

EXHIBIT A

To: Utah Transit Authority Board of Trustees
From: Jerry Benson, Interim President/CEO
Date: July 12, 2016
Subject: Provo Orem TRIP short-term funding

The purpose of this memorandum is to provide an update on the Provo Orem Transportation Improvement Project (TRIP), which is a joint project of UTA and the Utah Department of Transportation (UDOT). The UDOT portion of the work is focused on University Parkway. The UTA portion of the work is the Provo Orem BRT Project, connecting the Orem and Provo intermodal centers with a bus rapid transit system.

The BRT portion of the project is a Federal Transit Administration (FTA) Small Starts project, which has been budgeted at \$149.92 million with 50% expected to come from federal transit funds. \$65 million in local match is coming from a Utah County bond against the local option sales tax dedicated to transportation. The remaining local match comes from UTA funds and the contribution of the roadway leases from UDOT, Provo and Orem upon which exclusive lanes for the bus rapid transit will operate.

The roadway portion of the work is approximately \$40 million for some roadway widening, lengthening of turn lanes and traffic signal improvements. Where there are portions of the construction corridor where work for both UDOT and UTA is involved, the two entities have agreed upon an equitable distribution of costs.

UTA is in the process of obtaining the Small Starts Grant Agreement from the FTA. In advance of the grant, UTA received 'no prejudice authority' to begin work with the understanding that the expenditures are eligible to be charged against the grant once it has been received. There is some risk, but we are not aware of a project that not received a grant once it has been given this no prejudice authority.

Past UTA capital projects proceeded with construction work at a similar stage in the FTA process. Project development is complete. FTA has issued a Finding of No Significant Impact, concluding the environmental process. MAG has adopted the BRT Project into its fiscally constrained long-range transportation plan. Local funding commitments have been negotiated. President Obama included the BRT Project in his 2016 budget. Congress has appropriated approximately \$75 million in fiscal year 2016 dollars, of which FTA has awarded UTA \$4 million to begin work on certain project activities. FTA has extended pre-award authority to UTA to incur costs for BRT Project engineering and design, utility relocation, real property acquisition, and to purchase buses.

FTA granted additional no prejudice authority for construction of the Timpanogos bus maintenance facility modification necessary to accommodate the bus rapid transit system. The total amount for that work is \$12.1 million.

In addition, UTA anticipates receiving additional no prejudice authority for the early construction on University Parkway.

UTA is currently working with FTA to provide the information it needs to complete its final evaluations, ratings, and approvals.

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With respect to local funding, Utah County passed a parameters resolution authorizing the issuance and sale of bonds for the BRT Project. On June 30, 2016, UTA asked the County to issue bonds for the BRT Project as soon as possible. UTA's request is under review with the County Attorney.

UTA has negotiated a contract and guaranteed maximum price for the utility work with the contractor for \$18 million, of which \$12 million is UTA work and \$6 million is UDOT work. The procurement for the vehicles is complete and UTA will soon enter into a contract for \$25.7 million to obtain 25 hybrid diesel articulated buses. Only \$300,000 is expected to be expended in 2016 with the balance being paid when the buses are received in 2017. In the unlikely event that the project did not move forward we would be able to sell those buses and incur little or no costs.

All of these items are included in the 2016 budget for the project. This work as described above would be initially covered with our cash reserves and reimbursed when the bond proceeds from the county are received. When the grant is executed, UTA would receive the federal portion for the work.

The following is a summary of the expected 2016 expenditures and UTA cash requirements:

2016 expenditures as of 7/11/16	\$ 5,643,766
Projected 2016 expenditures	\$ 27,789,714
FTA grant funds received to date	\$ (4,000,000)
Maximum UTA funds needed	\$ 23,789,714