
M E M O R A N D U M

DATE: April 4, 2008
TO: City Council Members
FROM: Russell Weeks
RE: Proposed Interlocal Agreement: Airport Light Rail Project
CC: Cindy Gust-Jenson, David Everitt, Lyn Creswell, Esther Hunter, Ed Rutan, Mary De La Mare Schaefer, Tim Harpst, John Naser, DJ Baxter, Jennifer Bruno, Kevin Young, Rusty Vetter, Chris Bramhall

This memorandum pertains to a proposed interlocal agreement between Salt Lake City and the Utah Transit Authority regarding the design and construction of a light rail line between the downtown and Salt Lake City International Airport.

The City Council is scheduled to receive a briefing on the proposed agreement at its April 8 work session. The Council also has scheduled an April 15 public hearing on the proposal. Final action on the agreement tentatively is scheduled for May 6.

It should be noted that there remain a number of outstanding issues between the City and UTA that need to be resolved. The outstanding issues carry significant cost implications. In addition, the listing of items in the draft of the proposed agreement that Council Members received, does not necessarily mean that the UTA negotiating team has agreed to the items.

OPTIONS

Options will be prepared after the April 8 briefing.

POTENTIAL MOTIONS

Council staff will prepare potential motions after the April 8 briefing.

KEY POINTS

- The Administration's transmittal consists of two items: A study required by Utah Code Annotated Section 10-8-2, and a draft interlocal agreement. The study required by UCA 10-8-2 is an analysis of the potential public benefit of expending Salt Lake City's public funds for the UTA project.
- The memorandum will focus on the draft interlocal agreement because building a light rail system has been Salt Lake City's goal at least since December 6, 1994.¹

- According to the Administration, the proposed agreement as of April 3 is evolving and will evolve as discussions with UTA continue.

ISSUES/QUESTIONS FOR CONSIDERATION

- The document calls for an alignment along 400 West Street as the eastern end of a “base alignment.” However the document also would allow the City to request a change in the alignment to 600 West Street. (Paragraph 5.2.1.2)
- One rail configuration raised in preliminary discussion but not included in a the document is a “jog” that would run up 400 West Street to 200 North Street where it would then run westbound on 200 North Street to 600 West Street where it would turn southbound to North Temple Street. Council Members may wish to enquire whether the Administration and UTA believe the configuration is a valid alternative to the proposals listed in the document.
- The document appears to give the Mayor and the UTA General Manager the authority to determine the final alignment of a light rail line at the Salt Lake City International Airport. (Paragraph 5.2.3)
- Under the document, UTA would pay all costs to relocate a temporary airport light rail station to a permanent station. (Article 7)
- UTA apparently has agreed to pay for two studies. One would involve UTA to conduct the necessary environmental studies to ensure the two new track extensions along 400 South to the Intermodal Hub and along 700 South/400 West that will provide needed track capacity and operational flexibility will be constructed when required. The other would involve a light rail operations study of all existing and planned light rail lines through the downtown area to insure the operations of light rail do not cause capacity or operations problems to other modes of transportation downtown. (Article 9)
- The proposed agreement waives City administrative fees as part of the City’s in-kind contribution to the project. It might be noted that the City waived fees in the 2006 interlocal agreement to extend TRAX to the Intermodal Hub but did not waive fees in the downtown to University line agreement in 2001 or the 1996 agreement for the original light rail line.

DISCUSSION/BACKGROUND

Given the fluidity of the document, staff has gone through the first 20 sections of the current version by section and listed what may be items that may be of interest to the City Council and items that the City Council may wish to discuss with the Administration.

Article 1 – Definitions

This section appears to be routine. It should be noted that the term “betterment” is defined as “any work with is (i) performed by UTA or its agents or contractors, which is 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 Project, and (iii) performed at

the request of the City.” The definition generally is the same as in all previous agreements between Salt Lake City and UTA.

Article 2 – Purpose of Agreement

The stated purpose of the agreement is to: identify and document the interests and objectives of the City and UTA; to allocate costs between the two parties; describe each’s responsibilities; establish mechanisms for meeting milestones and resolving disputes.

Article 3 – Term

The term of the agreement would last until “all obligations, commitments and requirements” in the agreement “have been fully performed.”

Article 4 – UTA Commitment to Construct Project

The section says, “UTA represents and warrants to the City that it has on hand, or has the ability to obtain and will obtain funds which, together with the amounts to be contributed by the City so the payment of Project Costs, will be sufficient to complete construction of the Project ...”

Article 5 – Airport Extension Alignment

The section says the City and UTA “have agreed to the Basic Alignment for the Airport Extension described in Exhibit A attached hereto.” The exhibit has yet to be fleshed out, but a brief description of the exhibit plus a scope of services attached to the document indicate that the “Basic Alignment” involves:

- A line extending from the Arena Station on South Temple northward on 400 West Street to North Temple Street
- A new light rail viaduct along North Temple Street to 600 West
- Between 600 West and 2400 West streets on North Temple Street the track will run in the center of the street with two auto lanes in each direction on each side and six-foot-wide bicycle lanes on each side.
- Stations would be located at: 450 West North Temple (on a new viaduct as a transfer station); the west side of the intersection of North Temple and 800 West; next to the State Fair Park and the Jordan River; the west side of the Garside Street intersection; the east side of the Winifred Street intersection; and the west side of the 2200 West intersection.
- At the intersection of North Temple and 2400 West the light rail line would “then proceed to the Airport in a location to be determined by final planning and environmental consideration but will generally be along the UDOT (Utah Department of Transportation) I-80 right of way to the boundary of the airport at the Surplus Canal.”
- Within the airport the light rail line would “cross the the southern boundary of the Airport property on the east side of Bangerter Highway then proceed north and northeast along the east side of Terminal Drive to a location adjacent Terminal One.

- The final location would be determined “as part of the Airport reconstruction environmental documentation process.”

However, Paragraph 5.2.1.2 would allow the City to change the alignment of the east end of the line from 400 West Street to 600 West Street – if the City requests the change. Under the proposed document, UTA would consider the 600 West alignment as part of the “baseline project.” As that, the alternate would not be considered a “betterment” paid solely by the City. The cost of any other changes east of 2400 West Street would require the City to bear the costs (Paragraph 5.2.1.1)

Paragraphs 5.2.2.1 and 5.2.2.1.1 acknowledge that the baseline alignment on airport property “cannot be currently finalized by the parties, due to numerous factors largely beyond the control of the parties.” The paragraphs create an Airport Alignment Policy Committee made up of the Mayor, the Director of Airports, the General Manager of UTA and the Deputy Managing Director of UTA to “direct and supervise all efforts of the City and UTA to in connection with the finalization of the Airport Alignment.”

Paragraph 5.2.2.1.3 seeks to have the Airport Alignment Policy Committee to seek a determination from the Federal Aviation Administration to allow the light rail project east of 2400 West to be exempt from any sort of federal environmental study that the FAA may require on the part of the project that is on Salt Lake City International Airport property.

Paragraph 5.2.3 says the Airport Alignment Policy Committee shall recommend to the City and UTA a final alignment for the light rail line at the airport. It says the City and UTA “shall determine and establish the final Airport Alignment by mutual agreement ... evidenced by a written addendum to Exhibit A to this Agreement, signed by the Mayor and the General Manager of UTA.” Paragraph 5.2.3 goes on to say, “By approving this Agreement, the respective legislative bodies of the City and UTA agree that the final designation of the Airport Alignment is an administrative determination that shall not require the further approval of such legislative bodies.”

Article 7 – Relocation of Airport Station

The segment says in part, “The relocation of the Airport Station and all tracks and ancillary facilities required to be so relocated, shall be considered an integral part of the Project, and shall be funded by UTA.

Articles 8 and 9 (Corridor Franchise and Easement and Transit and Traffic Studies) remain to be completed.

Article 10 – Environment and Sustainability

The section outlines UTA’s responsibility and UTA’s the City’s intent to “seek opportunities to incorporate into the Project both proven and innovating techniques to enhance environmental protection, minimize environmental impact, and promote sustainability.”

Article 11 – Construction Commencement Date

The section says the City and UTA will establish construction commencement dates for segments of the light rail line. Under the section, UTA will not start construction work on any segment of the line until after a construction commencement date is established for the segment. It should be noted that “construction work” is defined as “any work which involves significant disruption of City streets or the Airport.”

Article 12 – Funding Project Costs

The section commits Salt Lake City to “make cash contributions to UTA, in the maximum aggregate amount of \$35 million to partially fund Project Costs.”

The section calls for the City to authorize bonds based on the \$2 per vehicle registration fee in Salt Lake County that Legislature authorized in the 2008 session. The City would not issue the bonds until after it had determined the average annual amount of revenue the City could expect to receive. The average amount would be based on accumulating the revenue over a two-year period. The City then would turn over to UTA proceeds from any bond sale “to reimburse UTA for the payment of project costs.”

In addition, the section calls for the City to provide in-kind contributions of the value of street rights of way, an easement over airport property, and “to pay or waive the payment of all Administrative fees.” Paragraph 12.4.1 contemplates the City at some point enacting a surcharge on TRAX system tickets sold at the Airport station.

Article 13 – Grand Boulevard

The section clarifies that City plans to make North Temple Street a boulevard is not part of the light rail project, and UTA work on any portion of the City project will be considered a “betterment” to be paid by the City.

Article 14 – Betterments

The section establishes terms for the City to have UTA build “betterments” that are beyond the scope of the baseline project and are to be paid solely by the City.

Article 15 – Free Fare Zone

The section formally expands the downtown free fare zone to include the Intermodal Hub station, the Library station and two as yet unidentified stations.

Article 16 – Is still under negotiation.

Article 17 – Utility Relocation

The section requires the City, “consistent with applicable law and on a case-by-case basis,” to consider using any rights it has under franchise agreements or ordinances to have private companies move their utilities that might be displaced by the project.

Article 18 – Traffic Management and Access

The section requires UTA to have its general contractor prepare a plan to maintain traffic and access to property along the light rail route during the project. At the airport, the Director of Airports would have approval authority over “all aspects” of traffic and staging plans.

Article 19 – Public Outreach

The section requires UTA’s general contractor to develop a public outreach plan as part of the contractor’s pre-construction services.

Article 20 – Art in Transit

The section is intended to encourage art as part of the project to “reflect the historical and cultural richness of communities served by the System” UTA apparently is seeking a dollar-for-dollar matching program.

It should be noted that the original light rail agreement for Main Street calls for UTA to pay \$1.50 for every \$1 provided by the City. The next two agreements appear to require UTA to pay flat fees of \$250,000.

¹ City Council Minutes, Dec. 6, 1994, attached

CITY COUNCIL MOTION

December 6, 1994

ACTION: Councilmember Reid moved and Councilmember Godfrey seconded to close the public hearing, which motion carried, all members voted aye.

Councilmember Reid moved and Councilmember Godfrey seconded to recommend to the Administration Option K, which was 400 South general purpose off ramp, no off ramp at North Temple, 300 West and 400 West would be two way traffic, and there would be an off ramp from 600 North to 400 West. The Council would accept Option K with the understanding that the following conditions must be met; 1) a light rail transit system was fully operational before improvement on 1—15 commenced in Salt Lake City; 2) immediately following the opening of the light rail first phase, the second phase of light rail connecting the CBD (Central Business District) would begin; 3) if consolidation of the West downtown railroad lines take place then planned freeway viaducts should be shortened to allow for enhanced urban design gateway option; and 4) in the event that light rail transit proposals were removed from the 1-15 corridor study, the City shall withdraw its support for all other options and transportation improvements.

Councilmember Hardman moved and Councilmember Christensen seconded to amend the proposed motion by adding two additional conditions; 5) as part of the Citywide transportation master plan, and the downtown circulation study, the City will plan and implement any and all traffic restrictions and urban design elements necessary to mitigate the impact of commuter traffic on the City's residential neighborhoods; and 6) that future high occupancy vehicle (HOV) ramps to and from the north not be located at 200 South nor at 400 South, which amended motion carried, all members voted aye, except Councilmember Hutchison who voted nay.

EXHIBIT A

Basic Alignment

[Here attach Basic Alignment of Airport Extension.]

Note: This alignment will show (i) 400 West (not 600 West), (ii) left turn at North Temple (no "North Loop"), and (iii) [Original Alignment] through Airport property.

EXHIBIT A

ALTERNATE 1

[Here attach depiction of 600 West option.]

EXHIBIT __

Scope of Project

1. Alignment (Non-Airport). The Airport Extension will extend from the Arena Station on South Temple northward on 400 West North Temple Street then over a new light rail viaduct to 600 West, then extend westerly along North Temple Street to I-215 and then southwest to 2400 West North Temple intersection. From the intersection the light rail will proceed to the Airport in a location to be determined by final planning and environmental consideration but will generally be along the UDOT I-80 right of way to the boundary of Airport at the Surplus canal.
2. Alignment (Within Airport). The Airport Extension will cross the southern boundary of the Airport property on the east side of Bangerter Highway then proceed north and northeast along the east side of Terminal Drive to a location adjacent the Terminal One. The final location will be determined as part of the Airport reconstruction environmental documentation process..
3. North Temple Configuration. The Project extending along North Temple from 600 West to 2400 West will consist of center-running tracks, with vehicular traffic on each side of the rail alignment. The roadway will consist of two (2) travel lanes and a 6 foot bike lane in each direction. Widening and additional turn lanes will be included at major intersection to aid in traffic movements. .
4. Station Locations. The Project will initially include six (6) new stations along North Temple Street, as depicted on Exhibit B attached hereto, and as more particularly described as follows: (1) 450 West North Temple on the viaduct as transfer station, (2) the west side of the 800 West intersection, (3) adjacent to the State Fairpark and the Jordan River, (4) the west side of the Garside Street intersection, (5) the east side of the Winifred Street intersection, and (6) on the west side of the 2200 West intersection.. A seventh station will be included adjacent to Terminal One at the Airport.
5. Station Design and Build Quality. The stations shall be designed and constructed to the same standards as the stations recently constructed by UTA as part of the Intermodal Hub extension. In addition, the Airport Station shall include a canopy running the full length of the station platform, for the purpose of protecting riders and their luggage from the elements.
6. Signal Preemption. The Project will include a signal preemption system to give priority to light rail trains at intersections with public streets.
7. Park and Ride Lots. The Project is presently evaluating including a park and ride lot located at the Fairpark. Construction of the lot is dependent on State approvals with the final location and configuration determined through the final design process.
8. Track. The Project will consist of concrete paved track from the Arena station to the North Temple 2400 West intersection. Ballasted track will be constructed from 2400 West to 3700 West (Terminal Road) on the Airport. Concrete paved track will be constructed on 3700 West to Terminal One.

9. Structures. The project will include replacement of the existing bridge on North Temple over the Jordan River to accommodate light rail track and for ADA continuous walkway requirements to the Fairpark light rail station. and will also include two new bridge structures over the Surplus Canal (one along I-80 and one at the southern boundary of the Airport), and a new bridge structure on the north side of the existing North Temple viaduct over existing Union Pacific and Commuter rail lines. The North Temple structure will include a transfer station from the light rail track to the commuter rail track below.
10. Overhead Catenary System. The project will employ round black painted steel poles with an ornamental base. The overhead catenary system will be high profile catenary wire, per current UTA standards.
11. Utility Relocations. The Project will require the relocation, modification or rehabilitation of affected public and private utilities located along and/or under the track work alignment and within the station areas. Service shall be maintained as utilities are relocated.
12. Street Paving. The Project will involve repaving of streets with an asphalt surface as required due to traffic reconfigurations, track installation and utility relocations. Existing base structures shall be used where possible to optimize costs and provide adequate structural capacity of the pavement.
13. Landscaping. Consistent with the City's development of a "Grand Boulevard" theme for North Temple. The Boulevard will consist of widen park strips sod and large canopy tree plantings, street lighting, widened sidewalks and urban street furnishings.
14. Lighting. Station and platform lighting will be consistent with current UTA standards.
15. Station Artwork. The public artwork will be provided at the station locations and will be determined as part of the final design process.

DRAFT OF 3/31/08

INTERLOCAL AGREEMENT

**REGARDING THE DESIGN
AND CONSTRUCTION OF**

**THE DOWNTOWN TO AIRPORT
TRAX LRT PROJECT**

BETWEEN

SALT LAKE CITY CORPORATION

AND

UTAH TRANSIT AUTHORITY

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THIS INTERLOCAL AGREEMENT REGARDING THE DESIGN AND CONSTRUCTION OF THE AIRPORT TRAX LRT PROJECT (this "Agreement"), is entered this ___ day of _____ 2008, by and between SALT LAKE CITY CORPORATION, a municipal corporation and political subdivision of the State of Utah (the "City"), and UTAH TRANSIT AUTHORITY, a public transit district and political subdivision of the State of Utah ("UTA"). The City and UTA are hereafter sometimes collectively referred to as "parties" and either may be referred to individually as "party," all as governed by the context in which such words are used.

RECITALS

WHEREAS, UTA owns and operates a light rail public transportation system (the "TRAX System") in the Salt Lake Valley, portions of which TRAX System are located within Salt Lake City; and

WHEREAS, in order to connect the TRAX System to the Salt Lake City International Airport (the "Airport"), to provide a means for passengers to travel directly to and from the Airport, and to generally increase the convenience and usage of public transportation within Salt Lake City and Salt Lake County, the parties are cooperating to extend the TRAX System from downtown Salt Lake City to the Airport (hereafter referred to as the "Project"); and

WHEREAS, UTA has retained a consultant to perform the engineering work for the Project; and

WHEREAS, UTA has retained a construction manager/general contractor ("CM/GC") to oversee and/or perform the construction work for the Project; and

WHEREAS, the parties will each bear a portion of the Project costs as outlined in this Agreement; and

WHEREAS, much of the Project will be constructed within public right-of-way owned by the City, and will require the modification of City-owned roadways, utilities and other City facilities; and

WHEREAS, the Airport is currently engaged in a comprehensive planning effort that will guide construction and operations at the Airport in the coming years, and which has relevance to the selection of an alignment of the Project on Airport property; and

WHEREAS, the parties desire to enter into this Agreement, providing generally for the planning and design of the Project, documenting the scope and general configuration thereof, providing for the funding of the costs thereof, and other related matters; and

WHEREAS, this Agreement is entered into under and pursuant to the provisions of the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended (the “Act”), and the parties desire to evidence compliance with the terms and provisions of the Act; and

WHEREAS, the parties wish to enter this Agreement in order to identify and confirm their mutual agreements regarding the numerous issues related 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 hereafter set forth, the mutual benefits to the parties to be derived herefrom, and other valuable consideration, the receipt and sufficiency of which the parties acknowledge, it is hereby agreed as follows:

ARTICLE 1. DEFINITIONS

In addition to other terms that may be defined throughout this Agreement, the following capitalized terms shall have the meanings indicated below:

1.1 “Administrative Fees” means fee charges for licenses, applications, and plan revisions, as well as fees associated with building permits, land use permits, and other similar ministerial charges..

1.2 “Airport” means the Salt Lake City International Airport, an international airport administered by the City’s Department of Airports.

1.3 “Airport Extension” means the segment of the TRAX System to be constructed as part of the Project, extending from a point on the existing TRAX System near the downtown area of the City, to and including the Airport Station.

1.4 “Airport Property” means all real property owned by the City and situated within the boundaries of the Airport.

1.5 “Airport Station” means the TRAX station to be constructed as part of the Project, at or near Terminal 1 at the Airport, as identified on Exhibit B attached hereto.

1.6 “Basic Alignment” means the alignment for the Airport Extension identified in Exhibit A.

1.7 “Betterment” means any work which is (i) performed by UTA or its agents or contractors, which is 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 Project, and (iii) performed at the request of the City.

1.8 “Change” means any deletion, addition, or other modification to the Project scope made after the establishment of the GMP, which deletion, addition, or modification results in a claim for a change order under the CM/GC Contract.

1.9 “City” means Salt Lake City Corporation, a municipal corporation and political subdivision of the State of Utah.

1.10 “City Representative” means the person so designated pursuant to Section 22.4 of this Agreement.

1.11 “City Right-of-Way” means those portions of City streets, including North Temple Street and 400 West Street, that are owned by the City and will be occupied by TRAX System improvements as described in the Scope of Project, attached as Exhibit A to this Agreement.

1.12 “CM/GC” means the construction manager/general contractor with whom UTA has contracted to: (a) coordinate with the Final Design Consultant during final design; (b) provide preconstruction value engineering and constructability reviews; (c) prepare Traffic and Staging Plans and Public Outreach Plans (as such terms are defined in ARTICLE 18 of this Agreement) for review by the parties; (d) construct those portions of the Project to be self-performed by the CM/GC; (e) procure, manage and oversee those portions of the Project to be subcontracted; and (f) negotiate and establish a GMP for the Project as identified in the CM/GC Contract.

1.13 “CM/GC Contract” means the contract UTA has executed with the CM/GC, as amended from time to time.

1.14 “Construction Commencement Date” means, with respect to any specified portion of the Airport Extension, the date upon and after which UTA shall be authorized to conduct construction substantial construction activities in connection with such specified portion of the Airport Extension, as more fully provided in ARTICLE 11 hereof.

1.15 “Construction Submittals” means all construction schedules, construction staging plans, utility shutdown plans, Traffic and Staging Plans and Public Outreach Plans, QA/QC plans, fabrication drawings, approved equals requests, value engineering proposals, product and test data and other deliverables that are provided by the CM/GC from time to time for review, approval or comment pursuant to the CM/GC Contract.

1.16 “Design Submittals” means all interim drawings, specifications, basis of design documents, design assumptions, “over-the-shoulder” review items or other matters that are submitted by the Final Design Consultant from time to time for review, comment or determination in the preparation of Final Design Drawings.

1.17 “Environmental Law” means all Laws relating to pollution or protection of human health, safety (including worker health and safety) or the environment (including ambient air, surface water, ground water, land surface or subsurface strata), including Laws relating to emissions, discharges, releases or threatened releases of Materials of Environmental Concern or otherwise relating to the manufacture, transportation, generation, release, containment, storage, handling, disposition, investigation, remediation, or management of any Material of Environmental Concern.

1.18 “FAA” means the Federal Aviation Administration.

1.19 “Final Design Consultant” means the design consultant with whom UTA will contract to provide Final Design Drawings, and related work for the Project.

1.20 “Final Design Consultant Contract” means the contract UTA will execute with the Final Design Consultant.

1.21 “Final Design Drawings” means the final set of drawings, specifications and cost estimates sealed by the Final Design Consultant and prepared to conform with the GMP for the Project.

1.22 “FTA” means the Federal Transit Administration, the public transportation modal administration for the United States Department of Transportation.

1.23 “Governmental Approval” means any authorization, consent, approval, license, permit, lease, ruling, certification, exemption, filing for registration or similar matter by or with any Governmental Authority, including Governmental Approvals relating to any Environmental Law.

1.24 “Governmental Authority” means any nation, state, sovereign, or government, any federal, regional, state, local or political subdivision and any entity exercising executive, legislative, judicial, regulatory, or administrative functions of or pertaining to government.

1.25 “Grand Boulevard” means _____.

1.26 “Intermodal Hub” means the Salt Lake City Intermodal Terminal located at 600 West 300 South in downtown Salt Lake City.

1.27 “Law” means, with respect to any Governmental Authority, any constitutional provision, law, statute, rule, regulation, ordinance, treaty, order, decree, judgment, decision, common law, holding, injunction, Governmental Approval or requirement of such Governmental Authority. Unless the context clearly requires otherwise, the term “Law” shall include each of the foregoing (and each provision thereof) as in effect at the time in question, including any amendments, supplements, replacements, or other modifications thereto or thereof, and whether or not in effect as of the date of this Agreement.

1.28 “Materials of Environmental Concern” means chemicals, pollutants, contaminants, wastes, toxic substances and hazardous substances, any toxic mold, radon gas or other naturally occurring toxic or hazardous substance or organism and any material that is regulated in any way, or for which liability is imposed, pursuant to an Environmental Law.

1.29 “NEPA” means the National Environmental Policy Act, _____.

1.30 “Performance Specifications” has the meaning set forth in ARTICLE 31 of this Agreement.

1.31 “Preliminary Design Drawings” means the preliminary set of drawings, specifications and cost estimates for the Project prepared by the Preliminary Engineering Consultant.

1.32 “Preliminary Engineering Consultant” means the design consultant with whom UTA has contracted to provide preliminary engineering services and similar work for the Project.

1.33 “Preliminary Engineering Consultant Contract” means the contract UTA has entered with the Preliminary Engineering Consultant.

1.34 “Project” means the planning, design, engineering, acquisition, construction and funding of an extension of the existing TRAX System from downtown Salt Lake City to a terminal station at or near existing Terminal 1 at the Airport. “Project” shall include all elements included in the Scope of Project set forth in this Agreement, and as amended from time to time by the parties, including elements of the Grand Boulevard and other Betterments which the City chooses to include in the CM/GC Contract.

1.35 “Project Costs” means all costs and expenses incurred by UTA in connection with planning, design and construction of the Project.

1.36 “Project Integration Team” means the committee comprised of representatives from each party, which committee is responsible for reviewing relevant Project matters for the parties. The composition of the Project Integration Team is set forth in Section 22.1 of this Agreement.

1.37 “Project Policy Team” means the dispute resolution and policy setting committee created pursuant to Section 22.5 of this Agreement.

1.38 “RFP” has the meaning set forth in Section _____ of this Agreement.

1.39 “RPZ” means the any runway protection zone established by the FAA at the Airport.

1.40 “TRAX System” means all currently operational segments of UTA’s light rail system, including the portions thereof known as the Sandy Line, the University Line and the Intermodal Hub Extension, and any and all future projects, extensions, additions or modifications to such light rail lines, Upon completion of the Project, the term TRAX System shall include the extension to the Airport.

1.41 “TSA” means the federal Transportation Safety Administration.

1.42 “UTA Representative” means the person so designated pursuant to Section 22.3 of this Agreement.

ARTICLE 2. PURPOSE OF AGREEMENT

2.1 UTA has heretofore selected and contracted with the Preliminary Engineering Consultant to prepare Preliminary Design Drawings for the Project. UTA has also selected and contracted with (i) the Final Design Consultant, and (ii) the CM/GC.

2.2 The Project will be constructed largely (i) within the City Right-of-Way, and (ii) on Airport Property, and will affect traffic patterns, commercial and residential access within the City, and Airport operations. Project construction will also impact public utilities, roadway improvements and other City-owned facilities. Therefore, it is important that the Project be designed and constructed in close coordination with the City and in accordance with all applicable FAA and other federal requirements, and that elements of the Project which will be owned by the City, and for which the City shall have or retain ownership, as described in Section _____ hereof, shall be designed and constructed in accordance with the City’s engineering standards and requirements for construction of City improvements, public utility shutdowns, road closures, maintenance of commercial and residential access and similar matters..

2.3 Accordingly, the parties have entered into this Agreement for the following primary purposes:

2.3.1 To identify and document the interests and objectives of each party with respect to the Project and establish minimum Project requirements. This Agreement shall constitute the guiding document governing the Project and shall be referenced in the Final Design Consultant Contract and the CM/GC Phase III Contract.

2.3.2 To allocate Project costs between the parties.

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

- 2.3.4 To establish a mechanism for achieving critical path milestones (such as obtaining any necessary FAA or other federal approvals), and for agreeing upon a start date for construction.
- 2.3.5 To establish mechanisms for resolving any disputes between the parties arising in connection with the Project.
- 2.3.6 To establish procedures for making changes in the Scope of Project, Performance Specifications, and other matters relating to the Project.

ARTICLE 3. TERM

This Agreement shall be effective as of the date of execution by both parties 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 UCA §11-13-204 (as amended). The expiration or termination of this Agreement shall not relieve or excuse either 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 ____ of this Agreement.

ARTICLE 4. UTA COMMITMENT TO CONSTRUCT PROJECT

UTA hereby agrees to construct the Project, subject to the terms, conditions and contingencies set forth in this Agreement. UTA represents and warrants to the City that it has on hand, or has the ability to obtain and will obtain funds which, together with the amounts to be contributed by the City to the payment of Project Costs, will be sufficient to complete construction of the Project as described and provided herein.

ARTICLE 5. AIRPORT EXTENSION ALIGNMENT

5.1 The parties have agreed to the Basic Alignment for the Airport Extension described in Exhibit A attached hereto.

5.2 The Basic Alignment identified in Exhibit A is subject to modification as provided in this Subsection 5.2.

5.2.1 Alignment changes east of 2400 West Street.

5.2.1.1 The City may, prior to the later to occur of (i) December 31, 2008, and (ii) the Construction Commencement Date for any particular segment of the alignment, request a change in such alignment. UTA shall implement any alignment change (i) that does not unreasonably delay the Project schedule, and (ii) for which any incremental increase in cost is funded by the City or some other party as a Betterment. The determination by the City to request an alignment change shall be authorized by resolution of the City Council, following completion by the City of all applicable legal requirements..

5.2.1.2 Notwithstanding Section 5.2.1.1 above, the City may request, prior to the later of December 31. 2008, and the relevant Construction Commencement Date, and UTA shall implement, the alignment alternative identified In Exhibit A as Alternate 1 The cost of implementing Alternate 1 shall be considered part of the baseline Project, and shall not be considered a Betterment requiring additional contribution by the City.

5.2.2 Alignment changes west of 2400 West Street.

5.2.2.1 The parties acknowledge that the Basic Alignment west of approximately 2400 West Street, to and including the Airport Station, while representing the parties' preferred alignment at this time, cannot be currently finalized by the parties, due to numerous factors largely beyond the control of the parties, including without limitation recommendations and/or requirements resulting from compliance with NEPA, approvals required to be obtained from the FAA relating to the RPZ, other approvals required to be obtained from the FAA, the FTA, the FHWA, the TSA or other applicable federal agencies, land use rights to

be obtained from UDOT, safety considerations, cost considerations and other factors. The parties agree to proceed, as a matter of the highest priority, to finalize the location of such alignment (the “Airport Alignment”), at the earliest possible date. In connection therewith, the parties agree as follows:

5.2.2.1.1 There is hereby established an “Airport Alignment Policy Committee,” consisting of the Mayor of the City, the City’s Executive Director of Airports, the General Manager of UTA, and the Deputy Managing Director of UTA, or the designees of such persons. The Airport Alignment Policy Committee shall be under the direction of the Mayor of the City. The Airport Alignment Policy Committee shall direct and supervise all efforts of the City and UTA in connection with the finalization of the Airport Alignment.

5.2.2.1.2 Immediately following the execution of this Agreement, the Airport Alignment Policy Committee shall meet and confer to establish a strategy for finalizing the Airport Alignment. Such strategy shall include, at the earliest possible stage, a determination of the scope of any NEPA compliance required by the FAA. In consultation with legal counsel, the Airport Alignment Policy Committee shall consider various approaches in identifying the scope of such required NEPA compliance, including the following:

5.2.2.1.2.1 Making a “Request for Written Reevaluation” of the Existing EIS, under [NEPA] Policy 515;

5.2.2.1.2.2 Requesting a supplemental EIS, supplementing the Existing EIS, under [NEPA] Policy 516; or

5.2.2.1.2.3 Requesting a “Finding of no Significant Impact” following completion of an Environmental Assessment.

5.2.2.1.3 As a threshold matter, prior to or concurrent with the submission of such request to the FAA to determine the required scope of the NEPA review, the Airport Alignment Policy Committee shall seek a determination from the FAA permitting the exclusion from such review of the portion of the Airport Extension east of 2400 West Street, with the objective of permitting the planning, design and construction of the portion of the Airport Extension east of 2400 West to proceed prior to and independent from completion of any required NEPA review. The Airport Alignment Policy Committee shall also take all necessary steps to assure that the environmental review does not include the permanent location of the Airport Station, the location of which is not known at this time.

5.2.2.1.4 All communications between either the City or UTA, and the FAA and other federal and State agencies involved in the final determination of the Airport Alignment, shall be made either by or under the direction of the Airport Alignment Policy Committee. Any such communications which are in writing shall be made in the name of the City and under the City's direction.

5.2.2.1.5 Both the City and UTA are committed to identifying the Airport Alignment which meets all federal and State requirements, and the objectives of the parties, in the most cost effective manner.

5.2.3 Following completion of the foregoing, the Airport Alignment Policy Committee shall report its recommendations to the City and UTA. The recommendations of the Airport Alignment Policy Committee shall be considered by the City and UTA, and the City and UTA shall determine and establish the final Airport Alignment by mutual agreement, such agreement to be evidenced by a written

addendum to Exhibit A to this Agreement, signed by both (i) the Mayor of the City, and (ii) the General Manager of UTA. By approving this Agreement, the respective legislative bodies of the City and UTA agree that the final designation of the Airport Alignment is an administrative determination that shall not require the further approval of such legislative bodies.

5.2.4 Neither the City nor UTA shall unreasonably withhold approval of the recommended Airport Alignment. The recommendation of the Airport Alignment Policy Committee shall be approved, unless either party can demonstrate a significant and compelling reason to reject such recommendation.

5.2.5 The Airport Alignment approved by the parties shall be deemed to be part of the Baseline Project. In addition, all costs and expenses associated with finalizing the Airport Alignment shall be considered a Baseline Project Cost. UTA shall reimburse to the City all actual and reasonable costs and expenses incurred by the City in connection with its efforts to finalize the Airport Alignment, including personnel and travel costs. Costs involved in the engagement of outside professional services shall be approved in advance by the Airport Alignment Policy Committee.

ARTICLE 6. AIRPORT EXTENSION STATIONS

6.1 The Airport Extension shall include stations at the locations identified on Exhibit A attached hereto.

6.2 The stations shall include the elements and features, and shall be built to the standards, described in the Performance Specifications, including the Scope of Project.

6.3 UTA shall consult with the Mayor prior to the selection of names for the Stations. UTA shall consider, in good faith, any station names proposed by the City.

ARTICLE 7. RELOCATION OF AIRPORT STATION

The Airport Station will be designed to serve the Airport in its current configuration, pending the Airport redesign and reconstruction project currently in the planning stages. The parties agree that the final design of the Airport shall include the integration of the Airport Station, and will likely require the relocation of Airport Station and the extension or relocation of tracks and other facilities. The relocation of the Airport Station and all tracks and ancillary facilities required to be so relocated, shall be considered an integral part of the Project, and shall be funded by UTA. UTA and the Airport shall cooperate in connection with the design, planning and construction of such work. The parties anticipate that additional agreements may be required in connection with the Airport TRAX station relocation, and agree to negotiate and complete such agreements in good faith. UTA agrees to include the relocation of the Airport Station in its 5-year budget program.

ARTICLE 8. CORRIDOR FRANCHISE AND EASEMENT

8.1 The City agrees to grant to UTA such surface rights as shall be necessary to construct, operate and maintain the Project within (i) the City Right-of-Way, and (ii) the Airport Property. Such rights in the City Right-of-Way shall be granted pursuant to a _____ in substantially the form attached hereto as Exhibit _____. The easement through the Airport Property shall be granted in substantially the form attached hereto as Exhibit _____.

ARTICLE 9. TRANSIT AND TRAFFIC STUDIES

- 9.1 UTA agrees to perform, at its cost and expense, the following studies:
 - 9.1.1 [Downtown traffic coordination study. Include language regarding the joint funding of any necessary computer system.]
 - 9.1.2 [Study of light rail “loop” proposals.]
 - 9.1.3 [Other?]

ARTICLE 10. ENVIRONMENT AND SUSTAINABILITY

- 10.1 At its sole cost and expense, UTA shall:
 - 10.1.1 obtain, maintain, and comply with any and all Governmental Approvals necessary for the financing, design, construction and operation of the Project,

including, without limitation, the National Environmental Policy Act, the Clean Water Act, and the Clean Air Act; and

10.1.2 UTA commits to:

10.1.2.1 Maintain its ISO 14001 certification and follow the standards of the ISO 14001 Environmental Management System.

10.1.2.2 Comply with federal, state and local Environmental Laws.

10.1.2.3 Encourage and support the development of standards that encourage public transit use and environmental protection.

10.1.2.4 Train, and raise awareness among, employees on environmental protection.

10.1.2.5 Ensure that the design, construction, and operation of the Airport Extension considers environmental protection.

10.1.2.6 Develop and implement practices to encourage pollution prevention and waste minimization.

10.1.2.7 Implement resource reduction, recycling, and reuse practices to preserve natural resources.

10.1.2.8 Periodically review environmental protection procedures and practices to ensure that they provide effective solutions for the problems they are designed to prevent or correct.

10.1.2.9 Recognize and encourage citizen awareness and involvement in UTA's efforts to protect the environment.

10.1.2.10 Consider alternative solutions to environmental problems to ensure that the most efficient and effective solution is implemented.

10.2 The parties hereby express their mutual commitment, during the useful life of the Airport Extension, to seek opportunities to incorporate into the Project both proven and innovative techniques to enhance environmental protection, minimize environmental impact, and promote sustainability.

ARTICLE 11. CONSTRUCTION COMMENCEMENT DATE

11.1 UTA agrees that it shall not perform any construction work related to any segment of the Airport Extension until after the Construction Commencement Date established for such segment, without the prior written consent of the City. For purposes of this ARTICLE 11, “construction work” means any work which involves significant disruption of the City Streets or Airport Property.

11.2 The parties shall establish each Construction Commencement Date by mutual, written agreement, at such time as all necessary federal and State regulatory approvals and land use rights have been obtained.

11.3 UTA shall use its best reasonable efforts to complete construction and commence passenger service on the Airport Extension within _____ months after the Construction Commencement Date. [UTA to include incentives in CM/GC contract; City to review and comment on such incentives. See University ILA].

ARTICLE 12. FUNDING PROJECT COSTS

12.1 All costs and expenses related to the Project as defined herein shall be considered Project Costs, except for costs and expenses expressly assumed by the City herein, or expressly designated herein as Betterments.

12.2 The parties agree to fund Project Costs as follows:

12.2.1 The City agrees to make cash contributions to UTA, in the maximum aggregate amount of \$35 Million, to partially fund Project Costs, in the following manner:

12.2.1.1 Pursuant to [cite 2008 funding legislation], the Utah Legislature has provided an indirect source of revenue to the City, consisting of a \$2.00 portion of each automobile registration fee collected annually by Salt Lake County (the “Registration Fees”).

12.2.1.2 Beginning with the first month in which such Registration Fees are collected by the City, the City shall set such Registration Fees aside for a period of not less than twenty-four months, to be paid to UTA as hereinafter provided.

12.2.1.3 The City shall average such receipts to determine the amount of such Registration Fees which the City can reasonably expect to receive on an annual basis.

12.2.1.4 The City shall issue bonds in the maximum principal amount possible, assuming a fixed rate of interest, a maximum term of twenty (20) years, and a maximum annual level debt service payment equal to the average established pursuant to subsection 12.2.1.3 above.

12.2.1.5 The proceeds of such bond issue, net of all costs of issuance (the "Bond Proceeds"), shall be paid to UTA to reimburse UTA for the payment of Project Costs.

12.2.1.6 In addition, an amount equal to the amounts collected and set aside by the City as described in subsection 12.2.1.2 above (the "Saved Fees"), shall be paid to UTA to reimburse UTA for the payment of Project Costs.

12.2.1.7 In addition, the City shall pay to UTA, on an annual basis, an amount equal to all Registration Fees received by the City in excess of the Registration Fees necessary to pay debt service on the Bonds (the "Surplus Registration Fees). Such annual payment of Surplus Registration Fees shall continue, subject to Section _____ below, until the sum of (A) the Bond Proceeds paid to UTA, (B) the Saved Fees paid to UTA, and (C) the annual Surplus Registration Fees paid to UTA, equals \$35 Million. [Add time value of money concept.]

12.2.1.8 Bond Proceeds and Saved Fees shall be paid to UTA on a monthly basis, beginning two (2) years after the first Registration Fees are received by the City,

to pay amounts due and payable to the CM/GC, as evidenced by invoices submitted by the CM/GC to UTA.

12.2.2 UTA agrees to contribute all amounts necessary to pay Project Costs, in excess of the cash contribution of the City provided for in Section 12.2.1 above. THE CITY'S OBLIGATION TO CONTRIBUTE TO THE PAYMENT OF PROJECT COSTS SHALL BE STRICTLY LIMITED TO THE CASH CONTRIBUTION IDENTIFIED IN SECTION 12.2.1 HEREOF.

12.3 In addition to the City's cash contribution identified in Section 12.2.1 above, the City shall make the following in-kind contributions to the Project:

12.3.1 The Right-of-Way, with a present fair market value of approximately \$_____.

12.3.2 The Airport Easement, with a present fair market value of approximately \$_____.

12.3.3 The City agrees to pay or waive the payment of all Administrative Fees., valued at \$_____.

12.4.1 The City anticipates that it may impose, by appropriate City ordinance, a surcharge on all TRAX System ticket sales for riders purchasing tickets at the Airport Station. The fees generated by such a program would be used by the City for _____ purposes. UTA agrees to negotiate with the City in good faith regarding the implementation of such a surcharge program, including the allocation of the costs of such implementation.

ARTICLE 13. GRAND BOULEVARD

13.1 The City anticipates that is shall plan, design and construct certain improvements in and adjacent to North Temple Street concurrent with the Project. Such improvements, as more particularly described on Exhibit __ attached hereto, are referred to collectively herein as the "Grand Boulevard."

13.2 The Grand Boulevard is not considered to be part of the Project, is not included in the Baseline Project Budget, and shall be paid for by the City as a Betterment; provided, however, that any cost savings realized by UTA as a result of the implementation of any part of the Grand Boulevard shall be credited to the City.

13.3 It shall be the obligation of UTA, within the Baseline Project Budget, to pay for the acquisition by the City of any additional right-of-way required to be obtained by UTA to implement the Grand Boulevard or, if the Grand Boulevard is not implemented, to restore a standard level of functionality on North Temple Street. By way of example, if a right or left turn lane displaces or narrows to an unreasonable degree a bike lane or a sidewalk, due to the presence of the TRAX line, UTA shall pay for the acquisition of property to reconstruct such bike lane or sidewalk in a new location.

13.4 The City shall not be required to implement all or any portion of the Grand Boulevard.

ARTICLE 14. BETTERMENTS

14.1 The City may request, and UTA shall implement, Betterments in accordance with the terms of this Section.

14.2 Requests for Betterments shall be made as early in the Project planning and design process as is possible. Requests shall be submitted in writing to the UTA Representative.

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

14.4 The City shall be responsible for reimbursing UTA for all incremental costs incurred by UTA as a result of a Betterment. UTA and the City shall enter into a letter agreement or similar document which shall govern the terms pursuant to which the City shall pay for the Betterment. The City Representative requesting the Betterment shall be solely responsible for obtaining any necessary local approval of the requested Betterment in a timely manner.

14.5 The City may design, construct or otherwise perform the Betterment using its own forces, subject to design review and approval by UTA and its contractor, provided that the City’s design process does not unreasonably interfere with the Project Schedule.

ARTICLE 15. FREE FARE ZONE

15.1 In partial consideration for the City’s contributions to the Project recited herein, UTA agrees to expand the Free Fare Zone to include the following System stations:

- 15.1.1 Library Station;
- 15.1.2 _____ Station;
- 15.1.3 _____ Station; and
- 15.1.4 Intermodal Hub Station.

ARTICLE 16. SYSTEM SERVICE REQUIREMENTS [To Airport and to Hub]

16.1 [To come.]

ARTICLE 17. RELOCATION OF UTILITIES

To the extent that the Final Design Drawings require privately-owned utility facilities (including but not limited to electric power, gas, telephone, cable or telecommunications) to be relocated, the City will, consistent with applicable law and on a case-by-case basis, consider exercising any rights it may have under existing contracts, franchise agreements, ordinances or general law to cause such owners to relocate their utilities at the owner’s expense. All direct and indirect costs incurred by the City in connection with the enforcement of such contracts, franchise agreements, ordinances or general law shall be borne by the Project. [But not at the Airport.]

ARTICLE 18. TRAFFIC MANAGEMENT AND ACCESS

18.1 In order to minimize the adverse impact of the Project on traffic and abutting property owners and patrons, UTA shall cause the CM/GC to prepare a Maintenance of Traffic and Access Plan, Traffic Control Plan and Construction Staging Plan (the “Traffic and Staging Plans”) as part of the CM/GC’s scope of work. The Traffic and Staging Plans shall be prepared by a Utah-licensed professional engineer with demonstrated expertise in traffic engineering and the development of

maintenance of traffic and access plans in construction areas. The Traffic and Staging Plans shall include measures to minimize traffic disruption, provide traffic safety and assure abutting property access during construction. The Traffic and Staging Plans shall take into account other major construction projects which may affect traffic in and near the area affected by the Project. The Traffic and Staging Plans shall include construction-related traffic mitigation strategies, a signage plan recommending directions to impacted businesses, and construction staging. The Traffic and Staging Plans shall be approved by the UTA Representative following review by the Project Integration Team.

18.2 The Traffic and Staging Plans shall specifically address traffic management, access, safety and other issues relating to the Airport. UTA shall employ all necessary measures to prevent or minimize all negative operational impacts on the Airport. The City's Executive Director of Airports, through the Project Integration Team, shall have approval authority over all aspects to the Traffic and Staging Plans as they relate to Project work within the Airport Property.

ARTICLE 19. PUBLIC OUTREACH

In order to minimize the adverse impact of the Project to the community, the parties will cause a public outreach, communication and coordination effort (the "Public Outreach Plan") to be implemented with respect to all construction. The Public Outreach Plan will be developed by the CM/GC as part of the pre-construction services. The Public Outreach Plan will be approved by the UTA Representative and the City Representative following review by the Project Integration Team.

ARTICLE 20. ART IN TRANSIT [UTA wants this to be a dollar-for-dollar matching program.]

The Art in Transit program will be an integral component of both the design and construction phase of the Project. The Art in Transit program will be conducted in accordance with FTA Circular 9400.1A. The Parties intend that the System shall provide an aesthetically pleasing addition to the City, and that artistic and design elements shall be used to reflect the historical and cultural richness and diversity of the communities served by the System. Accordingly, art work shall be incorporated into the Project, and shall contribute to the character and identity of the System as a whole and to each individual

station. The Salt Lake Art Design Board (the “Art Design Board”), with administrative support from the Salt Lake City Arts Council, shall: (a) issue a request for qualifications for the public art to be incorporated into the stations; (b) review the materials submitted in response to the request for qualifications; (c) include City and UTA representatives at review meetings; and (d) provide a recommendation for the artist(s) to be selected for Art in Transit. Final approval for the artist(s) to be selected shall be made by the Parties. The Art Design Board shall not recommend any artwork that: (x) creates a potential safety hazard with respect to the operation of the TRAX System; or (y) materially increases the operation or maintenance costs of the TRAX System. UTA and the City shall contract with the approved artist(s). (update with changes from Nancy and Brian).

ARTICLE 21. PERFORMANCE SPECIFICATIONS

21.1 The parties agree that the Project shall be designed and constructed, at a minimum, in accordance with the following standards and requirements, which are collectively referred to as the “Performance Specifications.” Unless otherwise agreed by the parties: (a) UTA shall cause the Final Design Consultant to incorporate the Performance Specifications into Project design; and (b) UTA shall cause the CM/GC to perform all preconstruction and construction work in accordance with the Performance Specifications. The following standards shall constitute the Performance Specifications:

21.1.1 The Scope of Project, attached hereto as Exhibit A, as amended by the Parties pursuant to Article _____.

21.1.2 UTA’s Light Rail Design Criteria Manual.

21.1.3 Manual of Standard Specifications, as published by the Utah Chapter of the American Public Works Association (200_ Edition).

21.1.4 Manual of Standard Plans, as published by the Utah Chapter of the American Public Works Association (200_ Edition).

21.1.5 The Salt Lake City Public Utilities Department Performance Specifications and Design Criteria for culinary water, sanitary sewer and storm drain facilities.

21.1.6 The FHWA Manual on Uniform Traffic Control Devices.

21.1.7 The Traffic Control Manual published by the Utah LTAP Center of Utah State University.

21.1.8 The Americans With Disabilities Act, and all rules, regulations, interpretive guidance and other authority promulgated pursuant to the Americans With Disabilities Act.

21.1.9 All applicable building codes, laws and regulations.

21.2 The Performance Specifications define and establish the “baseline” design and construction requirements for the Project, and confirm the City’s expectations regarding the Project. It is contemplated that the City may request or require adjustments to the design and/or construction of the Project that exceed or modify the Performance Specifications (“Betterments”). The City may elect to engage its own design consultant to incorporate Betterments into the Project by including them in the Final Design RFQ pursuant to Section ____ of this Agreement. The City shall be responsible for paying all incremental costs related to the Betterments.

ARTICLE 22. PROJECT MANAGEMENT AND DISPUTE RESOLUTION

22.1 The parties hereby create a Project Integration Team consisting of (i) the following individuals for the City: the Executive Director of Airports, the Director of Public Utilities, the City Engineer, the Transportation Director, and _____, and (ii) the following individuals for UTA _____. The Project Integration Team shall: (a) meet on a regular basis; (b) review and approve relevant deliverables as set forth in this Agreement; (c) recommend any amendments to this Agreement or the project scope deemed necessary or desirable; and (d) address and resolve issues, disputes or concerns arising during the course of the Project. The initial members of the Project Integration Team shall be:

For the City:	_____	801-_____	_____
	_____	801-_____	_____
For UTA:	_____	801-_____	_____
	_____	801-_____	_____

Either party may change some or all of its representatives on the Project Integration Team by delivering written notice to the other party in accordance with the notice provisions set forth in Article ____ of this Agreement.

22.2 The parties hereby commit to appoint to the Project Integration Team individuals who shall be dedicated to the Project as necessary to represent the respective interests of the parties, shall participate in the activities of the Project Integration Team as outlined in this Agreement, and shall attend applicable meetings held throughout the Project. Each member of the Project Integration Team shall consult with such technical experts, principals or other personnel of his or her respective party as may be appropriate in the performance of his or her duties on the Project, and shall obtain any authority or approval required on the part of his or her appointing party prior to authorizing, approving or taking any action on behalf of the Project.

22.3 UTA shall designate the UTA Representative who shall serve on the Project Integration Team. The UTA Representative shall be the principal contact point with respect to the Final Design Consultant Contract and the CM/GC Contract, and will provide day-to-day input to the Final Design Consultant and the CM/GC as necessary for the Project design and construction. The UTA Representative may implement modifications to the Project scope as may be necessary to conform to the Project Budget. Any formal communications, directions, modifications, requests for Changes, or other correspondence with the CM/GC shall be delivered by the UTA Representative. The initial UTA Representative shall be _____. UTA may change the UTA Representative from time to time by delivery of written notice to the City as provided in Article ____ of this Agreement.

22.4 The City shall designate the City Representative who shall serve on the Project Integration Team. The City shall designate as the City Representative an individual who is familiar with the utility relocation issues that are likely to arise due to the Project. The initial City Representative shall be _____. The City may change the City Representative from time to time

by delivery of written notice to UTA as provided in ARTICLE 28 of this Agreement. The City Representative shall be authorized to act for and bind the City in all matters relating to Project.

22.5 The parties hereby create a Project Policy Team which shall be comprised of UTA's Chief Capital Development Officer, or his designee, and the City Engineer, or his designee. Any issues that cannot be resolved at the Project Integration Team level shall be elevated to the Project Policy Team for consideration and resolution. The Project Integration Team shall make every effort to resolve disputes before referring them to the Project Policy Team.

22.6 Any dispute that cannot be resolved by the Project Policy Team shall be forwarded to UTA's General Manager and the City's Deputy Mayor. The Project Policy Team shall make every effort to resolve disputes before referring them to UTA's General Manager and the City's Deputy Mayor.

22.7 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 31 of this Agreement.

ARTICLE 23. PROJECT DESIGN

23.1 The Preliminary Engineering Consultant is preparing the Preliminary Design Drawings. Once complete, the Preliminary Design Drawings, along with the Performance Specifications and any Betterments requested by the City, will form the basis for the final design work to be performed by the Final Design Consultant.

23.2 UTA shall oversee and manage the efforts of the Final Design Consultant consistent with the Final Design Consultant Contract, the Performance Specifications and the provisions of this Agreement. The UTA Representative shall be the sole point of formal contact with the Final Design Consultant.

23.3 Throughout the final design process, UTA shall cause the Final Design Consultant to provide the City with the opportunity to review and comment upon all Design Submittals. The City Representative shall be available to conduct timely, "over the shoulder" reviews of Design Submittals and

related work. UTA shall cause the Final Design Consultant to attempt to address all comments on the Design Submittals that are timely offered by the City Representative; provided, however, that with respect to any elements of the Project being funded by the City as Betterments, the City shall have final design approval authority.

23.4 UTA shall ensure that the City has the opportunity to participate in all formal and informal design meetings and reviews with the Final Design Consultant.

23.5 The Final Design Drawings shall constitute the final work scope for Project construction.

23.6 UTA shall oversee the construction-phase services to be performed by the Final Design Consultant including, without limitation, processing all Construction Submittals, invoices, change orders, requests for clarification and quality control on behalf of the parties as set forth in the Final Design Consultant Contract.

ARTICLE 24. PROJECT CONSTRUCTION

24.1 UTA shall negotiate, prepare, execute and deliver the CM/GC Contract, and shall authorize the CM/GC to proceed with the preconstruction phase of the CM/GC Contract. The CM/GC Contract shall incorporate and require compliance with all applicable terms and provisions of this Agreement.

24.2 UTA shall cause the CM/GC to provide the City with the opportunity to review and comment upon all Construction Submittals materially affecting the City, including any Construction Submittals related to the City's roadway or utility facilities, Betterments, the management of traffic during construction or the distribution of construction information to the public. The City Representative shall be available to conduct timely, "over the shoulder" reviews of Construction Submittals and related work. UTA shall cause the CM/GC to attempt to address all comments on the Construction Submittals that are timely offered by the City Representative.

24.3 UTA shall oversee and manage the efforts of the CM/GC 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 CM/GC during the preconstruction and construction phases of the

Project. UTA recognizes that the City will have considerable interaction with the CM/GC, but the parties agree that the City shall not provide formal direction to the CM/GC under the CM/GC Contract.

24.4 The parties agree and acknowledge that the CM/GC may begin preconstruction services, construction materials procurement and advance utility work before the Construction Commencement Date or the approval of the Final Design Drawings. UTA has selected the CM/GC project delivery method, in part, to allow for value engineering proposals and constructability reviews. This delivery method also allows the CM/GC to provide input regarding Traffic and Staging Plans and Public Outreach Plans (as such terms are defined below) related to the Project. The involvement of the CM/GC during the preconstruction phase may result in changes to the design, or the redesign of certain elements of the Project.

24.5 UTA shall ensure that the City has access to the Project site as necessary to monitor all Project construction. If, as a result of the City's observation of construction, the City objects to the manner in which work is being performed, the City shall immediately notify the UTA Representative or his or her designee. UTA shall cause the CM/GC to comply with the Final Design Drawings (including any Changes approved by UTA), the Performance Specifications and the terms and conditions of this Agreement. The City shall not directly order the CM/GC to stop or correct work except as necessary to prevent or mitigate an imminent threat of death, bodily injury, or other serious damage to persons or property as determined by the City in good faith.

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

ARTICLE 25. OWNERSHIP AND MAINTENANCE OF IMPROVEMENTS

25.1 Upon satisfactory completion of the track and station improvements constructed pursuant to the Project, UTA shall accept such improvements as part of the TRAX System. UTA shall assume all maintenance and operation responsibility with respect to such improvements, and shall indemnify the

City with respect to the operation and maintenance of such improvements, consistent with the terms and conditions of the Public Way Use Agreement attached as Exhibit B.

25.2 Upon satisfactory completion of the utility, roadway, sidewalk and related improvements constructed pursuant to the Project, the City shall accept such improvements as the City's public improvements. The City shall assume all maintenance and operation responsibility with respect to such improvements, and shall indemnify UTA with respect to the operation and maintenance of such improvements, subject to the terms and conditions of the Public Way Use Agreement attached as Exhibit B. Nothing provided in this Section 25.2 shall be construed to limit UTA's obligation to enforce the terms of the CM/GC Contract as set forth in Section ____ of this Agreement.

ARTICLE 26. INDEMNITY

Each party (the "Indemnifying Party") hereby agrees to indemnify, defend and hold harmless the other party (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 27. 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 28. 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 City:
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: John English, 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

ARTICLE 29. 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 30. 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 31. 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 32. 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 33. ENTIRE AGREEMENT; AMENDMENT

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 34. POLICE POWER

The parties acknowledge the rights vested in the City pursuant to general law to exercise its 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 City from exercising such powers in connection with the Project.

ARTICLE 35. 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:

35.1 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.

35.2 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.

35.3 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.

35.4 Prior to the expiration of the term of this Agreement pursuant to Article _____ of this Agreement, this Agreement may only be terminated by and upon the express written consent of the parties.

35.5 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 36. LIMITED OBLIGATIONS

36.1 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 incurrence of costs fall outside of the present fiscal year or exceed amounts budgeted and available therefor in the budget for the present fiscal year. Except as otherwise provided herein, this Agreement shall not be construed to obligate either 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 37. ETHICAL STANDARDS

UTA represents that it has not: (a) provided an illegal gift or payoff to a City officer or employee or former City officer or employee, or his or her relative or business entity; (b) retained any person to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, other than bona fide employees or bona fide commercial selling agencies for the purpose of securing business; (c) knowingly breached any of the ethical standards set forth in the

City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code; or (d) knowingly influenced, and hereby promises that it will not knowingly influence, a City officer or employee or former City officer or employee to breach any of the ethical standards set forth in the City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code.

ARTICLE 38. INCORPORATION OF EXHIBITS

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

- Exhibit A – Scope of project
- Exhibit B – Public way use agreement
- Exhibit C – Project Budget and funding addendum
- Exhibit D – Project Schedule

IN WITNESS WHEREFORE, the parties have each executed this Interlocal Agreement Regarding the Design and Construction of the Airport TRAX LRT Project as of the date first set forth above.

SALT LAKE CITY CORPORATION

UTAH TRANSIT AUTHORITY

By: _____
Ross C. Anderson, Mayor

By: _____
John M. English, General Manager

ATTEST AND COUNTERSIGN:

By: _____
Chief Deputy City Recorder

By: _____
Michael Allegra, Chief Capital Development Officer

APPROVED AS TO FORM AND LEGALITY:

APPROVED AS TO FORM AND LEGALITY:

Senior City Attorney

UTA Legal Counsel

EXHIBIT A

Basic Alignment

[Here attach Basic Alignment of Airport Extension.]

Note: This alignment will show (i) 400 West (not 600 West), (ii) left turn at North Temple (no “North Loop”), and (iii) [Original Alignment] through Airport property.

EXHIBIT A

ALTERNATE 1

[Here attach depiction of 600 West option.]

EXHIBIT B

[Here attach map identifying location of all stations to be constructed as part of the Airport Extension.]

EXHIBIT C

[Here attach procedure to be followed in the naming of stations.]

EXHIBIT __ Form of Right-of-Way Agreement

EXHIBIT __ Form of Airport Property Easement

EXHIBIT __ Description of Grand Boulevard

EXHIBIT __ System Service Requirements

EXHIBIT

EXHIBIT

EXHIBIT

EXHIBIT

EXHIBIT __

Scope of Project

1. Alignment (Non-Airport). The Airport Extension will extend from the Arena Station on South Temple northward on 400 West North Temple Street then over a new light rail viaduct to 600 West, then extend westerly along North Temple Street to I-215 and then southwest to 2400 West North Temple intersection. From the intersection the light rail will proceed to the Airport in a location to be determined by final planning and environmental consideration but will generally be along the UDOT I-80 right of way to the boundary of Airport at the Surplus canal.
2. Alignment (Within Airport). The Airport Extension will cross the southern boundary of the Airport property on the east side of Bangerter Highway then proceed north and northeast along the east side of Terminal Drive to a location adjacent the Terminal One. The final location will be determined as part of the Airport reconstruction environmental documentation process..
3. North Temple Configuration. The Project extending along North Temple from 600 West to 2400 West will consist of center-running tracks, with vehicular traffic on each side of the rail alignment. The roadway will consist of two (2) travel lanes and a 6 foot bike lane in each direction. Widening and additional turn lanes will be included at major intersection to aid in traffic movements. .
4. Station Locations. The Project will initially include six (6) new stations along North Temple Street, as depicted on Exhibit B attached hereto, and as more particularly described as follows: (1) 450 West North Temple on the viaduct as transfer station, (2) the west side of the 800 West intersection, (3) adjacent to the State Fairpark and the Jordan River, (4) the west side of the Garside Street intersection, (5) the east side of the Winifred Street intersection, and (6) on the west side of the 2200 West intersection.. A seventh station will be included adjacent to Terminal One at the Airport.
5. Station Design and Build Quality. The stations shall be designed and constructed to the same standards as the stations recently constructed by UTA as part of the Intermodal Hub extension. In addition, the Airport Station shall include a canopy running the full length of the station platform, for the purpose of protecting riders and their luggage from the elements.
6. Signal Preemption. The Project will include a signal preemption system to give priority to light rail trains at intersections with public streets.
7. Park and Ride Lots. The Project is presently evaluating including a park and ride lot located at the Fairpark. Construction of the lot is dependent on State approvals with the final location and configuration determined through the final design process.
8. Track. The Project will consist of concrete paved track from the Arena station to the North Temple 2400 West intersection. Ballasted track will be constructed from 2400 West to 3700 West (Terminal Road) on the Airport. Concrete paved track will be constructed on 3700 West to Terminal One.

9. Structures. The project will include replacement of the existing bridge on North Temple over the Jordan River to accommodate light rail track and for ADA continuous walkway requirements to the Fairpark light rail station. and will also include two new bridge structures over the Surplus Canal (one along I-80 and one at the southern boundary of the Airport), and a new bridge structure on the north side of the existing North Temple viaduct over existing Union Pacific and Commuter rail lines. The North Temple structure will include a transfer station from the light rail track to the commuter rail track below.
10. Overhead Catenary System. The project will employ round black painted steel poles with an ornamental base. The overhead catenary system will be high profile catenary wire, per current UTA standards.
11. Utility Relocations. The Project will require the relocation, modification or rehabilitation of affected public and private utilities located along and/or under the track work alignment and within the station areas. Service shall be maintained as utilities are relocated.
12. Street Paving. The Project will involve repaving of streets with an asphalt surface as required due to traffic reconfigurations, track installation and utility relocations. Existing base structures shall be used where possible to optimize costs and provide adequate structural capacity of the pavement.
13. Landscaping. Consistent with the City's development of a "Grand Boulevard" theme for North Temple. The Boulevard will consist of widen park strips sod and large canopy tree plantings, street lighting, widened sidewalks and urban street furnishings.
14. Lighting. Station and platform lighting will be consistent with current UTA standards.
15. Station Artwork. The public artwork will be provided at the station locations and will be determined as part of the final design process.

Exhibit C

Budget and Funding

1. Project Budget. The Project Budget shall be determined as part of the Final Design process. For purposes of the Interlocal Agreement Regarding the Design and Construction of the Airport TRAX LRT Project (the "Airport ILA"), and specifically for the purposes of sections _____, _____, _____, and _____ of the Airport ILA, the Project Budget shall be deemed to equal the amount determined to be the Project Budget pursuant to the Final Design process, unless adjusted as follows:

- a. Betterments. Adjustments to the Performance Specifications, including changes to the Scope of Project, are considered Betterments. If the City requests a Betterment, the Project Budget, for purposes of the Airport ILA, shall be increased by the cost of the Betterment. Pursuant to Section _____ of the Airport ILA, the City shall be responsible for such incremental cost. A representative list of potential Betterments, along with their estimated cost, is included as attachment 1 hereto.
- b. Changes. If a Change is approved by the UTA, the Project Budget shall be adjusted by the amount of the Change. Unless otherwise agreed to by the Project Integration Team, the Party requesting the Change shall be responsible for the incremental cost of the Change.

2. City Contribution. The City agrees to contribute \$35 Million (in 2007 dollars) towards the Project Budget, in addition to (i) the City's funding of permit fees pursuant to Section _____ of the Airport ILA, (ii) the City's contribution of use of City Right-of-Ways pursuant to the Public Way Use Agreement, and (iii) the City's responsibility to fund Betterments and Changes pursuant to the preceding paragraph.

3. Timing. UTA shall provide the City with requests for funding contributions as the City prepares its annual budget. The City shall include such requests in its annual budgets and make necessary appropriations to accommodate UTA's funding requests.

4. UTA Contribution. Except for the City's contributions as detailed in herein, UTA shall be responsible for the costs necessary to implement the Project, and may seek funding from other sources, including the federal government, to cover Project costs.

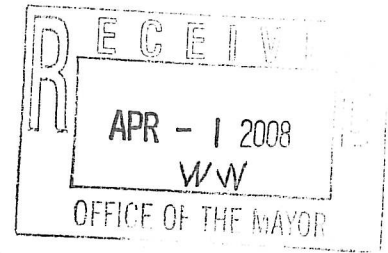
Exhibit D

Schedule

LYN L. CRESWELL
CHIEF ADMINISTRATIVE OFFICER
DEPUTY MAYOR

SALT LAKE CITY CORPORATION

RALPH BECKER
MAYOR



COUNCIL TRANSMITTAL

TO:

David Everitt
Chief of Staff

Handwritten signature of David Everitt in black ink.

Lyn Creswell
Chief Administrative Officer

Handwritten signature of Steve L. Fawcett in black ink, with the text "for Lyn Creswell" written below it. There is also a small handwritten mark below the signature.

FROM:

Kay Christensen

SUBJECT:

Approval of Transfer of Municipal Assets under
Utah Code Annotated Section 10-8-2

STAFF CONTACT:

Kay Christensen
535-7677

DOCUMENT TYPE:

Study required by UCA Section 10-8-2 and
request for Public Inspection and Public Hearing
as required by UCA Section 10-8-2

BACKGROUND/DISCUSSION: Salt Lake City Corporation intends to enter into an Interlocal Agreement with the Utah Transit Authority to construct a TRAX light rail line to the Salt Lake City International Airport and to contribute City funds and assets to the project. Attached is a study regarding the appropriateness of Salt Lake City's intent to convey to the Utah Transit Authority (UTA) an easement for light rail from the Delta Center light rail station along North Temple to 2400 West, an easement from the surplus canal (3700 West) to the Airport station, \$35 million in funds with an indirect funding source of \$2.00 from each Salt Lake County car registration fee, and the funding of permit, impact and inspection fees

with an indirect funding source of \$2.00 from each Salt Lake County car registration fee, and the funding of permit, impact and inspection fees

This information is being provided in compliance with UCA Section 10-8-2, which states the purposes for which a municipal body may appropriate funds. The Statute sets forth a specified process which must be followed to determine if an appropriation can be made. The process has three steps:

1. A study must be performed that identifies the net equivalent value received by the City in exchange for any City asset contributed. The benefit may be intangible. The study must consider the following factors:
 - a. The specific benefits to be received by the City;
 - b. The City's purpose in making the appropriation, including an analysis of how the safety, health, prosperity, moral well-being, peace, order, comfort or convenience of the residents of Salt Lake City will be enhanced; and
 - c. Whether the appropriation is "necessary and appropriate" to accomplish the City's goals.
2. Notice of a public hearing must be published in a newspaper of general circulation at least 14 days prior to the date of the hearing, and the notice must include the availability of the completed study for public inspection.
3. A public hearing must be held by the City Council and the Council must make a determination that the appropriation will provide for the safety, health, prosperity, moral well-being, peace, order, comfort or convenience of the residents of the City, and that the net value received by the City will constitute adequate consideration or equivalent value for the benefit being provided by the appropriation.

MEMORANDUM

TO: Lyn Creswell
Chief Administrative Officer

FROM: Kay Christensen

DATE : March 27, 2008

SUBJECT: An Interlocal Agreement between Salt Lake City and the Utah Transit Authority Regarding Salt Lake City's Contribution to the Construction of the Downtown to Airport TRAX Light Rail Project: Study to Comply with Utah Code Annotated Section 10-8-2

Cc: Rusty Vetter, John Naser

Utah Code Section 10-8-2 states the purposes for which a municipal body may appropriate public funds and the factors that must be considered in determining the propriety of such an appropriation. Municipalities are allowed to appropriate funds for "corporate purposes only." The definition of "corporate purpose" is "any purpose, that, in the judgment of the municipal legislative body, provides for the safety, health, prosperity, moral well-being, peace, order, comfort, or convenience of the inhabitants of the municipality."

However, before a municipality's legislative body can authorize an appropriation outside of the budget process under this statute, it must hold a public hearing to receive public comment on a study that shows:

1. An identified benefit the city would receive in return for any money or resources appropriated.
2. The city's purpose for the appropriation, including an analysis of the way the appropriation will be used to enhance the safety, health, prosperity, moral well-being, peace, order, comfort, or convenience of the inhabitants of the municipality.
3. Whether the appropriation is "necessary and appropriate" to accomplish the reasonable goals and objectives of the municipality.

This memorandum contains a study regarding the appropriateness of Salt Lake City's intent to convey to the Utah Transit Authority (UTA) an easement for light rail from the Delta Center light rail station along North Temple to 2400 West, an easement from the surplus canal (3700 West) to the Airport station, \$35 million in funds with an indirect funding source of \$2.00 from each Salt Lake County car registration fee, and the funding of permit, impact and inspection fees.

BACKGROUND:

The Airport light rail project connects the City's downtown and UTA's Frontrunner commuter train to the Salt Lake International Airport. The project begins at the South Temple 400 West intersection where it connects to the existing light rail system and then extends north to North Temple west over a new bridge crossing the Union Pacific and Commuter rail tracks to 600 West and North Temple. From this intersection, light rail extends west on North Temple to 2400 West where it leaves the roadway and extends along the I-80 right of way to the Airport. The system parallels Terminal Road and 3700 West to a proposed station located just south of Terminal No. 1. Seven light rail stations are included in the project; (1) North Temple viaduct transfer station at 450 West; (2) 800 West intersection; (3) Fair Park station at the Jordan River; (4) Garside Street intersection; (5) Winiford Street intersection; (6) 2200 West intersection (this may be future station constructed after the main project is completed); and (7) the station at the Airport. The Airport line will follow the center of running street configuration used throughout the downtown area.

As part of the light rail installation, North Temple Street will be reconstructed from 600 to 2400 West. This involves new asphalt pavement, curbs, driveway approaches, utility relocations and traffic signals. The roadway will be reduced from the present 6 lane configuration to 4 lanes, two in each direction, and pavement bike lanes will be added in each direction. The City plans to recreate North Temple as a "Grand Boulevard," an entrance to the City that will enhance the neighborhood and encourage development along the corridor. The boulevard is proposed to have widened sidewalks, park strip enhancements, station platform landscaping, pedestrian and street lighting, urban street furnishings and public art. Certain elements of the boulevard will extend over the existing North Temple viaduct to improve safety and to provide a pedestrian walkway connecting the neighborhood with downtown. Construction is anticipated to begin in late 2008 with completion by 2013.

Salt Lake City Contributions to the Project

Salt Lake City has agreed to contribute \$35 Million (in 2007 dollars) toward the Airport light rail project. The Utah Legislature has provided an indirect source of revenue to the City, consisting of a \$2.00 portion of each automobile registration fee collected by Salt Lake County. This fee will raise approximately \$1.6 million a year with increases likely in later years.

Salt Lake City will convey approximately 9.6 acres of property from 600 West to 2400 West to UTA as an easement for light rail right-of-way. The value of the property is estimated at \$4,200,000. This estimate is based on the weighted average of select parcels along the route. The per square foot weighted average would be approximately \$10.18, with some properties along the easternmost segment of the route near \$12 a square foot and those west of 1700 West (Redwood Road) below \$10.

Salt Lake City will also contribute an easement for the light rail line from 3700 West (near the surplus canal) to the Airport terminals. An appraiser was hired as a consultant to value the property (Gary R Free, Free and Associates, Inc.-March 28, 2008).

The corridor is divided into two sections, a southerly larger portion (85,827 square feet) valued at \$8.00 per square foot and a smaller northerly portion (82,580 square feet) valued at \$10.00 a square foot. Since the right-of-way proposed for acquisition by UTA is an easement as opposed to a fee purchase, the appraiser determined that the diminishment in fee value because of the TRAX line approximates 80 percent. The valuation also assumes that UTA will be responsible for all utility line relocations within the easement and restoration of any disturbed landscape or fencing. The value of the land is estimated as follows:

85,827 SF	@	\$8.00 SF	x 80%=	\$549,293
82,580 SF	@	\$10.00 SF	x 80%=	\$660,640
				\$1,209,933

The City intends to fund all required City permit, connection and impact fees related to the Project. The financial impact should not be significantly greater than in previous agreements with UTA.

In total, Salt Lake will contribute in dollars, easements and waived fees the equivalent of approximately \$40 million.

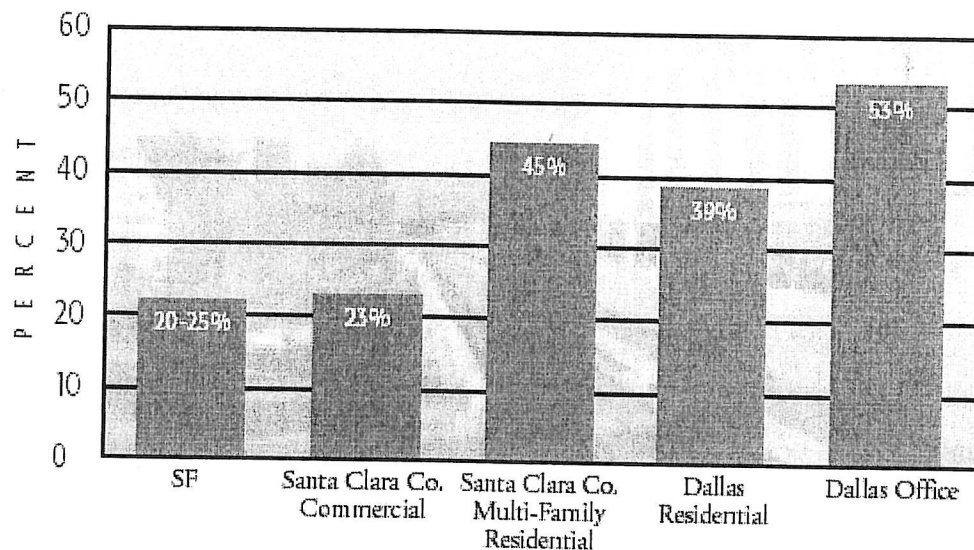
Benefits Salt Lake City Would Receive

The benefits Salt Lake City will receive as a result of the Downtown to the Airport TRAX light rail project are both tangible and intangible, but the former cannot be precisely quantified at this point. It is, however, fair and reasonable to make the assumption that Salt Lake City's experience will be similar to that of other cities with similar projects. Salt Lake City can expect to receive the same significant benefits other cities have received as a result of proximity to a light rail line:

- *Increased value and income* for property owners near the line
- *Expanded markets, rising productivity and increased revenues* for business and commercial owners/occupants near the line
- *Enhanced tax revenues for local governments*—from rising land values, expanded development and an upsurge in business transactions

Throughout the U.S. and worldwide, it is clear that real estate— residential, commercial and business—served by high-quality public transportation can command higher rents and maintain higher value than similar properties not as well served by transit. “Across America, properties that are within a 5 to 10 minute walk to a train stop are selling for 20-25 percent more than comparable properties further away.” (1) Analyzing 41 studies of 15 rail systems in the U.S., California State-Fullerton researchers found that “...light rail transit has enhanced residential property values 2-18 percent in

Portland, Sacramento, San Diego and Santa Clara, with larger changes in cities with commuter rail systems.” (2) According to the Urban Land Institute (ULI), residential properties for sale near commuter rail stops in California consistently enjoy price premiums, including a 17 percent advantage to properties in the San Diego region. (3) Other studies indicate that “...there are premiums of 4–30 percent for office, retail and industrial buildings located near rail transit in Santa Clara, Dallas, Atlanta, San Francisco and Washington, DC.” (4)



Larger urban areas experiencing boosts in property values include:

- **Dallas, Texas.** “Residential properties near light rail stations on average increased in value 39 percent more than comparable properties not served by rail. ...office buildings near DART Light Rail increased in value 53 percent more than comparable properties not near rail.” (5)
- **St. Louis, Missouri.** “The St. Louis Region has seen substantial TOD [Transit-Oriented Development], redevelopment, and real estate investments near its MetroLink light rail stations since the system was opened in 1993, generating approximately \$1 billion in Metro’s service area.” (6)
- **Portland, Oregon.** “Portland’s Tri-County Metropolitan Transportation District of Oregon reported more than \$3 billion in real estate and overall economic development taking place within walking distance of its MAX light rail stations since the agency began planning its 38-mile system in the late 1970s....” (7)
- **San Francisco, California.** “Transit-oriented developments in San Francisco...are overall the most valuable properties in the metro area, averaging a premium of 20-25 percent over comparable non-transit sites.” (8)

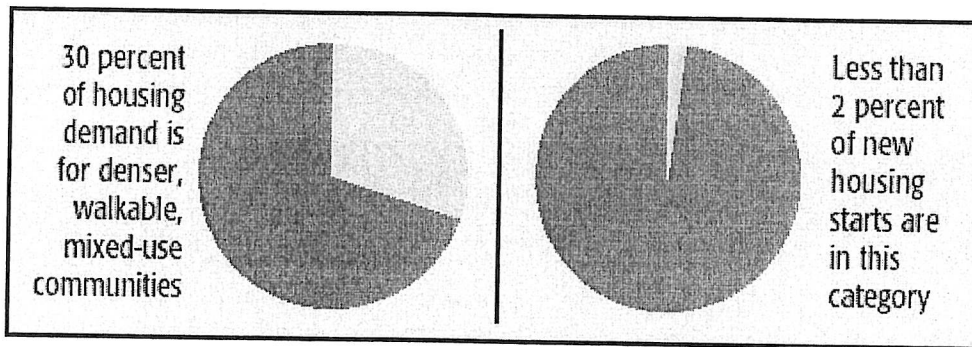
Smaller systems are generating similar impacts:

- **Corpus Christi, Texas.** Investments in the Regional Transportation Authority's Six Points Station have spurred occupancy in empty store fronts and development

of new high-quality retail and business services in an economically diverse neighborhood. Commercial property valuations have risen from \$5 million to \$8 million.

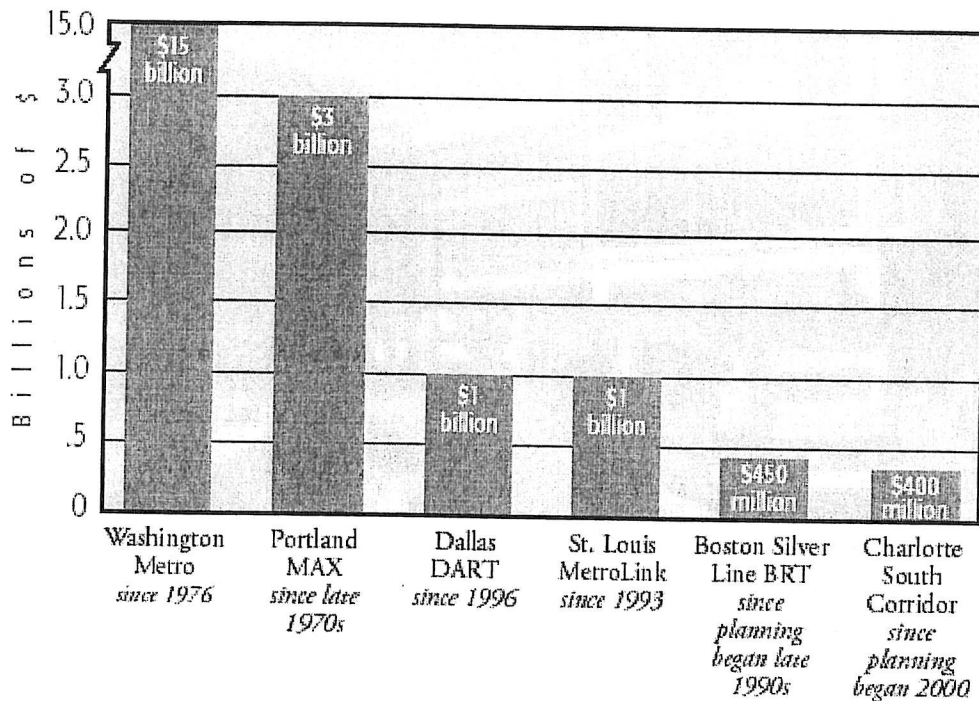
- **Tampa, Florida.** The HARTline bus system coordinated development of its new University Area Transit Center in a chronically depressed neighborhood with development of a nearby community center and renovation of a major mall. The result: over \$75 million of development near the transit center, bringing new vitality, higher land values and increased tax revenues to the area.
- **Eden Prairie, Minnesota.** On 22 acres surrounding its Southwest Station, SouthWest Metro Transit has guided mixed-use development that annually will return over \$400,000 in residential property taxes and nearly \$300,000 in retail property taxes. (9)
- **Dayton, Ohio.** The centerpiece of a series of regional bus transit hubs, the Wright Stop Plaza in downtown Dayton has generated the restoration of a historically significant building and a variety of retail businesses, and has become a popular downtown gathering place. (10)

More and more Americans are choosing to live in locations that put them within easy walking distance of a bus hub, commuter rail line or light rail station. (11) “Demographers estimate that as much as 30 percent of the demand for housing is for denser, walkable, mixed-use communities, and that less than 2 percent of new housing starts are in this category.” (12) Real estate experts and demographers have thus concluded the supply of transit-oriented development (TOD)-style living environments, focused on high-quality public transportation, lags far behind demand.



The importance to developers of high-quality public transportation is no longer a secret. The Urban Land Institute observed, “The trick for real estate developers has always been identifying the hot transit system. Today, highways are out; urban transit systems are in.” (13)

The rising value of real property near public transportation provides obvious benefits to nearby property owners as well as business and residential tenants. But the entire community benefits substantially as the local tax base expands, and public revenues from property taxes, sales taxes, and personal income and business taxes increase.



Washington, DC, area

- The Washington Metrorail system is expected to generate \$2.1 billion in tax revenues for the Commonwealth of Virginia between 1977, when the first station opened in Virginia, and 2010. (14)
- In Arlington County, Virginia, development in two WMATA Metrorail corridors is concentrated on six percent of the land in the county but produces almost half the county's tax revenue. (15)
- "Planners and developers in Fairfax, Prince William and Stafford counties are turning previously open and out-of-the-way land near VRE [Virginia Railway Express] stations into mixed retail, commercial and residential communities." (16)

Dallas- Ft. Worth, Texas

- More than \$922 million worth of mixed-use projects have recently emerged along the Dallas DART light rail system, bringing total DART-related development to more than \$1 billion. (17)

Portland, Oregon

"Businesses located on the light rail line find they have benefited from their visibility to riders as much as from their proximity to stations, and within five years after the line was constructed, over 7 million square feet of new development valued at over \$900 million occurred adjacent to light rail." (18)

Increased property value and the flow of increased tax revenues to local government from transit-oriented growth and development allow other important public policy objectives to be met as well, often in more effective and efficient ways:

- Enhanced public spaces and amenities can be supported and the costs shared through public and private partnerships.
- Greater diversity in housing can be made available more easily and in closer proximity to attractive transportation options.
- Healthier, more active lifestyles can be encouraged and public safety can be increased through walkable neighborhoods that reduce motor vehicle use and vehicle emissions.

Meeting Salt Lake City's Purpose and Enhancing the Quality of Life for Residents:

High-quality transit services provide a major impetus for transit-oriented development (TOD). TOD typically includes attractive, safe, walkable, mixed-use neighborhoods that add excitement, vitality, diversity and economic value to nearby properties above and beyond the value from enhanced access alone. Nationwide, transit-oriented developments or "transit villages" are being designed to serve as the local neighborhood's "front porch," creating economic vitality and reinforcing a positive image of neighborhoods and communities.

In a memorandum to Salt Lake City Council members dated November 30, 2007, Russell Weeks provided information to the Council on why light rail to the airport is important to Salt Lake City. The following information is taken from that memorandum:

A stated key goal of building an airport-to-downtown Salt Lake City light rail line has been to link three of Utah's states largest employment bases – Salt Lake City International Airport, downtown Salt Lake City and the University of Utah. The 1999 *Airport to University Final Environmental Impact Statement* noted that automobile traffic generated by the airport, the downtown and the University of Utah had "created a pressing need to implement transportation improvements ... to link these entities to the regional transportation system."¹⁹ The link between the downtown and the airport is the final leg of the original plan, and the reasons for linking the three areas remain.

The latest figures available indicate that more than 61,000 people work in Salt Lake City's Central Business District (300 East, North Temple, 400 South and 500 West).²⁰ Hotels and motels in downtown and east Salt Lake City account for 28 percent of Utah's total hotel room nights. Hotels and motels near the International Airport account for another 9.6 percent of the total, giving the City's center and airport a total 37.6 percent of the state's market share of room nights.²¹ Combined, the two sectors accounted for 203,608 room nights as of October 2007. ²² It remains likely that downtown Salt Lake City still contains, in terms of square footage, the state's two top facilities for convention meeting space; three of the state's top five facilities for convention meeting space; and five of the state's top ten facilities for convention meeting space. ²³

The University of Utah employs a total of 13,760 people not including students. The University has a total enrollment of 28,619 students. In Fiscal Year 2006, University Hospital and its clinics admitted 24,901 patients, had 782,165 outpatient visits, and 31,764 emergency visits.²⁴

In comparison, about 13,500 people work at the Salt Lake City International Airport. Wasatch Front Regional Council figures show total employment at the airport plus the Salt Lake International Center is 38,859. In addition, businesses and government agencies on the North Temple corridor employ about 12,500 workers between 300 West Street and Interstate 215.

Salt Lake City International Airport serves about 11 million enplaned passengers a year. About 5.5 million of the 11 million passengers begin or end their destinations at the airport. Of the portion of the 5.5 million regional passengers that board planes at the airport, 29 percent are from Salt Lake City, 29 percent are from Salt Lake County, and 29 percent are from Summit, Utah and Weber counties. Forty-five percent of the airport's local passengers come from their homes; 39 percent come from hotels or motels; and 16 percent come from places of business.²⁵

According to a presentation at the Northwest Quadrant Master Plan open house in November, "Of all the opportunities to strengthen existing (core economic) centers, the International Center/Airport represents one of the most promising opportunities."²⁶ It generally is conceded that North Temple Street leading to the downtown presents an opportunity to develop a significant commercial gateway to downtown Salt Lake City while serving a residential population of roughly 10,000 people.²⁷

At an Urban Land Institute presentation titled *Emerging Trends in Real Estate* on November 27, Michael Hansen, planning manager for the Governor's Office of Planning and Budget, said the office projects that the Wasatch Front will continue growing for six reasons:

- Competitive wages.
- Relatively stable housing values.
- Business friendly climate.
- Geographic amenities.
- Quality infrastructure, particularly transportation infrastructure.
- The Salt Lake City International Airport.

Mr. Hansen said Governor John Huntsman remains concerned about three issues: How to manage growth; how to improve air quality; and planning development to avoid natural hazards. His comments echoed the goals and strategies to maintain peoples' quality of life on the Wasatch Front that were published by Envision Utah. The goals were published in January 2000 after

comprehensive research and public involvement supported and promoted by then-Governor Michael Leavitt.

The goals for maintaining quality of life along the Wasatch Front are:

- enhance air quality;
- increase mobility and transportation choices;
- preserve critical lands, including agricultural, sensitive, and strategic open lands and address the interaction between these lands and developed areas;
- conserve and maintain availability of water resources;
- provide housing opportunities for a range of family and income types; and
- maximize efficiency in public and infrastructure investments to promote the other goals.

Dean Schwanke, a vice-president of the Urban Land Institute, said at the November 27 ULI presentation that nationally investors and developers are highly favoring developments that embody three things: “Thinking green,” focusing on mixed use and infill development, and building transit-oriented developments.

Given the above, the airport-to-downtown line remains valid in its potential to:

- foster sound, sustainable, economic development attractive to investors and developers
- enhance Salt Lake City International Airport’s position as one of Utah’s main economic engines
- link three major Utah employment centers and tourist and convention destinations
- apply successfully growth management criteria – including improving air quality – supported by the previous and current governors of Utah.

Accomplishing Salt Lake City’s Goals:

Several Salt Lake City plans address issues relating to transit development and all support the development of light rail to the Airport, including the recent Downtown Rising Plan.

The 1995 Downtown Land-use Master Plan makes a recommendation supporting mass transit in general and specifically the alignment of the route for an airport line. In 1998, the City Council adopted the Gateway Specific Plan, which supports the development of a light rail spur to the Airport and addresses the proposed alignment of the extension.

The draft Salt Lake City Downtown Master Plan, developed in 2007 and awaiting formal adoption, provides goals associated with the transportation system operating

Downtown and identifies additional light rail lines to be built in the future. The goals include:

- All transit resources available in Downtown will be used to enhance regional accessibility to Downtown and mobility within Downtown.
- Salt Lake City will creatively address congestion and enhance mobility in ways that are compatible with other goals and objectives for Downtown.

UTA conducted the 1999 *Airport to University Final Environmental Impact Statement* for the airport light rail project. A major component of the study was an effort to solicit public input through an informational open house in the community. The open house was held on March 15, 2007. The consultants mailed out information about the open house to over 650 stakeholders within the project area and sent electronic invitations to the 9 pertinent community council organizations. News organizations were notified. Over 100 people signed in at the open house and over 150 comments were received from community councils, property owners and business stakeholders in the area.

Since before the 1999 study was published, Salt Lake City has had two goals – link the airport to downtown and the University and create a loop that would allow pedestrians to be within two blocks of a light-rail station within the downtown. The proposed Airport line will enable the City to realize both goals.

The previously mentioned *Downtown Rising* study initiated by the Salt Lake Chamber says in part:

“Downtown rising supports as a signature project the extension of the TRAX system to the Salt Lake City International Airport, to South Jordan, to West Valley City and to Draper. ... As new routes are added to the TRAX system, it will be necessary to add new tracks in the downtown area to accommodate more trains. This need provides the opportunity over the next five to 10 years to create one or more light rail/streetcar loops downtown.”²⁸

Salt Lake City has demonstrated through several administrations and through numerous public processes a firm commitment to light rail and to the Airport extension.

CONCLUSION: As stated, this study is conducted to meet the requirements of Utah Code Section 10-8-2 which sets out the purposes for which a municipal body may appropriate public funds. The foregoing study has identified numerous tangible and intangible benefits Salt Lake City can reasonably expect to receive as a result of the completion of a light rail extension to the Salt Lake City International Airport, and the manner in which the line will enhance the safety, health, prosperity and convenience of the City’s residents. Therefore, it is the conclusion of the study that the contribution of funds, easements and fees contemplated in the proposed Interlocal Agreement with UTA

are “necessary and appropriate” to accomplish the reasonable goals and objectives of Salt Lake City.

Footnotes

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3. Urban Land Institute (ULI), “Apply the Power of Partnerships,” *Ten Principles for Successful Development Around Transit*, Washington, DC, 2003, p. 7.
4. Cockerill, Op. Cit., Executive Summary.
5. Weinstein, Bernard L. and Clower, Terry L., *DART Light Rail’s Effect on Taxable Property Valuations and Transit Oriented Development*, University of North Texas, Center for Economic Development and Research, Dallas, TX, January 2003, p. i.
6. Cura, Federico, “Transit Agencies Seeing Increased Interest in Transit-Oriented and Joint Development,” *Passenger Transport*, Volume 61, Number 33, American Public Transportation Association, Washington, DC, August 18, 2003, p. 4.
7. Ibid.
8. Mastaglio, Linda, “All Aboard. Commuter Rail: A Growing Alternative for Metro Areas,” *On Common Ground: REALTORS & Smart Growth*, National Association of Realtors, Winter 2002, p. 32.
9. Interviews with senior managers at the Corpus Christi Regional Transportation Authority, the Hillsborough Area Regional Transit Authority and the South West Metro Transit Authority, October 2003.
10. American Public Transportation Association, “Wright Stop Plaza Brings More Travel Options to Downtown Dayton, Ohio,” *Passenger Transport*, Volume 60, No. 18, May 6, 2002, p. 40.
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12. www.reconnectingamerica.org/html/TOD
13. www.transitorienteddevelopment.org/pages/1/index.htm
14. Peat, Marwick, Mitchell & Co., *Fiscal Impact of Metrorail on the Commonwealth of Virginia*, Washington, DC, November 1984.
15. Urban Land Institute (ULI), “Make It Better with Vision,” *Ten Principles for Successful Development Around Transit*, Washington, DC, 2003, p. 3.
16. Still, Op. Cit., pp. 46-7.
17. Mineta, Norman Y., U.S. Secretary of Transportation, “Smart Growth and Transportation,” *On Common Ground: REALTORS & Smart Growth*, National Association of Realtors, Winter 2002, p. 10.
18. Friends of Light Rail and the Real Estate and Land Institute of California State University-Sacramento, *Light Rail for Profit: Joint Development of Real Estate at Transit Stations in the Sacramento Area*, Sacramento, CA, 1991.
19. *Airport to University Final Environmental Impact Statement*, Page I-1.

20. Utah Economic and Business Review, May/June 2005, published by the Bureau of Economic and Business Research.
21. Rocky Mountain Lodging Report, October 2007
22. Ibid.
23. *The Enterprise Lists*, 2002.
24. University of Utah Internet Website.
25. Salt Lake City International Airport Overview, 2006.
26. Presentation: Northwest Quadrant Master Plan open house, November 12, 2007.
27. Wasatch Front Regional Council, North Temple Corridor Employment Projections.
28. Downtown Rising, pages 11 and 13.

To meet the law's requirements, this study has been available in the City Recorder's Office, Room 415, City & County Building, 451 South State Street since April 1, 2008. The City Council will hold a public hearing on whether to adopt a resolution approving the proposed study. The public hearing will be held April 15, 2008.