

AGREEMENT NO. 145-44-2022-00
ANNUAL OPERATIONS FUNDING AGREEMENT
FY 2021-2022
BETWEEN
THE CITY OF MESA
AND
VALLEY METRO RAIL, INC.

THIS ANNUAL OPERATIONS FUNDING AGREEMENT FOR FISCAL YEAR 2021 - 2022 ("Annual Funding Agreement") is made and entered into this 1st day of July, 2021, 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 FY2021 - 2022 have unanimously approved its FY2021 - 2022 rail operations budget for Rail Base Service in the sum of \$74,989,000 [which sum includes a contingency fund of not more than three (3%) percent of the rail operating costs for the fiscal year]; and,

WHEREAS, CITY's share of providing rail operations funds for Rail Operations & Maintenance, Agency Operating and Facility Landscaping (Sycamore Transit Center and city owned land adjacent to the Mesa Drive Park-and-Ride) for FY2021 -2022 (including contingency funds) is in the sum of:

Operations & Maintenance	\$ <u>13,523,000</u>
Less CRRSSA	\$ (3,681,000)
<u>Less ARPA</u>	<u>\$ (3,610,000)</u>
NET Operations & Maintenance	\$ 6,232,000
Agency Operations	\$ <u>433,000</u>
Facility Landscaping	\$ <u>25,000</u>
<u>Total</u>	<u>\$ 6,690,000</u>

WHEREAS, this agreement is intended to implement CITY's funding obligation for its share of Rail Base Service for FY2021-2022.

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 2021 - 2022. CITY acknowledges and shall pay its share of the FY 2021 - 2022 rail operations budget for Rail Base Service in the sum of SIX MILLION SIX HUNDRED NINETY THOUSAND (\$6,690,000) DOLLARS (which sum includes contingency funds). Rail Operations & Maintenance, Agency Operations, Facility Landscaping, CRRSSA Credit and ARPA Credit for Fiscal Year 2021-2022 as shown in the summary above.

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 FY 2021 – 2022 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)

By: _____
Scott W. Smith,
Chief Executive Officer

APPROVED AS TO FORM

By: _____
Michael J. Minnaugh
VMR General Counsel

CITY OF MESA

By: _____
Christopher Brady, City Manager

ATTEST:

By: _____
DeeAnn Mickelsen, City Clerk

APPROVED AS TO FORM

By: _____
James Smith, City Attorney