

**AGREEMENT NO. AOFA-2021-MESA**

**ANNUAL OPERATIONS FUNDING AGREEMENT (FY 2020-2021)**

**BETWEEN**

**THE CITY OF MESA**

**AND**

**VALLEY METRO RAIL, INC.**

THIS ANNUAL OPERATIONS FUNDING AGREEMENT FOR FISCAL YEAR 2020 - 2021 ("Annual Funding Agreement") is made and entered into this 1st day of July, 2020, by and between the City of Mesa, a municipal corporation duly organized and existing under the laws of the State of Arizona (hereinafter referred to as "COM" or "CITY") and Valley Metro Rail, Inc., a non-profit corporation, duly organized and existing under the laws of the State of Arizona (hereinafter referred to as "VMR"). CITY and VMR are collectively referred to as the "Parties."

**RECITALS**

WHEREAS, CITY and VMR entered into a Light Rail Transit Operations Master Cooperative Funding Agreement ("Master Agreement"), effective November 17, 2008; and,

WHEREAS, in the Master Agreement CITY and VMR agreed that annual funding amounts for the operation of the Light Rail Transit (LRT) System would be determined by VMR in cooperation with CITY and that the funding amounts thus determined would be implemented in this and other annual Operations Funding Agreements; and,

WHEREAS, VMR's Board members from those Member Cities providing rail operations funds for FY2020 - 2021 have unanimously approved its FY2020 - 2021 rail operations budget for Rail Base Service in the sum of \$59,780,000 [which sum includes security costs and a contingency fund of not more than three (3%) percent of the rail operating costs for the fiscal year]; and,

WHEREAS, VMR's Board members from those Member Cities providing rail operations for FY 2020-2021 have unanimously approved the FY 2020-2021 budget for Agency Operating costs in the sum of \$59,780,000.

WHEREAS, CITY requests VMR to perform landscaping services at the Sycamore Transit Center and city-owned land adjacent to the Mesa Drive Park-and-Ride at a sum of \$25,000. WHEREAS, this Agreement is intended to implement CITY's funding obligation for its share of Rail Base Service and Agency Operating for FY 2020 - 2021.

## **A G R E E M E N T**

NOW THEREFORE, IT IS HEREBY AGREED, by and between the Parties, as follows:

SECTION 1. CITY Funding Obligation for FY 2020 - 2021. CITY acknowledges and shall pay its pro-rata share of the FY 2020 - 2021 rail operations budget for Rail Base Service in the sum of THREE MILLION EIGHT HUNDRED EIGHTY THOUSAND (\$3,880,000) DOLLARS (which sum includes contingency funds), Rail Operations & Maintenance, Agency Operations, Facility Landscaping and CARES Act credit for Fiscal Year 2020 – 2021 as shown in the summary below:.

Operations & Maintenance	\$ 12,377,000
<i>Less CARES</i>	<i>\$ (8,920,000)</i>
NET Operations & Maintenance	\$ 3,457,000
Agency Operations	\$ 398,000
<u>Facility Landscaping</u>	<u>\$ 25,000</u>
Total	\$ 3,880,000

SECTION 2. Funding. CITY's pro-rata monthly Rail Base Service contribution will be delivered to VMR two (2) days prior to the start of each fiscal month for which Rail Transit Operations services are to be provided. Payment may be by delivering the funds or by transfer in a manner to be determined by CITY and VMR staff.

SECTION 3. Integration. This Annual Operations Funding Agreement for fiscal year 2020 – 2021 is subject to the terms and conditions set forth in the Master Cooperative Funding Agreement between the City of Mesa and Valley Metro Rail, Inc. dated April 27, 2009, except as otherwise expressly agreed upon herein.

IN WITNESS WHEREOF, the Parties have executed this Annual Funding Agreement on the day and year first set forth above.

**VALLEY METRO RAIL, INC. (VMR)**

APPROVED AS TO FORM

By: \_\_\_\_\_  
Scott W. Smith,  
Chief Executive Officer

By: \_\_\_\_\_  
Michael J. Minnaugh  
VMR General Counsel

**CITY OF MESA**

ATTEST:

By: \_\_\_\_\_  
Christopher Brady, City Manager

By: \_\_\_\_\_  
DeeAnn Mickelson, City Clerk

APPROVED AS TO FORM

By: \_\_\_\_\_  
James Smith , City Attorney