

UTA Board of Trustees Meeting

June 17, 2020



Call to Order and Opening Remarks



Public Comment

Due to the format of the meeting, no in-person comment will be taken

Public comment was solicited prior to the meeting through alternate means, including email, telephone, and the UTA website

All comments received were distributed to the board before the meeting and will be attached as an appendix to the meeting minutes



Safety First Minute



Consent Agenda

- a. Approval of June 3, 2020 Board Meeting Minutes



Recommended Action (by acclamation)

Motion to approve



Agency Report

a. FTA Funding



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**



Recommended Action (by roll call)

Motion to approve 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



R2020-06-02

**Resolution Authorizing Actions Necessary to Amend
Certain Bond Documents, Releasing Certain Debt Reserve
Fund Monies and Replacing Them with Surety Instruments**



Resolution R2020-06-02

- Senior bonds – Substitutes current sureties for \$19.2 million of bond proceeds in the Bond Reserve
- Subordinate bonds – Authorizes purchase of a \$10 million surety at a cost of \$160,000 to replace \$10 million of bond proceeds in the Bond Reserve
- Authorizes the Board Chair, the Executive Director, and Secretary or Treasurer to execute and deliver indenture addendums and take all other actions necessary to carry out matters authorized in the resolution
- Bond proceeds must be used for principal & interest payments or qualifying project costs.
- Staff recommends approval of the resolution

Recommended Action (by roll call)

Motion to approve R2020-06-02 with REVISED exhibit B

Resolution Authorizing Actions Necessary to Amend Certain Bond Documents,
Releasing Certain Debt Reserve Fund Monies and Replacing Them with Surety
Instruments



R2020-06-03

**Resolution Approving the Interlocal Cooperation
Agreement with Clearfield City for the Construction of a
Pedestrian/Bike Trail**



Project Overview

- Clearfield FrontRunner station currently has a poor pedestrian connection
- The platform is just over a quarter mile from State Street and there is currently only one entrance
- The Freeport Center, which is a regional job center, is located just to the west of the station. Due to the railroad tracks, it is not easily accessible for pedestrians or bikes
- A trail system is proposed to improve the connection to the station and the existing D&RGW Trail





Interlocal Cooperation Agreement

- UTA will utilize CMAQ grant funding in the amount of \$1,650,000 to construct the trail
- Clearfield will provide \$120,000 in matching funds and allow the trail to be on city property
- UTA will be the project manager and receive support from Clearfield
- The project will include coordination with the UTA TOD team and the development of Clearfield Station



Interlocal Cooperation Agreement

- Clearfield will lead the effort in acquiring the right of way needed to extend Depot Street to existing UTA property
- UTA will coordinate with UDOT
- UTA and Clearfield will work with management of the Freeport Center to improve access to their facility along the Denver Rio Grande Rail Trail
- UTA will maintain the trail on UTA property, Clearfield will maintain the other portions of the trail



Recommended Action (by roll call)

Motion to approve R2020-06-03

Resolution Approving the Interlocal Cooperation Agreement with Clearfield City for the Construction of a Pedestrian/Bike Trail



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**

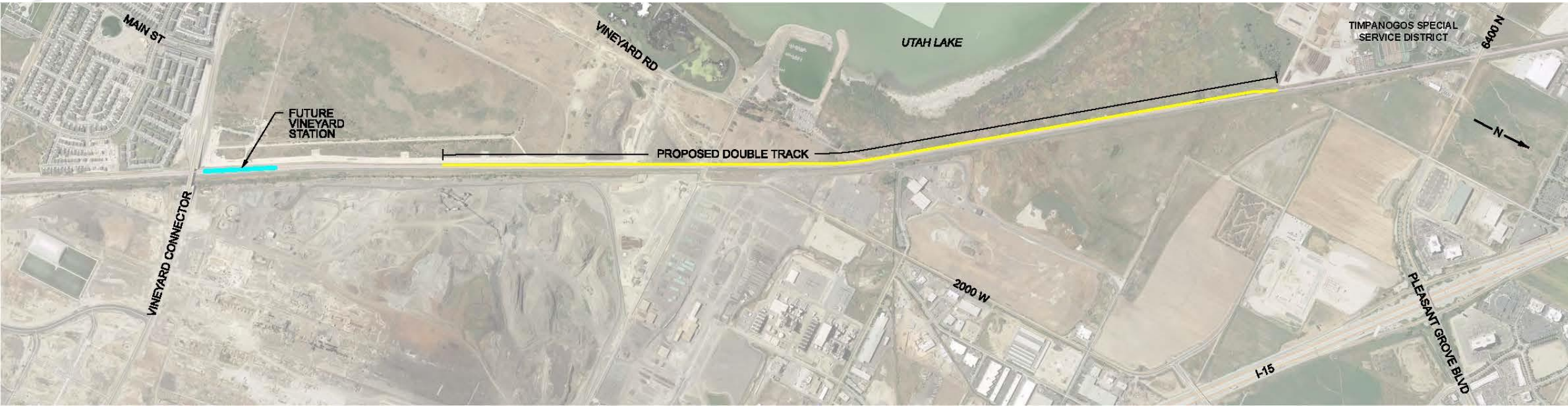


Vineyard Station and Northern Utah County Double Tracking Project

- The Utah State Legislature appropriated \$4M to the design & construction of the Vineyard FrontRunner Station
- 1.8 miles of double track is required north of the Vineyard Station due to operational constraints caused by Positive Train Control systems
- UTA is funding the double track portion of the project which is anticipated to be approximately \$10M
- The contractor has been selected, UDOT and UTA standards are being integrated
- Construction to begin late August-early September, completion by April 2021



Station and Double Tracking location



5



UTA and UDOT Interagency Cooperative Agreement

- This ILA between UTA and UDOT defines the roles and responsibilities for design, construction, and maintenance of the Vineyard Station and associated Double Tracking:
 - UDOT will be the lead procurement agency – design and construction contracts will go through their procurement process
 - UTA in conjunction with UDOT, will oversee design, construction inspection/testing, and final acceptance of both station and double tracking
 - Construction of both station and double tracking will occur within UTA's current right-of-way limits
 - Final acceptance will not be granted until all System Integration, Safety Testing and Certification have occurred to UTA's satisfaction
 - UTA will assume ownership, warranty, and future operations & maintenance



Recommended Action (by roll call)

Motion to approve 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



Contracts, Disbursement, and Grants



Contract: CAD/AVL Software Development Services (Software Technology Group)

Recommended Action (by acclamation)

Motion to approve as presented in meeting materials



Pre-Procurements

- i. Federal and State or Local Government Relations Lobbyist Services
- ii. Joint Bus Procurement with Park City Transit



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



Service and Fare Approvals



Hive Pass Program Agreement (Salt Lake City Corporation)

Recommended Action (by acclamation)

Motion to approve as presented in meeting materials



Discussion Items



Sandy East Village 3 Transit-Oriented Development Financial Analysis and Proposed Associated Agreements



Financial Analysis – Board Role



Purpose

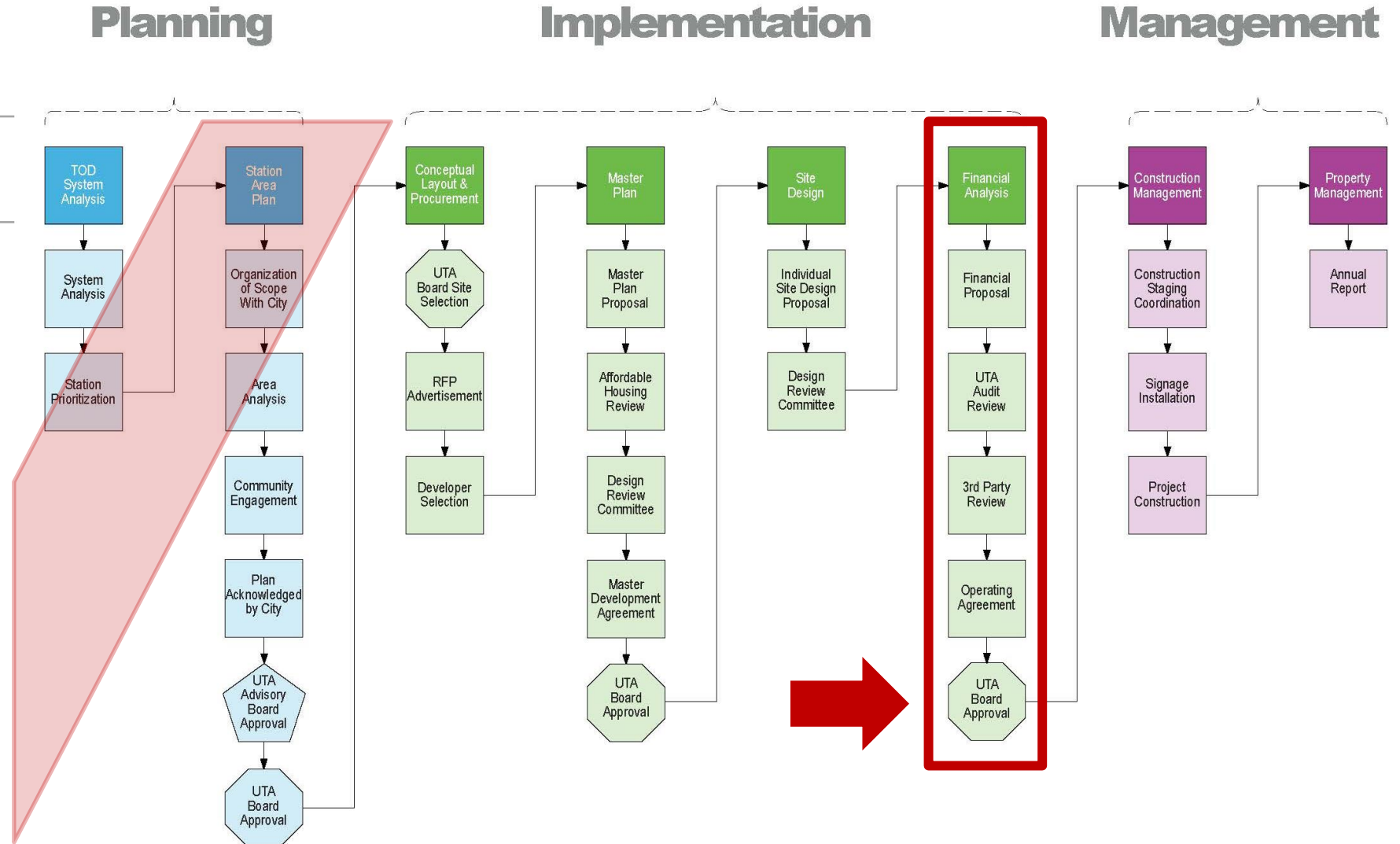
Establish legal and financial terms

Includes

Legal agreements
Pro forma

Reviews

Internal Audit
3rd Party Expert



Context Map



Sandy Civic Center TOD



East Village 3 ("Alta Vue")



Master Plan & History

2014

- Received FTA Approval
- Broke ground on Phase 1

Acreage ~ 33 ac

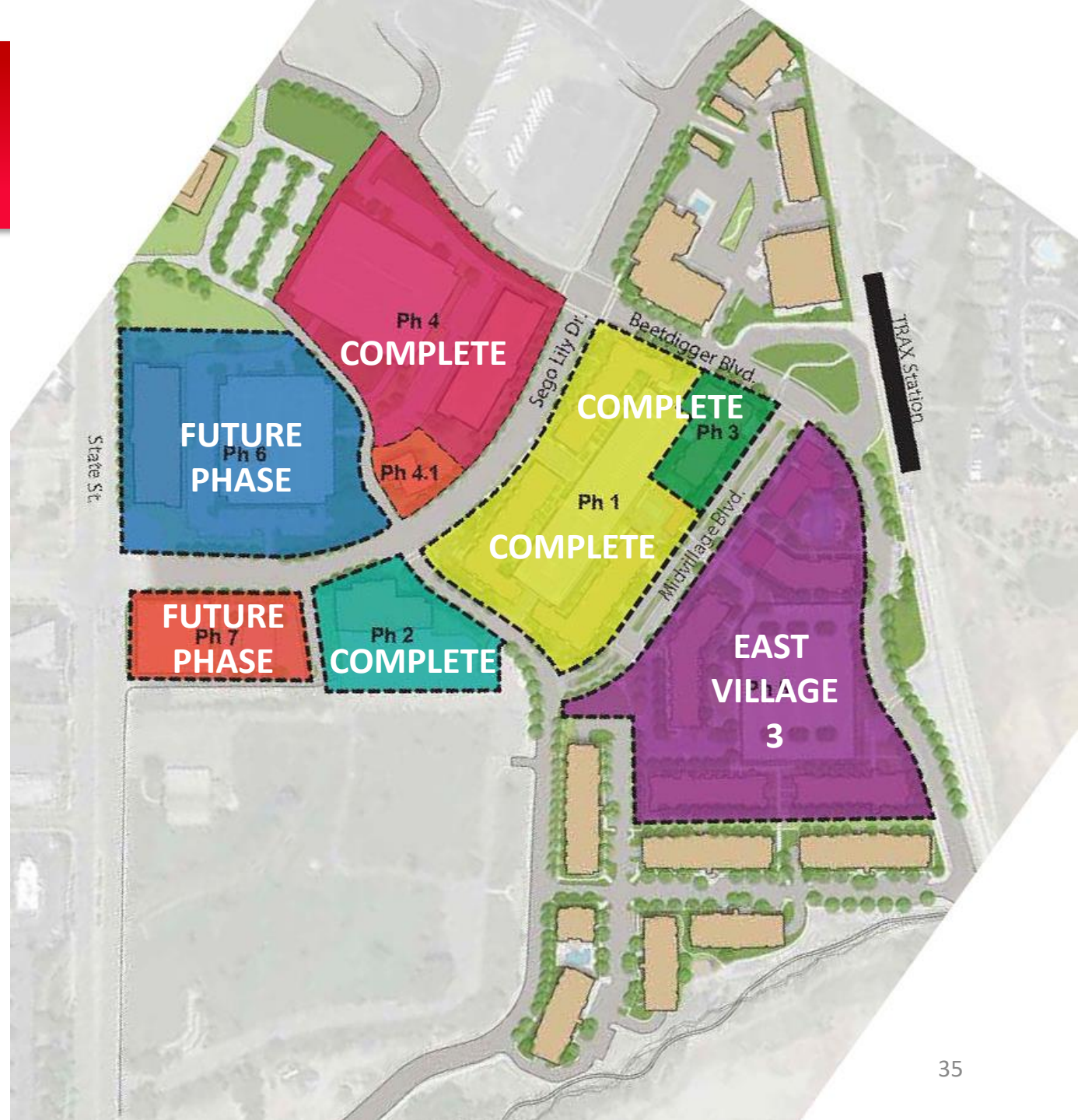
Prior Use 1,200 stall surface park & ride

Progress

- 4 phases complete
- 3 phases remaining

Investment \$3.9 million (land contributions)

Return \$9.0 million



East Village 3 - Site Plan & Development Data

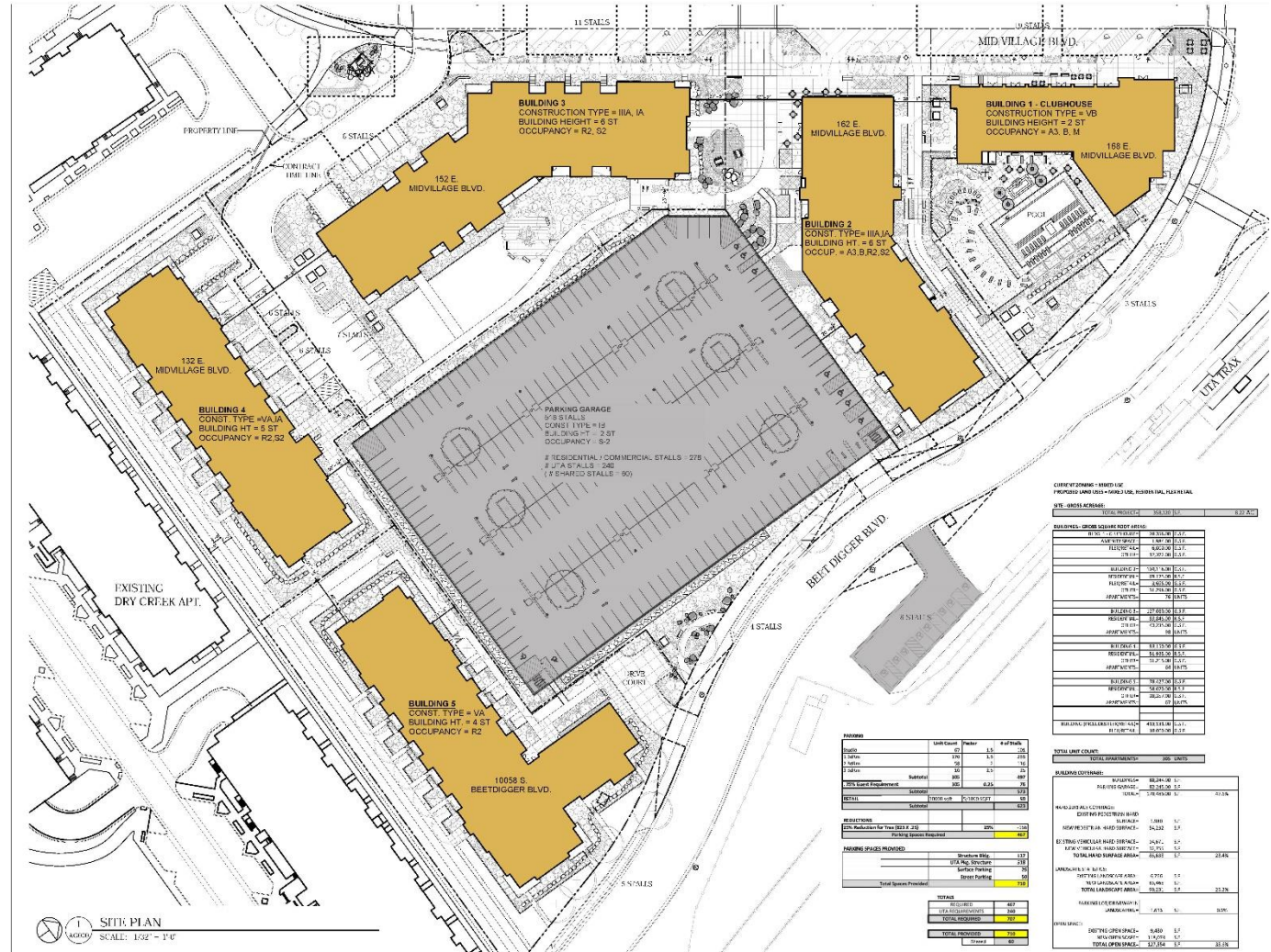


TOTAL	305
Residential Units	
Studio	67
1 Bed	170
2 Bed	58
3 Bed	10

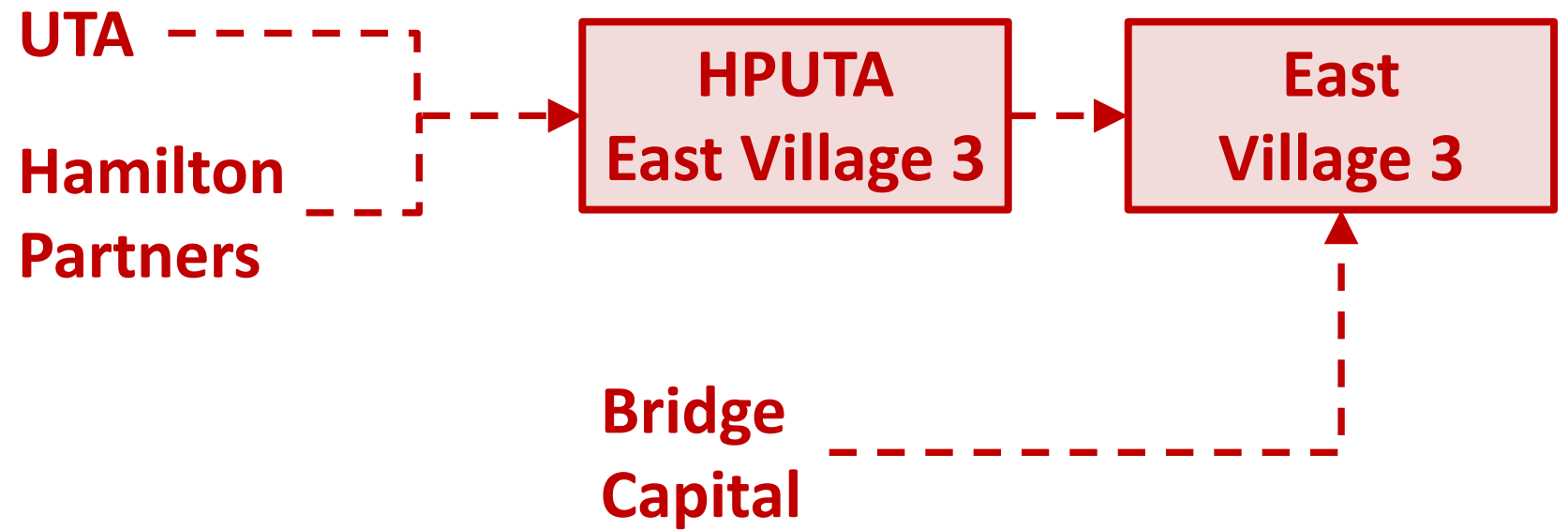
Retail/Commercial 10,000 square feet

UTA Park & Ride 300 stalls (60 shared)

Budget \$85 million



Organization



East Village 3 – Financial Analysis



- **Operating Agreements:**
 - HP-UTA East Village 3 LLC
 (“HP-UTA Operating Agreement”)
 - Limited Liability Company Agreement of
 East Village 3 LLC (“Joint Venture Agreement”)
- **Pro Forma**

East Village 3 – Related Agreements



- **Contribution Agreement**
- **Ground Lease**
- **Parking Structure Management Agreement**
- **Parking Structure Construction, Operation and Easement Agreement (“COREA”)**

HP-UTA Operating Agreement



- **Purpose:**
 - Form partnership between Hamilton Partners and UTA
 - Control contributions and ownership in East Village 3 LLC
 - Determine distributions

HP-UTA Operating Agreement - Contributions



	Hamilton Partners (HP)	UTA
Initial Contributions	<ul style="list-style-type: none">• Development Rights• Cash Equity• Infrastructure	<ul style="list-style-type: none">• 6.0 acres (263,386 sf)• \$1.6 million
Additional Contributions (Capital Calls)	Contributes requirement for both members	May reimburse HP

HP-UTA Operating Agreement – Distribution Sequence



1	HP	5% return on Infrastructure Costs (per Development Agreement)
2	HP	Reimbursement of infrastructure costs
3	HP	Additional contributions on behalf of UTA
4	HP	10% + prime Return on additional contributions on behalf of UTA
5	UTA & HP	10% return on additional contributions
6	UTA & HP	Additional contributions
7	UTA & HP	Unreturned capital contributions
8	UTA & HP	10% return on initial contributions
9	UTA & HP	Appreciation on land and land improvements
10	HP	Entitlement value
11	UTA & HP	Other profit and developer-specific distributions

HP-UTA Operating Agreement – Manager Rights & Duties



- **HP to act as Manager**
- **Has all rights necessary to conduct business**
- **Limitations** (needs UTA permission):
 - acts contrary to operating agreement
 - possess or assign company assets
 - incur debt
 - acquire or sell assets
 - confess judgement against company
 - enter into agreement >\$100,000
 - make any Major Decision

HP-UTA Operating Agreement - Termination



- **Buyout Events**
 - UTA can not legally be a member
 - UTA participation will affect business or operations
 - Breach of Operating Agreement
 - Failure to perform under COREA
 - Transfer event
 - Incompetency or imprisonment
- **Dissolution**
 - UTA Exits
 - All members vote
 - Sale of assets

Joint Venture Agreement



- **Purpose:**
 - Form partnership between
 - HP-UTA (“Operating Member”)
 - Bridge Capital (“Investor Member”)
 - Establish management rights and duties
 - Determine distributions

Joint Venture Agreement - Contributions



- **HP-UTA to contribute:**
 - East Village 3 Property
 - Development rights
 - Cash contributions
(12% of required equity)
- **Bridge to contribute:**
 - Cash (88% of required equity)

Joint Venture Agreement – Promote Structure



Return	HP-UTA	Bridge
Up to 9%	12%	88%
9-12%	20%	80%
12-16%	35%	65%
>16%	45%	55%

Joint Venture Agreement - Other Information



- **Construction Loan:**
 - \$55.3 million
 - 70% loan-to-value
 - Loan and title costs = \$730,000
- **Fees:**
 - Development Fee = 3%
 - Finance Fee (if needed) = 0.25% to Bridge

East Village 3 - UTA Return



Capital Account	\$1,580,316
10% Return	\$733,425
Land Appreciation	\$856,868
Final Distribution	\$1,129,824

TOTAL \$4,300,433

Internal Rate of Return 28%

East Village 3 - Related Agreements



Contribution Agreement & Ground Lease

- UTA agrees to contribute residential and parking parcels
- Development to temporarily lease parking parcel to UTA
- Parking parcel to be conveyed to UTA upon completion of subdivision plat

Parking Structure Management Agreement

- HP to manage and maintain parking
- UTA to pay its proportionate share (58%)
- Management Fee = 15%
- Construction Management Fee = 5%

East Village 3 - Related Agreements (continued)



Parking Structure Construction, Operation, and Easement Agreement (COREA)

- UTA to own garage
- Development to hold perpetual easement
- Establishes number, location, and access of dedicated and shared stalls
- Splits construction and operational costs 58/42 (UTA/Development)
- Cost and terms of shared stalls to be determined in future license agreement
- Parties to coordinate alterations

Parking Data

Total Stalls	517
UTA Stalls	240
Development Stalls	217
Shared Stalls	60

East Village 3 – Garage Construction Contract



Construction Agreement (Sandy Civic Center Station Parking Structure)

- Approved by UTA Board – Sept 2018
- Contractor – Wadsworth Brothers Construction
- Price - \$5,914,889
- 12 months for completion
- Owners Invoiced Separately
UTA 58% EV3 42%
- 10% Markup Limit for Contractor & Subs
(cumulative not to exceed 21%)

Amendment to Construction Agreement

- Adjust start and end dates
- Strengthen insurance provisions
- (No material change to agreement or value)

Zions Public Financial Review



- **Agreements “in conformance with market conventions”**
- **“Allows for an appropriate return” to UTA**
- **Return and partnership agreement “would be defined by the market as fair” and “is commensurate with other development activity in the market”**

Requested Future Action



- **Approve Resolution:**
 - Approving Financial Analysis of East Village 3
 - Approving and authorizing Executive Director to execute:
 - Operating Agreement
 - Contribution Agreement
 - Ground Lease
 - Parking Structure, Construction, and Easement Agreement
 - Parking Structure Management Agreement

Other Business

- a. Next meeting on June 24, 2020 at 9:00 a.m.



Adjourn

