



**Minutes of the Meeting
of the
Board of Trustees of the Utah Transit Authority (UTA)
held remotely via phone or video conference
and broadcast live for the public via YouTube
June 17, 2020**

Board Members Participating:

Carlton Christensen, Chair
Beth Holbrook
Kent Millington

Also participating were members of UTA staff and presenting consultants.

Call to Order and Opening Remarks. Chair Christensen welcomed attendees and called the meeting to order at 10:30 a.m.

Public Comment. It was noted that online comment received for the meeting was distributed to the board prior to the meeting and will be included as an appendix to the minutes of the meeting.

Safety First Minute. Sheldon Shaw, UTA Director of Safety & Security, provided a brief safety message.

Consent Agenda. The consent agenda was comprised of:

- a. Approval of June 03, 2020 Board Meeting Minutes

A motion to approve the consent agenda was made by Trustee Holbrook and seconded by Trustee Millington. The motion carried unanimously.

Agency Report

FTA Funding. Carolyn Gonot, UTA Executive Director, reported UTA was able to execute the grant for the CARES funding. FTA released who they will be funding for the TOD planning grants,

and UTA received two grants: one for the South Utah County Frontrunner area and one for Point of the Mountain. Ms. Gonot gave updates on both projects.

Chair Christensen noted a public comment concern that the planning of these projects will divert UTA from service implementation. Chair Christensen asked if this would be an either/or opportunity or if service would be looked at further down the road. Ms. Gonot stated it would be an opportunity to support the service in the future as it is planned correctly.

Resolutions

R2020-03-02 (Amended) – Resolution Approving a Revised Interlocal Agreement for the Maintenance of Park and Ride Lots near Big and Little Cottonwood Canyons with Salt Lake County; Utah Department of Transportation; and the City of Cottonwood Heights

Chair Christensen stated that the board approved an earlier version of this agreement on March 25, 2020, and noted a revised ILA is now being presented for approval.

Under the terms of this agreement, all identified partners will contribute financially to Salt Lake County for the maintenance of Park and Ride Lots near Big and Little Cottonwood Canyons. Salt Lake County will be responsible for the majority of the required maintenance identified in the agreement. UTA's financial commitment will be \$22,000 per year for a total five-year amount of \$110,000. In addition to the annual payment, UTA will continue to have bus platform maintenance and snow removal responsibility.

A motion to approve R2020-03-02 (Amended) was made by Trustee Holbrook and seconded by Trustee Millington. The motion carried unanimously, with aye votes from Trustee Millington, Trustee Holbrook, and Chair Christensen.

R2020-06-02 – Resolution Authorizing Actions Necessary to Amend Certain Bond Documents, Releasing Certain Debt Reserve Fund Monies and Replacing them with Surety Instruments

Bob Biles, UTA Chief Finance Officer, was joined by Brian Baker of Zions Public Finance and Blake Wade of Gilmore and Bell. Mr. Biles provided background stating that concurrent with recent bond refundings, UTA's bond counsel and financial advisor reviewed the required bond reserve, the amount of bond reserves UTA maintains through cash or surety instruments, and minimum requirements for cash and surety instruments.

In the Board of Trustees meeting of April 8, 2020, UTA's Financial Advisor, Bond Counsel, and Chief Financial Officer presented two opportunities to substitute bond sureties for bond proceeds held in bond reserves. The board directed the finance team to explore the options and with this resolution, UTA's finance team proposes the following:

- Senior bond debt reserve – UTA’s finance team recommends substituting sureties for the \$19.2 million of bond proceeds held in reserve.
- Subordinate bond debt reserve – Finance team recommends that UTA purchase additional sureties at a cost of \$160,000 which would be substituted for \$10 million of bond proceeds held in reserve.

Resolution 2020-06-02 authorizes the Board of Trustees Chair, the Executive Director, and the Secretary or Treasurer to execute and deliver the indenture addendums and to take other actions which may be needed to carry out the matters authorized in the resolution.

Mr. Biles outlined the costs and timeline associated with the recommended actions as well as possible uses for the bond proceeds that would be freed up by substituting them with sureties. Mr. Biles also mentioned that since the posting of meeting materials, the Tenth Supplemental Indenture (Exhibit B to the resolution) was revised. Mr. Wade explained the revisions primarily include changing language from consent to acknowledgment of UTA’s actions by the surety company.

Chair Christensen asked if it is unusual for a public agency to hold surety bonds versus debt reserves. Mr. Baker stated that in 2015 UTA amended its overall general indenture so a reserve was no longer needed, and the agency has not used them since.

Trustee Holbrook clarified that when UTA goes to do another debt restructuring or bonding for a project it can be decided, based on the market and what makes sense at the time of bonding, if a surety will work better than a reserve. Trustee Millington commented his support for moving forward.

A motion to approve R2020-06-02 with the revised exhibit B as described was made by Trustee Millington and seconded by Trustee Holbrook. The motion carried unanimously, with aye votes from Trustee Millington, Trustee Holbrook, and Chair Christensen

R2020-06-03 – Resolution Approving the Interlocal Cooperation Agreement with Clearfield City for the Construction of a Pedestrian/Bike Trail.

Mary DeLoretto, UTA Chief Service Development Officer, stated that UTA has been working with Clearfield City to implement a trail system to improve the pedestrian and bike connection to the Clearfield FrontRunner Station. Hal Johnson, UTA Manager of Project Development, stated UTA has been awarded \$1.65 million from a Construction Mitigation/Air Quality (CMAQ) grant to construct a trail from the FrontRunner Station to the nearby, existing D&RGW Trail. The City has agreed to provide \$120,000 in local match for the project. The Interlocal Agreement between Clearfield City and UTA details the funding commitments for the trail project and defines the

roles and responsibilities for trail construction and ongoing trail maintenance. UTA will be responsible for trail construction. UTA will also be responsible for maintaining the segments of the trail within UTA property, and the City will be responsible for maintaining all other segments of the trail.

Trustee Holbrook mentioned that coordination is happening with the city and TOD partners and thanked staff for moving this valuable project forward.

A motion to approve R2020-06-03 was made by Trustee Holbrook and seconded by Trustee Millington. The motion carried unanimously, with aye votes from Trustee Millington, Trustee Holbrook, and Chair Christensen.

R2020-06-04 – Resolution Approving the Execution of an Interlocal Cooperation Agreement with the Utah Department of Transportation for the Vineyard FrontRunner Station and Northern Utah Double Tracking Project.

Ms. DeLoretto gave background that during the 2018 Legislative Session, \$4 Million dollars was appropriated for the design and construction of the Vineyard FrontRunner Station. To mitigate impacts of Positive Train Control (PTC) it was determined that an additional 1.8 miles of double track would be needed north of the new Vineyard station. Double tracking costs were included in UTA's 2020 capital budget. Due to the nature of the funds for the station and to streamline costs and effort, it was determined that a single contractor would be used for both the station and doubletracking and that UDOT would take the lead on managing the project and procuring a designer and contractor. The interlocal agreement details how UTA and UDOT will work together during design and construction of the overall project. When the project is finished UTA will assume responsibility for maintenance.

Chair Christensen asked if it is unusual for another entity to manage a project wherein UTA has the majority stake in funding. Ms. DeLoretto responded that UTA and UDOT have a history of working together to coordinate projects and that it will be more efficient to have one contractor doing both portions of the project. Additionally, Stacey and Witbeck, who constructed FrontRunner south, has been selected as the contractor and has significant knowledge of this project. Chair Christensen expressed confidence in UTA's management of rail and transit projects and that UTA will continue to manage our rail projects in the future.

Trustee Holbrook asked about the costs of dual oversight of the project. Ms. DeLoretto responded that the oversight has been included in the budget and that each entity would pay for their own oversight costs.

A motion to approve R2020-06-04 was made by Trustee Millington and seconded by Trustee Holbrook. The motion carried unanimously, with aye votes from Trustee Millington, Trustee Holbrook, and Chair Christensen.

Contracts, Disbursements, and Grants

Contract: CAD/AVL Software Development Services (Software Technology Group). Dan Harmuth, UTA IT Director, provided background on UTA's bus/train CAD/AVL software system, and the proposed three year contract term with Software Technology Group (STG). During this project staff will be educated and trained to allow UTA to then service and support the new development at the end of the STG contract. The contract allows for early termination once the work is completed according to UTA requirements.

Chair Christensen asked how much of the code can be retained and maintained internally. Mr. Harmuth stated that staff will be trained to maintain and customize the program after the contract has ended.

A motion to approve the contract was made by Trustee Holbrook and seconded by Trustee Millington. The motion carried unanimously.

Pre-Procurements

Federal and State or Local Government Relations Lobbyist Services. Todd Mills, UTA Senior Supply Chain Manager explained that this is a procurement to solicit proposals from individuals or firms who are interested and qualified to provide Federal and State or Local Government Relations Services. It is the intent to select one or more to accomplish all the services outlined in the solicitation. This will be procured using an RFP procurement with selection based on technical criteria in addition to price.

Joint Bus Procurement with Park City Transit. Mr. Mills explained that this is a joint procurement between the Utah Transit Authority and Park City Transit agencies to purchase electric buses and accompanying charging equipment. The Park City Transit agency and UTA will each purchase buses and charging equipment through the vendor procured by Park City Transit. Funding for these buses and chargers is made up of various grants. This will be procured as a competitive RFP procurement.

Chair Christensen asked if it was beneficial for both UTA and Park City to do a joint procurement. Mr. Mills responded that it was universally beneficial. Trustee Holbrook asked

why multiple chargers would need to be purchased. Jesse Rogers, UTA Vehicle Procurement Admin., responded that there are two types of chargers and explained that having one vendor for the buses can help standardized charging equipment.

Grant Application: Federal Railroad Administration (FRA) Research Transportation Innovation Grant Consolidated Rail Infrastructure and Safety Improvements (CRISI) – Sharp-Tintic Railroad Connection Project.

Ms. DeLoretto explained that the Federal Railroad Administration offers a grant opportunity through their Consolidated Rail infrastructure and Safety Improvements (CRISI) program. This grant opportunity funds innovative safety enhancements and general improvements to infrastructure. This project will:

- Provide a route for future expansion of the UTA Frontrunner to southern Utah County
- Re-route Union Pacific freight trains from the Tintic Railroad Line to the Sharp Railroad Line, bypassing the current route through Springville residential areas, increasing safety by eliminating train traffic from six highway/rail crossings.
- Allow Springville City to access the areas currently used for the Tintic Railroad corridor for future trail opportunities.
- Provide a safer walking route for children to a local elementary school and reduce bus routes.

The project has already secured \$6.3M in grants/local match. However, due to scope changes required by Union Pacific, an additional \$3.8M in federal funding and \$180,000 in local funding is required. This grant, if awarded, would cover that funding gap.

Trustee Millington asked if UTA was taking advantage of the opportunity to put allowable indirect costs into the grant request. Ms. DeLoretto responded that yes, she is looking at project management as part of that request.

Service and Fare Approvals

Hive Pass Program Agreement (Salt Lake City Corporation). Monica Morton, UTA Fares Director, gave background that the Hive Cooperative Pass Purchase and Administration Agreement is a transit pass program that gives Salt Lake City residents access to a discounted Monthly Standard Adult Local transit pass. Salt Lake City agrees to administer the program.

Chair Christensen asked if another city has approached UTA to do something similar. Ms. Morton responded that other cities have inquired but have not been willing to take on the effort of administering the program.

A motion to approve the agreement was made by Trustee Holbrook and seconded by Trustee Millington. The motion carried unanimously.

Discussion Items

Sandy East Village 3 Transit Oriented Development Financial Analysis and Proposed Associated Agreements. Paul Drake, UTA Director of Real Estate & TOD, explained the

proposed East Village 3 transit-oriented development (TOD) now in the financial analysis stage. In a subsequent board meeting, a resolution to approve the various agreements associated with the operating agreement will be brought to the board. Mr. Drake summarized the history and details of the development project along with the various agreements.

The Sandy East Village 3 is part of the Sandy Civic Center TOD and occupies 6 acres of land adjacent to the UTA Trax line. The development includes a shared parking garage, 305 residential units, and 10,000 square feet of retail/commercial space. The contract to construct the parking garage has already been approved by the previous UTA board and has been on hold pending selection of equity partners and construction financing for the accompanying development phase.

Mr. Drake explained what is included in the Financial Analysis and that the Operating Agreement forms a partnership entity between Hamilton Partners and UTA named HPUTA East Village 3 LLC ("HPUTA"). The Limited Liability Company Agreement ("EV3 Joint Venture Agreement") forms the principal development entity, named East Village 3 LLC ("EV3"). Cash flows will be distributed to HPUTA via the terms of the EV3 Joint Venture Agreement, and cash flows to UTA will be determined by the HPUTA Operating Agreement. Related agreements include the Contribution Agreement; Ground Lease; Parking Structure Management Agreement; and the Parking Structure Construction, Operation and Easement Agreement ("COREA"). Mr. Drake gave a brief summary of each agreement.

Chair Christensen asked regarding the availability of retail near the project, specifically grocery availability. Mr. Drake stated it is unknown what retail will come. Trustee Holbrook stated grocery and childcare retail tenants are critical to prioritize as the development moves forward.

Chair Christensen asked how the value of the development property was determined. Mr. Drake responded that it was determined in the initial appraisal and that there are mechanisms in place to compensate for appreciation. Chair Christensen asked if the Executive Director will be over future decision points in this phase of the project. Mr. Drake responded yes, as long as they do not exceed the board approval value threshold, in which case they would return to the Board for review and approval. Chair Christensen asked what obligations existed for UTA for the parking structure approved by the prior UTA board. Mr. Drake responded that UTA will contribute the property to the joint venture according to the associated agreements. UTA would own the garage and the underlying property and provide a permanent easement to the development for its stalls. Each entity would pay its respective share of the construction and maintenance. Trustee Holbrook asked what the maintenance contract will look like when the development is finished. Mr. Drake responded that Hamilton Partners will manage and maintain the garage and UTA would pay its proportionate share of the costs. Chair Christensen asked if UTA's portion for funding of the garage was budgeted for in 2018. Mr. Drake responded that money has been set aside for UTA's portion of the garage.

Other Business

Next Meeting.

The next meeting of the board will be on Wednesday, June 24, 2020 at 9:00 a.m.

Adjournment. The meeting was adjourned at 12:04 p.m. by motion.

Transcribed by Stephanie Withers
Executive Assistant to the Board
Utah Transit Authority
swithers@rideuta.com
801.287.2581

This document is not intended to serve as a full transcript as additional discussion may have taken place; please refer to the meeting materials, audio, or video located at <https://www.utah.gov/pmn/sitemap/notice/611589.html> for entire content.

This document along with the digital recording constitute the official minutes of this meeting.

**Online Public Comment
to the
Board of Trustees of the Utah Transit Authority (UTA)
Board Meeting
June 17, 2020**

Received June 16, 2020 from George Chapman:

UTA should not accept federal funding for 4 TRAX stations since the public outreach is not finished

Comments to Board for June 17 meeting

It is disrespectful at best and an insult to good government to accept federal funds to plan 4 TRAX stations for a TRAX line from Draper to Lehi while a survey/study is not finished. It is as if UTA has a secret plan, with developers, to build it no matter what the public says.

UTA PROMISED to restore a vigorous and robust bus system several years ago if UTA got the funds from Prop One (the same funds that SB136 gave UTA).

Although many developers insist on spending billions on rail (including up the Canyon), the LA study from 2017 should provide proof that spending tens of billions like LA did, will not increase ridership. Sugar House development was due to the large amount of open space (according to SLC), not the unused S-Line!

A better use of federal funds would be to make bus ridership free to encourage mass transit use.
