tax Bond	537,088	536,755	536,974	537,200	536,502	537,030	536,592	537,193	536,723	536,547	536,579
Sources:											
Salt Lake City CIP Funds (So. Salt Lake Repayment)	285,183	283,831	284,183	283,988	284,244	283,891	283,930	284,298	283,936	284,843	283,898
Salt Lake City CIP Funds (Capital Assets Placeholder)	139,405	140,424	140,291	140,712	139,758	140,639	140,162	140,395	140,287	139,204	140,181
Salt Lake City CIP Funds (RDA funds as source)	112,500	112,500	112,500	112,500	112,500	112,500	112,500	112,500	112,500	112,500	112,500
Total Sources:	537,088	536,755	536,974	537,200	536,502	537,030	536,592	537,193	536,723	536,547	536,579
Difference	-	-	-	-	-	-	-	-	-	-	-
Scenario Four: Equalized Payments	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Uses:											
TOTAL DEBT SERVICE on \$7.9 million Sales Tax Bond	537,088	536,755	536,974	537,200	536,502	537,030	536,592	537,193	536,723	536,547	536,579
Sources:											
Salt Lake City CIP Funds (So. Salt Lake Repayment)	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000
Salt Lake City CIP Funds (Capital Assets Placeholder)	244,588	244,255	244,474	244,700	244,002	244,530	244,092	244,693	244,223	244,047	244,079
Salt Lake City CIP Funds (RDA funds as source)	112,500	112,500	112,500	112,500	112,500	112,500	112,500	112,500	112,500	112,500	112,500
Total Sources:	537,088	536,755	536,974	537,200	536,502	537,030	536,592	537,193	536,723	536,547	536,579
Difference	-	-	-	-	-	-	-	-	-	-	-
Scenarios provided for illustrated purposes only; a debt service budget will be recommended and created prior to issuance of the proposed bonds.											

Debt Service Analysis Illustrative Scenarios
SUGARHOUSE STREETCAR
POTENTIAL SALES TAX BOND ISSUE

Scenario One: SSL funds applied first, then RDA funds, then CIP-GF										
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	Total
Uses:										
TOTAL DEBT SERVICE on \$7.9 million Sales Tax Bond	536,804	537,164	536,680	536,366	537,164	537,022	536,910	536,909	536,959	10,737,161
Sources:										
Salt Lake City CIP Funds (RDA funds as source)										2,250,000
Salt Lake City CIP Funds (So. Salt Lake Repayment)	284,160	200,510								3,610,895
Salt Lake City CIP Funds (Capital Assets Placeholder)	252,644	336,654	536,680	536,366	537,164	537,022	536,910	536,909	536,959	4,876,266
										-
Total Sources:	536,804	537,164	536,680	536,366	537,164	537,022	536,910	536,909	536,959	10,737,161
Difference	-	-	-	-	-	-	-	-	-	-
Scenario Two: RDA Funds applied first, SSL funds stockpiled then applied, the CIP-GF										
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	Total
Uses:										
TOTAL DEBT SERVICE on \$7.9 million Sales Tax Bond	536,804	537,164	536,680	536,366	537,164	537,022	536,910	536,909	536,959	10,737,161
Sources:										
Salt Lake City CIP Funds (RDA funds as source)										2,250,000
Salt Lake City CIP Funds (So. Salt Lake Repayment)	284,160	200,510								3,610,895
Salt Lake City CIP Funds (Capital Assets Placeholder)	252,644	336,654	536,680	536,366	537,164	537,022	536,910	536,909	536,959	4,876,266
										-
Total Sources:	536,804	537,164	536,680	536,366	537,164	537,022	536,910	536,909	536,959	10,737,161
Difference	-	-	-	-	-	-	-	-	-	-
Scenario Three: SSL Funds applied first, RDA Funds used as a source for CIP										
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	Total
Uses:										
TOTAL DEBT SERVICE on \$7.9 million Sales Tax Bond	536,804	537,164	536,680	536,366	537,164	537,022	536,910	536,909	536,959	10,737,161
Sources:										
Salt Lake City CIP Funds (So. Salt Lake Repayment)	284,160	200,510								3,610,895
Salt Lake City CIP Funds (Capital Assets Placeholder)	140,144	224,154	424,180	423,866	424,664	424,522	424,410	424,409	424,459	4,876,266
Salt Lake City CIP Funds (RDA funds as source)	112,500	112,500	112,500	112,500	112,500	112,500	112,500	112,500	112,500	2,250,000
										-
Total Sources:	536,804	537,164	536,680	536,366	537,164	537,022	536,910	536,909	536,959	10,737,161
Difference	-	-	-	-	-	-	-	-	-	-
Scenario Four: Equalized Payments										
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	Total
Uses:										
TOTAL DEBT SERVICE on \$7.9 million Sales Tax Bond	536,804	537,164	536,680	536,366	537,164	537,022	536,910	536,909	536,959	10,737,161
Sources:										
Salt Lake City CIP Funds (So. Salt Lake Repayment)	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	190,895	3,610,895
Salt Lake City CIP Funds (Capital Assets Placeholder)	244,304	244,664	244,180	243,866	244,664	244,522	244,410	244,409	233,564	4,876,266
Salt Lake City CIP Funds (RDA funds as source)	112,500	112,500	112,500	112,500	112,500	112,500	112,500	112,500	112,500	2,250,000
										-
Total Sources:	536,804	537,164	536,680	536,366	537,164	537,022	536,910	536,909	536,959	10,737,161
Difference	-	-	-	-	-	-	-	-	-	-
Scenarios provided for illustrated purposes only; a debt service bu										

SALT LAKE CITY ORDINANCE
No. _____ of 2011
(Amending the Final Budget of Salt Lake City,
including the employment staffing document,
for Fiscal Year 2011-2012)

An Ordinance Amending Salt Lake City Ordinance No. 50 of 2011 Which
Adopted the Final Budget of Salt Lake City, Utah, for the Fiscal Year Beginning July 1,
2011 and Ending June 30, 2012.

PREAMBLE

On August 9, 2011, the Salt Lake City Council adopted the final budget of Salt Lake City, Utah, including the employment staffing document, for the fiscal year beginning July 1, 2011 and ending June 30, 2012, in accordance with the requirements of Section 118, Chapter 6, Title 10 of the Utah Code Annotated, and said budget, including the employment staffing document, was approved by the Mayor of Salt Lake City, Utah.

The City's Budget Director, acting as the City's Budget Officer, prepared and filed with the City Recorder proposed amendments to said duly adopted budget, including the amendments to the employment staffing document necessary to effectuate the staffing changes specifically stated herein, copies of which are attached hereto, for consideration by the City Council and inspection by the public.

All conditions precedent to amend said budget, including the employment staffing document as provided above, have been accomplished.

Be it ordained by the City Council of Salt Lake City, Utah:

SECTION 1. Purpose. The purpose of this Ordinance is to amend the final budget of Salt Lake City, including the employment staffing document, as approved, ratified and finalized by Salt Lake City Ordinance No. 50 of 2011.

SECTION 2. Adoption of Amendments. The budget amendments, including amendments to the employment staffing document necessary to effectuate the staffing changes specifically stated herein, attached hereto and made a part of this Ordinance shall be, and the same hereby are adopted and incorporated into the budget of Salt Lake City, Utah, including the amendments to the employment staffing document described above, for the fiscal year beginning July 1, 2011 and ending June 30, 2012, in accordance with the requirements of Section 128, Chapter 6, Title 10, of the Utah Code Annotated.

SECTION 3. Filing of copies of the Budget Amendments. The said Budget Officer is authorized and directed to certify and file a copy of said budget amendments, including amendments to the employment staffing document, in the office of said Budget Officer and in the office of the City Recorder which amendments shall be available for public inspection.

SECTION 4. Effective Date. This Ordinance shall take effect on its first publication.

Passed by the City Council of Salt Lake City, Utah, this _____ day of _____, 2011.

CHAIRPERSON

ATTEST:

CITY RECORDER

Transmitted to the Mayor on _____

Mayor's Action: _____ Approved _____ Vetoed

MAYOR

ATTEST:

CITY RECORDER

APPROVED AS TO FORM
Salt Lake City Attorney's Office
Date 11-7-11
By [Signature]

(SEAL)

Bill No. _____ of 2011.

Published: _____

HB_ATT#15990-v2-Budget_Amendment_FY11-12.DOC

Salt Lake City FY 2011-12 Budget Amendment #4

Initiative Number/Name	Fund	Amount
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Section A: New Items		
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A-1 Sugarhouse Streetcars: Baseline Funding for Interlocal Agreement	CIP	\$8,021,000
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In order to sign the Interlocal Agreement (ILA), the Administration requests the Council approve an ordinance amending the FY 2011-12 Salt Lake City budget. This amendment creates a budget in the **Capital Improvement Project (CIP) Fund** of **\$8,021,000**. The Administration is proposing to issue sales tax bonds , payable over 20 years, for this amount.

Uses of Funds:

Issuance Costs/Contingency	\$ 141,000
Salt Lake City Commitment to Baseline Project	\$5,380,000
Potential Advance of Funds to South Salt Lake City	<u>\$2,500,000</u>
	\$8,021,000

Sources of Funds:

CIP Funds (Debt Service from CAM Placeholder)	\$3,271,000
CIP Funds (RDA Funds as Source of Payment)	\$2,250,000
Repayment from South Salt Lake City	<u>\$2,500,000</u>
	\$8,021,000

In addition, the ILA asks Salt Lake City to support the first 2.5 years of streetcar operations with the commitment of operating funds for this project. This commitment would not begin until the line is operational, which is expected to be in mid-2013, meaning that Salt Lake City funds would not be needed for this purpose until FY 2013-14. Because the budget for FY 2013-14 has not yet been proposed or adopted, this amendment would not commit those funds; however, a future budget would reflect this commitment.

Please see Streetcar Transmittal as well as Debt Service Analysis for more information about uses of funds.

Fiscal Year 2011-12 Budget Amendment #4

Initiative Number/Name	Fund	Expenditure Amount	Revenue Amount	On-going or One time	FTEs
Section A: New Items					
1 Sugarhouse Streetcar: Baseline Funding for Interlocal Agreement	CIP	8,021,000.00	8,021,000.00	one-time	0
Section B: Grants for Existing Staff Resources					
Section C: Grants for New Staff Resources					
Section D: Housekeeping					
Section E: Grants Requiring No New Staff Resources					
Section F: Donations					
Section G: Council Consent Agenda -- Grant Awards					
Section I: Council Added Items					
		Total of Budget Amendment Items	8,021,000.00		

Total by Fund, Budget Amendment #4:					
CIP Fund		8,021,000.00			
		Total of Budget Amendment Items	8,021,000.00		

Current Year Budget Summary, provided for information only
FY 2011-12 Budget, Including Budget Amendments

	FY 2011-12 Adopted Budget	BA #1 Total	BA #2 Total	BA #3 Total	BA #4 Total	Total To-Date
General Fund	\$195,154,853					\$195,154,853
CIP Fund	\$19,618,798				\$8,021,000	\$19,618,798

Certification

I certify that this document is a full and correct copy of Ordinance _____ of 2011, amending Salt Lake City Ordinance _____ of 2011, which adopted the final budget of Salt Lake City Utah for the fiscal year beginning June 1 2011 and ending June 30, 2012.

 Budget Director

 Deputy Director, City Council

\$8,021,000

Trolley Street Car Project

Salt Lake City, Utah

Series 2011

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Report

Sources & Uses 1

Debt Service Schedule 2

\$8,021,000

Trolley Street Car Project
Salt Lake City, Utah
Series 2011

Sources & Uses

Dated 07/01/2012 | Delivered 07/01/2012

Sources Of Funds

Par Amount of Bonds	\$8,021,000.00
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Total Sources	\$8,021,000.00
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Uses Of Funds

Total Underwriter's Discount (0.500%)	40,105.00
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Costs of Issuance	80,000.00
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Deposit to Project Construction Fund	7,900,000.00
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Rounding Amount	895.00
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Total Uses	\$8,021,000.00
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\$8,021,000

Trolley Street Car Project

Salt Lake City, Utah

Series 2011

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
07/01/2012	-	-	-	-	-
10/01/2012	-	-	52,029.25	52,029.25	-
04/01/2013	381,000.00	0.620%	104,058.50	485,058.50	537,087.75
10/01/2013	-	-	102,877.40	102,877.40	-
04/01/2014	331,000.00	0.840%	102,877.40	433,877.40	536,754.80
10/01/2014	-	-	101,487.20	101,487.20	-
04/01/2015	334,000.00	1.130%	101,487.20	435,487.20	536,974.40
10/01/2015	-	-	99,600.10	99,600.10	-
04/01/2016	338,000.00	1.390%	99,600.10	437,600.10	537,200.20
10/01/2016	-	-	97,251.00	97,251.00	-
04/01/2017	342,000.00	1.600%	97,251.00	439,251.00	536,502.00
10/01/2017	-	-	94,515.00	94,515.00	-
04/01/2018	348,000.00	1.850%	94,515.00	442,515.00	537,030.00
10/01/2018	-	-	91,296.00	91,296.00	-
04/01/2019	354,000.00	2.090%	91,296.00	445,296.00	536,592.00
10/01/2019	-	-	87,596.70	87,596.70	-
04/01/2020	362,000.00	2.340%	87,596.70	449,596.70	537,193.40
10/01/2020	-	-	83,361.30	83,361.30	-
04/01/2021	370,000.00	2.480%	83,361.30	453,361.30	536,722.60
10/01/2021	-	-	78,773.30	78,773.30	-
04/01/2022	379,000.00	2.630%	78,773.30	457,773.30	536,546.60
10/01/2022	-	-	73,789.45	73,789.45	-
04/01/2023	389,000.00	2.770%	73,789.45	462,789.45	536,578.90
10/01/2023	-	-	68,401.80	68,401.80	-
04/01/2024	400,000.00	2.910%	68,401.80	468,401.80	536,803.60
10/01/2024	-	-	62,581.80	62,581.80	-
04/01/2025	412,000.00	3.030%	62,581.80	474,581.80	537,163.60
10/01/2025	-	-	56,340.00	56,340.00	-
04/01/2026	424,000.00	3.140%	56,340.00	480,340.00	536,680.00
10/01/2026	-	-	49,683.20	49,683.20	-
04/01/2027	437,000.00	3.250%	49,683.20	486,683.20	536,366.40
10/01/2027	-	-	42,581.95	42,581.95	-
04/01/2028	452,000.00	3.350%	42,581.95	494,581.95	537,163.90
10/01/2028	-	-	35,010.95	35,010.95	-
04/01/2029	467,000.00	3.450%	35,010.95	502,010.95	537,021.90
10/01/2029	-	-	26,955.20	26,955.20	-
04/01/2030	483,000.00	3.520%	26,955.20	509,955.20	536,910.40
10/01/2030	-	-	18,454.40	18,454.40	-
04/01/2031	500,000.00	3.590%	18,454.40	518,454.40	536,908.80
10/01/2031	-	-	9,479.40	9,479.40	-
04/01/2032	518,000.00	3.660%	9,479.40	527,479.40	536,958.80
Total	\$8,021,000.00	-	\$2,716,160.05	\$10,737,160.05	-

Yield Statistics

Bond Year Dollars	\$88,334.75
Average Life	11.013 Years
Average Coupon	3.0748489%
Net Interest Cost (NIC)	3.1202500%
True Interest Cost (TIC)	3.0897432%
Bond Yield for Arbitrage Purposes	3.0342757%
All Inclusive Cost (AIC)	3.2016013%

IRS Form 8038

Net Interest Cost	3.0748489%
Weighted Average Maturity	11.013 Years

Trolley Street Car Projec | SINGLE PURPOSE | 11/7/2011 | 1:16 PM

\$2,500,000

Trolley Street Car Project
Salt Lake City, Utah
Series 2011

Sources & Uses

Dated 07/01/2012 | Delivered 07/01/2012

Sources Of Funds

Par Amount of Bonds	\$2,500,000.00
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Total Sources	\$2,500,000.00
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Uses Of Funds

Deposit to Project Construction Fund	2,500,000.00
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Total Uses	\$2,500,000.00
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\$2,500,000

Trolley Street Car Project
Salt Lake City, Utah
Series 2011

Debt Service Schedule

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
07/01/2012	-	-	-	-	-
10/01/2012	-	-	38,061.06	38,061.06	-
04/01/2013	171,000.00	6.090%	76,122.13	247,122.13	-
07/01/2013	-	-	-	-	285,183.19
10/01/2013	-	-	70,915.37	70,915.37	-
04/01/2014	142,000.00	6.090%	70,915.37	212,915.37	-
07/01/2014	-	-	-	-	283,830.74
10/01/2014	-	-	66,591.63	66,591.63	-
04/01/2015	151,000.00	6.090%	66,591.63	217,591.63	-
07/01/2015	-	-	-	-	284,183.26
10/01/2015	-	-	61,993.86	61,993.86	-
04/01/2016	160,000.00	6.090%	61,993.86	221,993.86	-
07/01/2016	-	-	-	-	283,987.72
10/01/2016	-	-	57,122.04	57,122.04	-
04/01/2017	170,000.00	6.090%	57,122.04	227,122.04	-
07/01/2017	-	-	-	-	284,244.08
10/01/2017	-	-	51,945.74	51,945.74	-
04/01/2018	180,000.00	6.090%	51,945.74	231,945.74	-
07/01/2018	-	-	-	-	283,891.48
10/01/2018	-	-	46,464.95	46,464.95	-
04/01/2019	191,000.00	6.090%	46,464.95	237,464.95	-
07/01/2019	-	-	-	-	283,929.90
10/01/2019	-	-	40,649.21	40,649.21	-
04/01/2020	203,000.00	6.090%	40,649.21	243,649.21	-
07/01/2020	-	-	-	-	284,298.42
10/01/2020	-	-	34,468.10	34,468.10	-
04/01/2021	215,000.00	6.090%	34,468.10	249,468.10	-
07/01/2021	-	-	-	-	283,936.20
10/01/2021	-	-	27,921.60	27,921.60	-
04/01/2022	229,000.00	6.090%	27,921.60	256,921.60	-
07/01/2022	-	-	-	-	284,843.20
10/01/2022	-	-	20,948.81	20,948.81	-
04/01/2023	242,000.00	6.090%	20,948.81	262,948.81	-
07/01/2023	-	-	-	-	283,897.62
10/01/2023	-	-	13,580.19	13,580.19	-
04/01/2024	257,000.00	6.090%	13,580.19	270,580.19	-
07/01/2024	-	-	-	-	284,160.38
10/01/2024	-	-	5,754.83	5,754.83	-
04/01/2025	189,000.00	6.090%	5,754.83	194,754.83	-
07/01/2025	-	-	-	-	200,509.66
Total	\$2,500,000.00	-	\$1,110,895.85	\$3,610,895.85	-

\$2,500,000

Trolley Street Car Project

Salt Lake City, Utah

Series 2011

Debt Service Schedule

Part 2 of 2

Yield Statistics

Bond Year Dollars	\$18,242.00
Average Life	7.297 Years
Average Coupon	6.0897700%
Net Interest Cost (NIC)	6.0897700%
True Interest Cost (TIC)	6.0917949%
Bond Yield for Arbitrage Purposes	6.0917949%
All Inclusive Cost (AIC)	6.0917949%

IRS Form 8038

Net Interest Cost	6.0897700%
Weighted Average Maturity	7.297 Years

Revenue	FY 2011-12 Annual Budget	Revised Forecast	Variance Favorable (Unfavorable)
Total General Fund	195,114,853	194,559,704	(555,149)
Selected Discussion Items			
Total Property Taxes <i>Discussion:</i>	63,175,537	63,175,537	0
Total Sales and Use Tax <i>Discussion:</i>	45,622,655	45,622,655	0
Total Franchise Tax <i>Discussion:</i> Franchise Fee for Public Utilities is lower than budgeted due to a cooler and wetter summer.	28,434,888	28,366,228	(68,660)
License and Permits: <i>Discussion:</i>	18,452,058	18,379,780	(72,278)
Intergovernmental Revenue <i>Discussion:</i>	5,426,994	5,426,994	0
Interest income <i>Discussion:</i>	780,000	780,000	0
Total Fines & Forfeiture <i>Discussion:</i> Parking Ticket revenue is down due to parking ticket issuance being down.	10,988,815	10,567,259	(421,556)
Parking Meters <i>Discussion:</i>	1,651,000	1,651,000	0
Charges and Services <i>Discussion:</i>	4,118,852	4,126,197	7,345
Miscellaneous Revenue <i>Discussion:</i>	3,020,641	3,020,641	0
Interfund Reimbursement <i>Discussion:</i>	9,907,993	9,907,993	0
Transfers <i>Discussion:</i>	3,535,420	3,535,420	0