

**OPERATIONS FUNDING AGREEMENT (FY 2014-2015)  
BETWEEN  
THE CITY OF TEMPE  
AND  
VALLEY METRO RAIL, INC.  
NUMBER SEVEN**

This Operations Funding Agreement (“OFA”) Number Seven is between the City of Tempe, a municipal corporation duly organized and existing under the laws of the State of Arizona (“COT” or “City”), and Valley Metro Rail, Inc., a nonprofit corporation duly organized and existing under the laws of the State of Arizona (“METRO”).

**RECITALS**

WHEREAS, COT and METRO entered into a Light Rail Transit Operations Master Cooperative Funding Agreement (“Master Agreement”), effective February 21, 2008, and;

WHEREAS, COT and METRO agreed in the Master Agreement that the COT’s proportionate share of periodic operations funding obligations would be set forth in this OFA; and

WHEREAS, Council for the City has approved or approved in part the City’s proportionate share of annual costs as set forth in the Fiscal Year 2015 Operating and Capital Amended Budget.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the Parties hereby agree as follow:

**AGREEMENT**

1. Scope of Agreement. COT shall pay its share of the operations funding in the amount of \$9,891,751 to METRO in payment for Rail Transit Operations costs for fiscal year 2014-2015 as noted in sub-paragraphs A, B, and C. METRO shall pay COT a credit in the amount \$4,686,548 for offsetting revenue as noted in sub-paragraph D:

A. METRO’S Board previously approved fiscal year 2014-2015 Agency Operating Budget/Rail System Administration costs in the amount of \$927,804 of which COT’S share is \$278,341.

B. METRO’S Board previously approved fiscal year 2014-2015 Security Budget in the amount of \$3,018,516 of which COT’S share is \$1,166,291 (\$693,493 Regional, \$472,798 Local Security).

C. METRO’S Board previously approved fiscal year 2014-2015 Base Revenue Operations Budget in the amount of \$33,154,510 of which COT’S share is \$8,447,119.

D. METRO's Board previously approved fiscal year 2014-2015 Budget for Fare Revenue (\$3,846,620), Advertising (\$238,255), and Federal 5307 Preventive Maintenance Funds (\$601,673) in the amount of \$4,686,548 to be credited to COT.

2. Integration. This Operations Funding Agreement is subject to the terms and definitions of the Master Agreement unless expressly agreed otherwise.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates indicated below.

VALLEY METRO RAIL, INC., a nonprofit corporation

By:

\_\_\_\_\_  
Stephen R. Banta, Chief Executive Officer

Date:

\_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Michael J. Ladino, METRO General Counsel

CITY OF TEMPE, a municipal corporation

By:

\_\_\_\_\_  
Mark W. Mitchell, Mayor

Date:

\_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Brigitta M. Kuiper, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Judith R. Baumann, City Attorney