



Working Session of the
Finance & Operations Committee
Tuesday, December 5, 2017, 2:00 – 3:30 p.m.

Frontlines Headquarters Building, Golden Spike Rooms, 669 West 200 South, Salt Lake City

Members of the public are invited to attend all committee meetings, and public comment may be taken at the discretion of the committee chair. If public comment is not taken at the committee meeting, the public will be able to review and provide comment via www.rideuta.com on all action items prior to the next full Board of Trustees meeting. If public comment is taken at the committee meeting, in order to be considerate of time and the agenda, comments will be limited to 2 minutes per individual, or 5 minutes for a spokesperson designated to represent a group.

Committee Members: *Jeff Acerson, FOC Chair*

Cort Ashton

Jeff Hawker (excused)

Gina Chamness

Dannie McConkie

Agenda

- | | | |
|----|---|--------------|
| 1. | Safety First Minute | Dave Goeres |
| 2. | <u>Approval of the October 11, 2017 FOC Meeting Report</u> | Jeff Acerson |
| 3. | <u>Approval of the October 16, 2017 FOC Meeting Report</u> | Jeff Acerson |
| 4. | <u>Financial Reports & Dashboards for September & October</u> | Bob Biles |
| 5. | <u>Resolution: Bond Parameters</u> | Bob Biles |
| 6. | <u>Resolution: FY2018 Final Budget Proposal</u> | Bob Biles |
| 7. | Informational Item(s) | Jeff Acerson |
| | a. Salt Lake/Special Services Presentations | |
| 8. | Other Business | Jeff Acerson |
| | a. Liaison, Conference & External Committee Reports | |
| | b. Next Committee Meeting | |
| 9. | Adjourn | |

Don't put your safety on hold, just because it's cold.



UTAH TRANSIT AUTHORITY BOARD OF TRUSTEES
Agenda Item Coversheet

DATE:	December 5, 2017
CONTACT PERSON:	Jeff Acerson, Chair
SUBJECT:	Minutes of the Finance & Operations Committee
BACKGROUND:	The minutes are being distributed to the committee for review and approval.
ALTERNATIVES:	<ul style="list-style-type: none">• Approve as presented• Amend and approve• No action
EXHIBITS:	<ul style="list-style-type: none">• 10-11-17 FOC Meeting Report

Finance & Operations Committee Meeting
Wednesday, October 11th, 2017
10:30 – 12:00 p.m.



Members Present

Jeff Acerson, Chair
Dannie McConkie
Gina Chamness

Jeff Hawker (excused)
Cort Ashton (excused)

Other Trustees in Attendance:

Others in attendance: Jerry Benson, Jayme Blakesley, Riana De Villiers, Todd Provost, Bob Biles, Eddy Cumins, Mary DeLaMare-Schaefer, Dave Goeres, Andrea Packer, Steve Meyer, Brad Armstrong, Richard Swenson, Greg Andrews, Annette Royle, Nichol Bourdeaux, Matt Sibul, and participants of the 2017 Bus Rodeo.

FOC committee chair, Jeff Acerson welcomed everyone and called the meeting to order at 10:31 a.m.

1. Safety First Minute

Chair Acerson yielded the floor to Dave Goeres, UTA Chief Safety, Security & Technology Officer, for a brief safety message.

2. UTA Rodeo Award Recognition:

Todd Provost, VP of Operations, Capital & Assets provided a background for the recent UTA Rodeo which was held on September 24, 2017 and presented the winners to the Trustees for individual recognition.

3. Approval of September 13, 2017 FOC Meeting Report:

A motion to approve the meeting report was made by Trustee Dannie McConkie and seconded by Trustee Gina Chamness. The motion carried by unanimous consent.

4. Review of Financial Report:

Bob Biles, Vice President of Finance, presented an overview of the financial report and dashboards for August, 2017. A motion to approve the financial reports was made by Trustee Chamness and seconded by Trustee McConkie. Motion carried by unanimous consent.

Uploaded to Utah.gov: [Aug Financial Statement Presentation](#)

5. Q3 Investment Report

In accordance with UTA's Corporate Investment Policy, Mr. Biles presented an overview of the 3rd Quarter Investment Report. The report was included in the electronic packet and a few key numbers were reviewed.

6. Ogden/Timpanogos Business Unit Presentation:

The time was turned over to Todd Provost, Vice President of Operations, Capital, & Assets, who introduced Eddy Cumins, Regional General Manager, Mount Ogden Business Unit and Mary DeLaMare-Schaefer, Regional General Manager, Timpanogos Business Unit.

Mr. Cumins provided a general overview of the Mount Ogden Business Unit (MOBU). It was noted the MOBU service area includes Weber, Davis, and Box Elder counties and manages a fleet

of 105 buses with a total ridership for 2016 of 3.4 million. Mr. Cumins shared the evolution timeline of culture development within the MOBU, the improvements and achievements which have been made and expanded on the culture development areas of focus which include employee driven programs, team building exercises, and community involvement activities. Mr. Cumins concluded his presentation by sharing the Davis/Weber County Prop 1 service improvements, successes, and next steps.

Uploaded to Utah.gov: MOBU Board Presentation 11 Oct (4)

Ms. DeLaMare-Schaefer introduced the Timpanogos Business Unit by sharing their motto “Good people creating a good transportation value for a better quality of life” that can be seen on the door of their main facility. Ms. DeLaMare-Schaefer provided a general overview of the Timpanogos Business Unit which included the employees, the facilities, and that in 2016, total ridership in Utah County was over 2.8 million. The Timpanogos Business Unit consists of many long-term employees, has a very low turnover rate and enjoys an extended family feel with over 90% of its employees living in Utah County which allows operators to personally know those riding their routes. Ms. DeLaMare-Schaefer went on to share the 2016/2017 business unit initiatives which include: Raising our quality standard, inviting input, listening to the community, and enhancing partnerships with Utah Valley University and Brigham Young University. She closed by sharing the changes that are coming to Utah County service in 2018; specifically the Provo/Orem Bus Rapid Transit (BRT) project projected scheduled to launch in August of 2018.

Uploaded to Utah.gov: Timp Strong! (v2)

7. Provo-Orem Bus Rapid Transit (BRT) Update

The time was turned over to Steve Meyer, Director of Capital Projects for an update on the Provo/Orem BRT project.

Mr. Meyer provided an overview of the Provo/Orem BRT Project which will include a 10.5 mile BRT line with buses scheduled every six minutes on weekdays.

Mr. Meyer went on to discuss the BRT cost expectations which were set in 2013, the project delays to-date, the factors increasing costs, and a list of over 100 value engineering ideas which had been proposed and studied. Examples included approximately 40 cost-saving ideas which had been implemented, providing over \$6 million in cost savings. A chart showing the budget cost to complete was presented. Discussion ensued regarding UTA’s management and agreements including; the project’s focus, scope, the continual, active management of the project to prevent further cost increase or delay, and dedication to continuing to work with the cities to minimize property acquisition and impact mitigation costs. The BRT project has experienced a two-year delay “in order to address community concerns” resulting in a lost construction season. Meanwhile, Utah’s economy continued to increase, resulting in increased costs of construction (6% over budget). Mr. Meyer explained the Provo/Orem BRT Executive Committee was formed through an Interlocal Agreement in 2016 to give stakeholders a voice on major decisions on the project including the budget. The Executive Committee stakeholders consist of the Mountainland Association of Governments, Orem City, Provo City, Utah Department of Transportation, Utah County, and UTA with the project goal to make the project a “10” for all the stakeholders and communities. The Executive Committee is to meet again on Thursday, October 12, 2017 to discuss the budget and funding recommendations and will bring those recommendations to the Finance & Operations Committee meeting scheduled for Monday, October 16, 2017.

During the course of Mr. Meyers presentation, Trustees asked specific questions about the project, costs, stakeholder relationships, cost savings efforts, etc. which were answered or expounded on by Mr. Meyer, Jayme Blakesley, General Counsel and Jerry Benson, President/CEO. In closing, Mr. Meyers stated the Provo/Orem BRT Executive Committee have had some hard discussions in reference to the budget, and will continue to have those discussions, but he and Mr. Benson expressed the Provo/Orem BRT Executive Committee is committed to doing quality work and pushing the completion of the project up to August, 2018 in support of the universities.

Uploaded to Utah.gov: 10-11-17 POBRT Presentation

8. Other Business

a. Liaison, Conference & External Committee Reports

Nothing to report

b. Next Committee Meeting

The meeting is scheduled for October 16, 2017 at 12:00 p.m.

The meeting adjourned at 12:10 p.m.

Report Transcribed by: AJ Anderson, Sr. Office Specialist
Operations, Capital, & Assets
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UTAH TRANSIT AUTHORITY BOARD OF TRUSTEES
Agenda Item Coversheet

DATE:	December 5, 2017
CONTACT PERSON:	Jeff Acerson, Chair
SUBJECT:	Minutes of the Finance & Operations Committee
BACKGROUND:	The minutes are being distributed to the committee for review and approval.
ALTERNATIVES:	<ul style="list-style-type: none">• Approve as presented• Amend and approve• No action
EXHIBITS:	<ul style="list-style-type: none">• 10-16-17 FOC Meeting Report

Finance & Operations Committee (FOC) Meeting

Monday, October 16th, 2017

12:00 – 1:30 p.m.

Members Present

Jeff Acerson, Chair

Dannie McConkie

Gina Chamness

Cort Ashton

Jeff Hawker (excused)

Other Trustees in Attendance: Greg Bell, Bret Millburn, Charles Henderson

Others in attendance: Jerry Benson, Jayme Blakesley, Riana De Villiers, Dave Goeres, Bob Biles, Steve Meyer, Brad Armstrong, Greg Andrews, Kim Ulibarri, Annette Royle, Nichol Bourdeaux, Brian Wilkinson, Rebecca Cruz, Andrea Packer, Michelle Larsen, Melanie Penton, Lynze Lenio, Erika Shubin, Teri Black, and Lee Davidson

FOC Chair, Jeff Acerson welcomed everyone and called the meeting to order at 12:08 p.m.

1. Safety First Minute

Chair Acerson yielded the floor to Dave Goeres, UTA Chief Safety, Security & Technology Officer, for a brief safety message.

2. Swearing in of Co-Vice Chair

Rebecca Cruz, UTA Board of Trustees Support Manager, swore in Greg Bell as Co-Vice Chair of the Board of Trustees.

3. 2018 Tentative Budget

The time was turned over to Jerry Benson, UTA President/CEO to present an overview of the FY 2017-18 objectives and proposed tentative budget.

Mr. Benson explained that setting an annual budget is one of the legislated responsibilities of the Board of Trustees. The board determines appropriate levels of investment in strategic focus areas, ensuring accountability of resources and that the organization is headed in the right direction to meet its objectives. Mr. Benson distributed a letter from Zions Public Finance, Inc. which summarized changes related to UTA's outstanding debt, and detailed UTA's prudent and responsible use of debt financing over the years. In fact, the letter explained that UTA has been able to maintain the Standard & Poor's (S&P) "AAA" senior bond rating they'd issued in June, 2006, even through the financing which occurred to construct the Frontlines 2015 projects and the recessions in 2008 and 2009.

Seven key initiatives were highlighted which included in the 2018 budget: Better customer experience, service improvements, strategic community partnerships, stewardship (state of good repair focus), long-term vision (creation of the Innovative Mobility Solutions department), and employee development (a maintenance mentors internship program for high school and college students). He then moved on to discuss the tentative 2018 operating and capital budget revenues, trends, and expenses. Mr. Benson concluded by sharing the schedule and next steps for the proposed 2018 budget; emphasizing the public and stakeholder comment period will be from November 1-30, 2017. Comments will be reviewed during the December 6, 2017 Finance & Operations Committee meeting, and final recommended changes will be made. The board will then vote to adopt the final budget on December 13, 2017.

During Mr. Benson's presentation, Trustees asked questions, made comments, and discussed items related to: customer's needs regarding frequency and hours of service, working on new negotiations with event vendors for ticket-as-fare, the makeup of the Innovative Mobility Solutions dept, and accessing more comprehensive information on our consumer demographics.

In closing, Trustee Ashton expressed appreciation for the Zions Public Finance letter and stated he'd like to see a debt schedule on the bonding (what we have, the percentage rates, and when they expire). Bob Biles, UTA Vice President of Finance sated he'd pull that information together from the 2017 budget and share it with him.

A motion to move the 2018 Proposed Tentative Budget on to the full Board was made by Trustee McConkie and seconded by Trustee Ashton. Motion passed by unanimous consent.

Uploaded to Utah.gov: [2017-1011 Presentation 2018 Tentative Budget FINAL 16 Oct 2017](#)

4. Other Business

None

5. Adjourn

Trustee Charles Henderson made a motion to adjourn at 1:19 p.m. Trustee Ashton seconded the motion. Meeting adjourned

Report Transcribed by: Aj Anderson, Sr. Office Specialist
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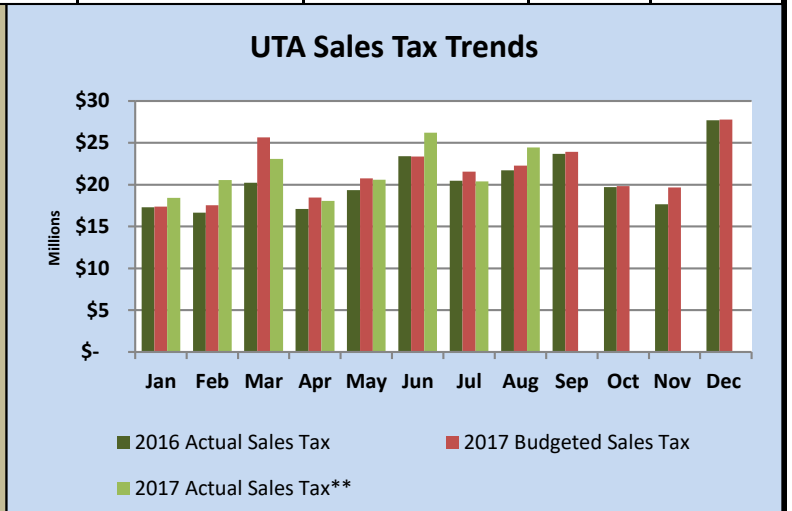
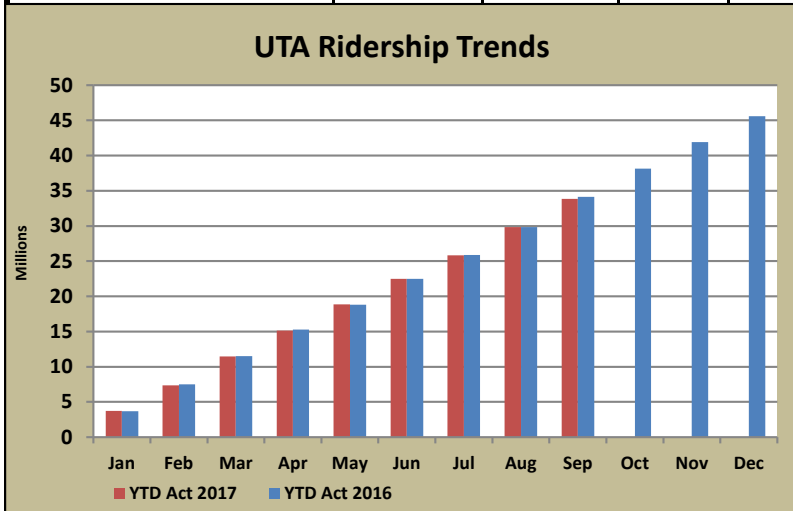
UTAH TRANSIT AUTHORITY BOARD OF TRUSTEES
Agenda Item Coversheet

DATE:	December 5, 2017
TITLE:	Monthly Finance Reports
CONTACT PERSON:	Bob Biles, VP Finance
SUBJECT:	September & October 2017 Monthly Dashboards and Financial Reports
BACKGROUND:	In accordance with Board direction, staff prepares and presents monthly financial statements to the Board for their review.
ALTERNATIVES:	<ul style="list-style-type: none">• Approve as presented• Amend and approve• No action
EXHIBITS:	<ol style="list-style-type: none">1. Dashboard: September 20172. Monthly Financial Report: September 20173. Dashboard: October 20174. Monthly Financial Report: October 2017

Utah Transit Authority

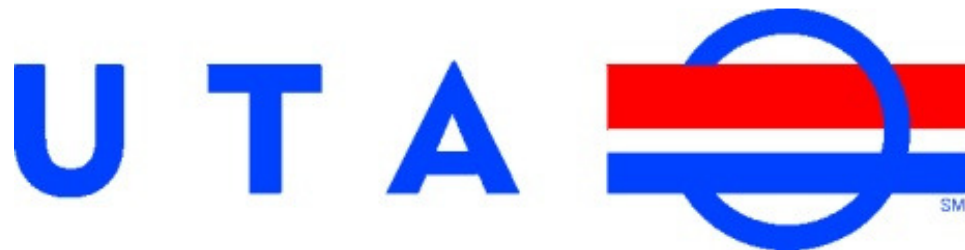
Board Dashboard: September 30, 2017

Financial Metrics	Sept Actual	Sept Budget	Fav/ (Unfav)		YTD Actual	YTD Budget	Fav/ (Unfav)	
				%				%
Sales Tax (August '17 mm \$)	\$ 24.5	\$ 22.3	\$ 2.19	9.8%	\$ 171.8	\$ 166.9	\$ 4.90	2.9%
Fare Revenue (mm)	\$ 4.3	\$ 4.4	\$ (0.13)	-2.9%	\$ 38.0	\$ 39.9	\$ (1.84)	-4.6%
Operating Exp (mm)	\$ 20.1	\$ 21.4	\$ 1.28	6.0%	\$ 189.6	\$ 198.0	\$ 8.37	4.2%
Investment Per Rider (IPR)	\$ 3.95	\$ 4.50	\$ 0.55	12.2%	\$ 4.48	\$ 4.50	\$ 0.02	0.4%
IPR adj for fuel savings	\$ 4.02	\$ 4.50	\$ 0.48	10.7%	\$ 4.58	\$ 4.50	\$ (0.08)	-1.8%
UTA Diesel Price (\$/gal)	\$ 2.07	\$ 2.50	\$ 0.43	17.1%	\$ 1.83	\$ 2.50	\$ 0.67	26.7%
Operating Metrics	Sept Actual	Sep-16	F/ (UF)	%	YTD Actual	YTD 2016	F/ (UF)	%
Ridership (mm)	4.0	4.3	(0.3)	-6.2%	33.8	34.1	(0.3)	-0.8%
Alternative Fuels	\$/gal	Revenue Development (mm\$)			YTD Actual			
CNG Price (Bus Diesel Equiv rti)	\$ 1.21				\$ 7.78			
Debt Service	Sept Actual	Sep-16	Var	%	YTD Actual	YTD 2016	Var	%
Debt Service (net mm)	\$ 8.54	\$ 8.67	\$ (0.13)	-1.4%	\$ 82.55	\$ 78.52	\$ 4.02	5.1%



Utah Transit Authority
Financial Statement
(Unaudited)

September 30, 2017



	2017 YTD ACTUAL	2017 YTD BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	% FAVORABLE (UNFAVORABLE)
1 Sales Tax	\$ 194,583,573	\$ 190,841,500	\$ 3,742,073	2%
2 Passenger Revenue	\$ 38,034,819	\$ 39,879,816	(1,844,997)	-5%
3 Other Revenue	\$ 51,551,151	\$ 53,621,567	(2,070,416)	-4%
4 Total Revenue	284,169,543	284,342,883	(173,340)	0%
5 Net Operating Expenses	(189,616,225)	(197,985,747)	8,369,522	4%
Net Operating Income (Loss)	94,553,318	86,357,136	8,196,182	9%
6 Debt Service	82,546,887	80,138,544	(2,408,343)	-3%
7 Other Non-Operating Expenses	3,735,386	4,544,587	809,201	18%
8 Sale of Assets	-	-	-	100%
9 Contribution to Capital Reserves	\$ 8,271,044	\$ 1,674,005	\$ 6,597,039	-394%
10 Bond Debt Service - Series 2007A CAB	158,590			
11 Amortization	(5,752,459)			
12 Depreciation	113,040,000			
13 Total Non-cash Items	\$ 107,446,131			

2017 GOALS

RIDERSHIP

	2016 Actual			2017 YTD		
	September 2017	September 2016	Difference	2017 YTD	2016 YTD	Difference
14 45,572,702	4,005,566	4,271,188	-265,622	33,829,618	34,113,620	-284,002

REVENUE DEVELOPMENT

15 Federal/Local/Regional	YTD \$16,980,208
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OPERATING INVESTMENT PER RIDER 2017 Budgeted IPR is \$4.50

	IPR		IPR (less diesel savings)
16 Net Operating Expense	\$ 189,616,225	Net Operating Expense	\$ 189,616,225
17 Less: Passenger Revenue	- (38,034,819)	Less: Passenger Revenue	- (38,034,819)
18		Plus: Diesel Savings	+ 3,197,116
19 Subtotal	151,581,406	Subtotal	154,778,522
20 Divided by: Ridership	÷ 33,829,618	Divided by: Ridership	÷ 33,829,618
21 Investment per Rider	\$ 4.48	Investment per Rider	\$ 4.58

**SUMMARY FINANCIAL DATA
(UNAUDITED)**

EXHIBIT 1-2

As of September 30, 2017

BALANCE SHEET

	<u>9/30/2017</u>	<u>9/30/2016</u>
CURRENT ASSETS		
1 Cash	\$ 11,267,013	\$ 9,197,705
2 Investments (Unrestricted)	151,852	13,383,647
3 Investments (Restricted)	191,926,364	153,530,236
4 Receivables	55,464,656	76,735,796
5 Receivables - Federal Grants	10,450,634	0
6 Inventories	32,574,305	24,649,602
7 Prepaid Expenses	2,077,845	3,705,860
8 TOTAL CURRENT ASSETS	<u>\$ 303,912,669</u>	<u>\$ 281,202,846</u>
9 Property, Plant & Equipment (Net)	2,987,983,105	3,154,044,656
10 Other Assets	121,760,723	130,709,700
11 TOTAL ASSETS	<u>\$ 3,413,656,497</u>	<u>\$ 3,565,957,202</u>
12 Current Liabilities	22,872,523	\$ 23,584,807
13 Other Liabilities	235,378,136	239,309,600
14 Net Pension Liability	112,925,121	117,437,871
15 Outstanding Debt	2,126,802,972	2,075,003,567
16 Equity	1,063,143,712	1,113,167,243
17 TOTAL LIABILITIES & EQUITY	<u>\$ 3,561,122,464</u>	<u>\$ 3,568,503,088</u>

RESTRICTED CASH AND CASH EQUIVALENTS RECONCILIATION

RESTRICTED RESERVES		
18 Debt Service Reserves	42,964,240	43,006,909
19 2015A Sub Interest Reserves	-	6,727,991
20 Debt Service Interest Payable	25,459,280	27,183,975
21 Risk Contingency	7,504,527	7,409,623
22 Box Elder County ROW (sales tax)	5,903,843	5,035,286
23 Mountain Accord	243,304	265,236
24 Joint Insurance Trust	3,256,602	3,201,967
25 UT County Bond Proceeds	43,793,851	-
26 Amounts held in escrow	4,254,216	9,299,541
27 TOTAL RESTRICTED RESERVES	<u>\$ 133,379,863</u>	<u>\$ 102,130,528</u>
DESIGNATED OPERATING RESERVES		
28 Service Stabilization Reserve	\$ 13,525,550	\$ 12,543,246
29 Fuel Reserve	1,915,000	1,915,000
30 Parts Reserve	3,000,000	3,000,000
31 Operating Reserve	25,247,693	23,405,698
32 Early Debt Retirement Reserve	14,858,258	10,535,764
33 TOTAL DESIGNATED OPERATING RESERVES	<u>\$ 58,546,501</u>	<u>\$ 51,399,708</u>
34 TOTAL RESTRICTED CASH AND EQUIVALENTS	<u>\$ 191,926,364</u>	<u>\$ 153,530,236</u>

SUMMARY FINANCIAL DATA

EXHIBIT 1-3

(UNAUDITED)

As of September 30, 2017

REVENUE & EXPENSES

	ACTUAL Sep-17	ACTUAL Sep-16	YTD 2017	YTD 2016
REVENUE				
1 Passenger Revenue	\$ 4,302,398	\$ 4,264,724	\$ 38,034,819	\$ 38,007,757
2 Advertising Revenue	200,000	200,000	1,766,664	1,733,336
3 Investment Revenue	254,284	108,617	2,063,245	1,413,102
4 Sales Tax	22,758,155	23,050,599	187,956,612	175,998,609
5 Sales Tax - Prop 1	822,741	817,290	6,626,961	4,101,524
6 Other Revenue	363,481	179,429	2,706,592	2,326,206
7 Fed Operations/Preventative Maint.	3,998,009	4,476,821	45,014,650	42,154,986
8 TOTAL REVENUE	\$ 32,699,068	\$ 33,097,480	\$ 284,169,543	\$ 265,735,520
OPERATING EXPENSE				
9 Bus Service	\$ 6,949,757	\$ 7,742,675	\$ 66,247,939	\$ 61,094,092
10 Commuter Rail	1,770,374	1,824,635	15,897,542	15,287,218
11 Light Rail	3,178,439	3,388,034	26,417,352	23,819,426
12 Maintenance of Way	1,113,850	1,562,525	11,828,617	12,743,822
13 Paratransit Service	1,712,495	1,597,116	14,859,027	13,979,514
14 RideShare/Van Pool Services	288,552	174,156	2,143,434	1,572,587
15 Operations Support	3,316,147	3,544,090	31,030,431	27,510,572
16 Administration	1,808,939	2,315,747	21,191,883	20,415,809
17 TOTAL OPERATING EXPENSE	\$ 20,138,553	\$ 22,148,978	\$ 189,616,225	\$ 176,423,040
18 NET OPERATING INCOME (LOSS)	\$ 12,560,515	\$ 10,948,502	\$ 94,553,318	\$ 89,312,480
NON-OPERATING EXPENSE (REVENUE)				
19 Planning & Development	\$ 346,128	\$ 349,998	\$ 3,735,386	\$ 3,129,289
20 Major Investment Studies	(7,480)	159,945	-	621,157
21 Offsetting Investment Studies		(25,000)	-	(316,159)
22 Bond Principal	766,667	729,167	6,680,003	8,771,876
23 Bond Interest	7,402,750	7,051,064	68,345,441	61,096,190
24 Bond Funded Interest - 2015A Sub	95,433	747,555	4,962,491	6,727,993
25 Bond Cost of Issuance/Fees	10,500	4,500	45,650	700,583
26 Lease Cost	267,947	136,093	2,513,302	1,226,065
27 Sale of Assets		(10,700)		(5,468)
28 TOTAL NON-OPERATING EXPENSE	\$ 8,881,945	\$ 9,142,622	\$ 86,282,274	\$ 81,951,526
29 CONTRIBUTION TO CAPITAL RESERVES	\$ 3,678,570	\$ 1,805,880	\$ 8,271,044	\$ 7,360,954
OTHER EXPENSES (NON-CASH)				
30 Bond Debt Service - Series 2007A CAB	\$ 31,718	\$ 15,091	\$ 158,590	\$ 135,816
31 Bond Premium/Discount Amortization	(2,642,513)	(1,330,455)	(13,212,563)	(11,424,490)
32 Bond Refunding Cost Amortization	1,370,384	686,795	6,851,920	6,181,156
33 Future Revenue Cost Amortization	67,576	67,576	608,184	608,184
34 Depreciation	12,560,000	12,788,040	113,040,000	115,702,997
35 NET OTHER EXPENSES (NON-CASH)	\$ 11,387,165	\$ 12,227,047	\$ 107,446,131	\$ 111,203,663

CURRENT MONTH

	ACTUAL Sep-17	BUDGET Sep-17	VARIANCE FAVORABLE (UNFAVORABLE)	% FAVORABLE (UNFAVORABLE)
REVENUE				
1 Passenger Revenue	\$ 4,302,398	\$ 4,431,073	\$ (128,675)	-3%
2 Advertising Revenue	200,000	194,409	5,591	3%
3 Investment Revenue	254,284	174,826	79,458	45%
4 Sales Tax	22,758,155	23,096,000	(337,845)	-1%
5 Sales Tax - Prop 1	822,741	820,500	2,241	0%
6 Other Revenue	363,481	532,562	(169,081)	-32%
7 Fed Operations/Preventative Maint.	3,998,009	5,056,131	(1,058,122)	-21%
8 TOTAL REVENUE	\$ 32,699,068	\$ 34,305,501	\$ (1,606,433)	-5%
OPERATING EXPENSE				
9 Bus Service	\$ 6,949,757	\$ 7,525,848	\$ 576,091	8%
10 Commuter Rail	1,770,374	1,912,493	142,119	7%
11 Light Rail	3,178,439	2,316,657	(861,782)	-37%
12 Maintenance of Way	1,113,850	1,546,129	432,279	28%
13 Paratransit Service	1,712,495	1,818,967	106,472	6%
14 RideShare/Van Pool Services	288,552	214,620	(73,932)	-34%
15 Operations Support	3,316,147	3,512,759	196,612	6%
16 Administration	1,808,939	2,567,398	758,459	30%
17 TOTAL OPERATING EXPENSE	\$ 20,138,553	\$ 21,414,872	\$ 1,276,319	6%
18 NET OPERATING INCOME (LOSS)	\$ 12,560,515	\$ 12,890,629	\$ (330,114)	-3%
NON-OPERATING EXPENSE (REVENUE)				
19 Planning & Development	\$ 346,128	\$ 504,954	\$ 158,826	31%
20 Major Investment Studies	(7,480)	-	7,480	
21 Offsetting Investment Studies	-	-	-	
22 Bond Principal	766,667	729,138	(37,529)	-5%
23 Bond Interest	7,402,750	7,344,779	(57,971)	-1%
24 Bond Funded Interest - 2015A Sub	95,433	-	(95,433)	
25 Bond Cost of Issuance/Fees	10,500	5,000	(5,500)	-110%
26 Lease Cost	267,947	326,664	58,717	18%
27 Sale of Assets	-	-	-	
28 TOTAL NON-OPERATING EXPENSE	\$ 8,881,945	\$ 8,910,535	\$ 28,590	0%
29 CONTRIBUTION TO CAPITAL RESERVES	\$ 3,678,570	\$ 3,980,094	\$ (301,524)	8%
OTHER EXPENSES (NON-CASH)				
30 Bond Debt Service - Series 2007A CAB	\$ 31,718			
31 Bond Premium/Discount Amortization	(2,642,513)			
32 Bond Refunding Cost Amortization	1,370,384			
33 Future Revenue Cost Amortization	67,576			
34 Depreciation	12,560,000			
35 NET OTHER EXPENSES (NON-CASH)	\$ 11,387,165			

**BUDGET TO ACTUAL REPORT
(UNAUDITED)**

EXHIBIT 1-5

As of September 30, 2017

YEAR TO DATE

	ACTUAL Sep-17	BUDGET Sep-17	VARIANCE FAVORABLE (UNFAVORABLE)	% FAVORABLE (UNFAVORABLE)
REVENUE				
1 Passenger Revenue	\$ 38,034,819	\$ 39,879,816	\$ (1,844,997)	-5%
2 Advertising Revenue	1,766,664	1,749,688	16,976	1%
3 Investment Revenue	2,063,245	1,573,441	489,804	31%
4 Sales Tax	187,956,612	184,340,000	3,616,612	2%
5 Sales Tax - Prop 1	6,626,961	6,501,500	125,461	2%
6 Other Revenue	2,706,592	4,793,077	(2,086,485)	-44%
7 Fed Operations/Preventative Maint.	45,014,650	45,505,361	(490,711)	-1%
8 TOTAL REVENUE	\$ 284,169,543	\$ 284,342,883	\$ (173,340)	0%
OPERATING EXPENSE				
9 Bus Service	\$ 66,247,939	\$ 68,122,086	\$ 1,874,147	3%
10 Commuter Rail	15,897,542	17,252,148	1,354,606	8%
11 Light Rail	26,417,352	25,996,765	(420,587)	-2%
12 Maintenance of Way	11,828,617	13,725,500	1,896,883	14%
13 Paratransit Service	14,859,027	16,321,144	1,462,117	9%
14 RideShare/Van Pool Services	2,143,434	1,931,584	(211,850)	-11%
15 Operations Support	31,030,431	31,400,733	370,302	1%
16 Administration	21,191,883	23,235,787	2,043,904	9%
17 TOTAL OPERATING EXPENSE	\$ 189,616,225	\$ 197,985,747	\$ 8,369,522	4%
18 NET OPERATING INCOME (LOSS)	\$ 94,553,318	\$ 86,357,136	\$ 8,196,182	9%
NON-OPERATING EXPENSE (REVENUE)				
19 Planning & Development	\$ 3,735,386	\$ 4,544,587	\$ 809,201	18%
20 Major Investment Studies	-	-	-	
21 Offsetting Investment Studies	-	-	-	
22 Bond Principal	6,680,003	6,562,242	(117,761)	-2%
23 Bond Interest	68,345,441	66,103,326	(2,242,115)	-3%
24 Bond Funded Interest - 2015A Sub	4,962,491	4,488,000	(474,491)	-11%
25 Bond Cost of Issuance/Fees	45,650	45,000	(650)	-1%
26 Lease Cost	2,513,302	2,939,976	426,674	15%
27 Sale of Assets	-	-	-	
28 TOTAL NON-OPERATING EXPENSE	\$ 86,282,274	\$ 84,683,131	\$ (1,599,143)	-2%
29 CONTRIBUTION TO CAPITAL RESERVES	\$ 8,271,044	\$ 1,674,005	\$ 6,597,039	-394%
OTHER EXPENSES (NON-CASH)				
30 Bond Debt Service - Series 2007A CAB	\$ 158,590			
31 Bond Premium/Discount Amortization	(13,212,563)			
32 Bond Refunding Cost Amortization	6,851,920			
33 Future Revenue Cost Amortization	608,184			
34 Depreciation	113,040,000			
35 NET OTHER EXPENSES (NON-CASH)	\$ 107,446,131			

**CAPITAL PROJECTS
(UNAUDITED)**
As of September 30, 2017

EXHIBIT 1-6

	2017 ACTUAL	ANNUAL BUDGET	PERCENT
EXPENSES			
1 REVENUE VEHICLES	\$ 3,878,114	\$ 39,407,000	9.8%
2 INFORMATION TECHNOLOGY	3,514,322	10,634,000	33.0%
3 FACILITIES, MAINTENANCE & ADMIN. EQUIP.	961,186	2,274,000	42.3%
4 CAPITAL PROJECTS	6,306,368	34,589,000	18.2%
5 PROVO OREM BRT	27,830,855	120,308,000	23.1%
6 RAIL MAINTENANCE	199,593	1,562,000	12.8%
7 STATE OF GOOD REPAIR	8,298,111	24,137,000	34.4%
8 PROP 1 PROJECTS	873,916	11,221,000	7.8%
9 5310 GRANTS	373,743	1,834,000	20.4%
10 TOTAL	\$ 52,236,208	\$ 245,966,000	21.2%
REVENUES			
14 GRANT	\$ 711,622	\$ 21,656,000	3.3%
16 PROVO-OREM TRIP	27,830,855	120,308,000	23.1%
17 LEASES	-	34,057,000	0.0%
18 BONDS	-	15,033,000	0.0%
19 SALE OF ASSETS	2,146,591	9,511,000	22.6%
15 TRANSFER FROM OPERATING (PROP 1)	873,916	4,178,000	0.0%
20 UTA FUNDING	20,673,224	41,223,000	50.1%
21 TOTAL	\$ 52,236,208	\$ 245,966,000	21.2%

**FAREBOX RECOVERY & IPR
(UNAUDITED)**

EXHIBIT 1-7

As of September 30, 2017

BY SERVICE

	CURRENT MONTH		YEAR TO DATE	
	Sep-17	Sep-16	2017	2016
UTA				
Fully Allocated Costs	20,138,553	22,137,236	189,616,226	176,411,159
Passenger Farebox Revenue	4,302,398	4,264,724	38,037,824	38,007,758
Passengers	4,005,566	4,271,187	33,829,618	34,113,620
Farebox Recovery Ratio	21.4%	19.3%	20.1%	21.5%
Actual Investment per Rider	\$3.95	\$4.18	\$4.48	\$4.06
GOAL Investment per Rider				
BUS SERVICE				
Fully Allocated Costs	9,286,959	10,412,658	90,102,012	82,993,834
Passenger Farebox Revenue	1,447,108	1,560,993	14,333,821	14,648,055
Passengers	1,707,898	1,775,112	14,600,961	14,812,524
Farebox Recovery Ratio	15.6%	15.0%	15.9%	17.6%
Actual Investment per Rider	\$4.59	\$4.99	\$5.19	\$4.61
LIGHT RAIL SERVICE				
Fully Allocated Costs	5,772,846	6,166,427	53,186,273	47,219,438
Passenger Farebox Revenue	1,495,840	1,713,627	13,161,899	13,803,316
Passengers	1,680,617	1,874,686	13,985,516	14,259,044
Farebox Recovery Ratio	25.9%	27.8%	24.7%	29.2%
Actual Investment per Rider	\$2.54	\$2.38	\$2.86	\$2.34
COMMUTER RAIL SERVICE				
Fully Allocated Costs	2,776,780	3,443,839	26,259,976	27,837,788
Passenger Farebox Revenue	502,798	495,466	4,269,689	4,128,255
Passengers	433,137	427,925	3,625,708	3,354,048
Farebox Recovery Ratio	18.1%	14.4%	16.3%	14.8%
Actual Investment per Rider	\$5.25	\$6.89	\$6.07	\$7.07
PARATRANSIT				
Fully Allocated Costs	1,851,861	1,769,837	16,381,503	15,357,998
Passenger Farebox Revenue	546,348	176,337	3,387,444	2,442,436
Passengers	69,718	76,293	628,626	661,545
Farebox Recovery Ratio	29.5%	10.0%	20.7%	15.9%
Actual Investment per Rider	\$18.73	\$20.89	\$20.67	\$19.52
RIDESHARE				
Fully Allocated Costs	450,107	344,475	3,686,462	3,002,100
Passenger Farebox Revenue	310,304	318,300	2,884,971	2,985,696
Passengers	114,196	117,173	988,808	1,026,458
Farebox Recovery Ratio	68.9%	92.4%	78.3%	99.5%
Actual Investment per Rider	\$1.22	\$0.22	\$0.81	\$0.02

**FAREBOX RECOVERY & IPR
(UNAUDITED)**

As of September 30, 2017

EXHIBIT 1-8

BY TYPE

	CURRENT MONTH		YEAR TO DATE	
	Sep-17	Sep-16	2017	2016
FULLY ALLOCATED COSTS				
Bus Service	\$9,286,959	\$10,412,658	\$90,102,012	\$82,993,834
Light Rail Service	\$5,772,846	\$6,166,427	\$53,186,273	\$47,219,438
Commuter Rail Service	\$2,776,780	\$3,443,839	\$26,259,976	\$27,837,788
Paratransit	\$1,851,861	\$1,769,837	\$16,381,503	\$15,357,998
Rideshare	\$450,107	\$344,475	\$3,686,462	\$3,002,100
UTA	\$20,138,553	\$22,137,236	\$189,616,225	\$176,411,159
PASSENGER FAREBOX REVENUE				
Bus Service	\$1,447,108	\$1,560,993	\$14,333,821	\$14,648,055
Light Rail Service	\$1,495,840	\$1,713,627	\$13,161,899	\$13,803,316
Commuter Rail Service	\$502,798	\$495,466	\$4,269,689	\$4,128,255
Paratransit	\$546,348	\$176,337	\$3,387,444	\$2,442,436
Rideshare	\$310,304	\$318,300	\$2,884,971	\$2,985,696
UTA	\$4,302,398	\$4,264,724	\$38,037,823	\$38,007,758
PASSENGERS				
Bus Service	1,707,898	1,775,112	14,600,961	14,812,524
Light Rail Service	1,680,617	1,874,686	13,985,516	14,259,044
Commuter Rail Service	433,137	427,925	3,625,708	3,354,048
Paratransit	69,718	76,293	628,626	661,545
Rideshare	114,196	117,173	988,808	1,026,458
UTA	4,005,566	4,271,188	33,829,618	34,113,620
FAREBOX RECOVERY RATIO				
Bus Service	15.6%	15.0%	15.9%	17.6%
Light Rail Service	25.9%	27.8%	24.7%	29.2%
Commuter Rail Service	18.1%	14.4%	16.3%	14.8%
Paratransit	29.5%	10.0%	20.7%	15.9%
Rideshare	68.9%	92.4%	78.3%	99.5%
UTA	21.4%	19.3%	20.1%	21.5%
ACTUAL INVESTMENT PER RIDER				
Bus Service	\$4.59	\$4.99	\$5.19	\$4.61
Light Rail Service	\$2.54	\$2.38	\$2.86	\$2.34
Commuter Rail Service	\$5.25	\$6.89	\$6.07	\$7.07
Paratransit	\$18.73	\$20.89	\$20.67	\$19.52
Rideshare	\$1.22	\$0.22	\$0.81	\$0.02
UTA	\$3.95	\$4.18	\$4.48	\$4.06

**SUMMARY OF ACCOUNTS RECEIVABLE
(UNAUDITED)**

EXHIBIT 1-9

As of September 30, 2017

<u>Classification</u>	<u>Total</u>	<u>Current</u>	<u>31-60 Days</u>	<u>61-90 Days</u>	<u>Over 90 Days</u>
1 Federal Government ¹	\$ 10,450,634	\$ 10,450,634			
2 Local Contributions ²	47,212,698	47,212,115			583
3 Interlocal Agreements	218,752	222,033			(3,281)
4 Contracts	1,628,504	1,244,729	123,940	24,113	235,722
5 Other ³	6,404,702	6,404,702			
6 Total	\$ 65,915,290	\$ 65,534,213	\$ 123,940	\$ 24,113	\$ 233,024

Percentage Due by Aging

7 Federal Government ¹	100.0%	0.0%	0.0%	0.0%
8 Local Contributions ²	100.0%	0.0%	0.0%	0.0%
9 Contracts	76.4%	7.6%	1.5%	14.5%
10 Other	100.0%	0.0%	0.0%	0.0%
11 Total	99.4%	0.2%	0.0%	0.4%

¹ Federal preventive maintenance funds, federal RideShare funds, and federal interest subsidies for Build America Bonds

² Estimated sales tax to be distributed upon collection by the Utah State Tax Commission

³ OCIP escrow, fuel tax credit, warranty parts out for repair

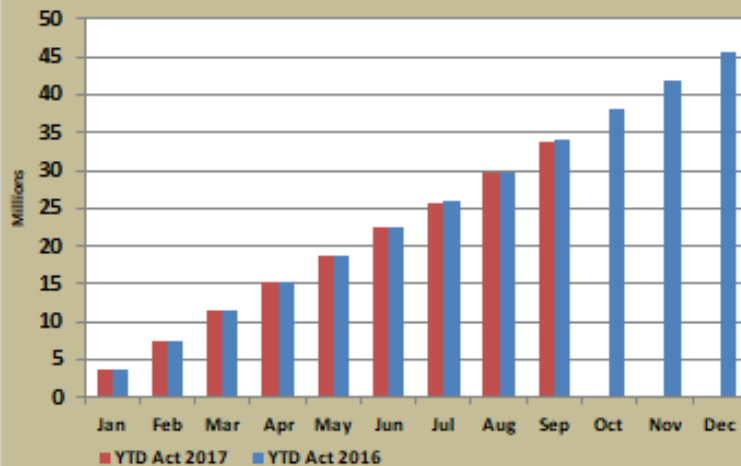
Note:

UTA Board Dashboard:

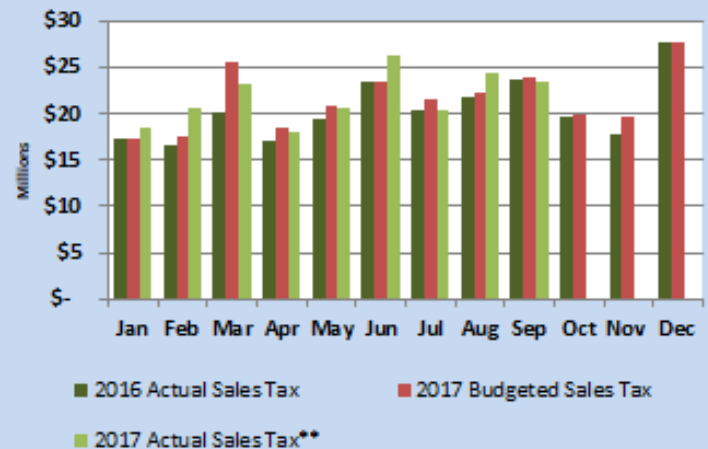
October 2017

Financial Metrics	Oct Actual	Oct Budget	Fav/ (Unfav)	%	YTD Actual	YTD Budget	Fav/ (Unfav)	%
	Sales Tax (September '17 mm)	\$ 23.4	\$ 23.9	\$ (0.52)	● -2.2%	\$ 195.2	\$ 190.8	\$ 4.38
Fare Revenue (mm)	\$ 4.0	\$ 4.4	\$ (0.39)	● -8.8%	\$ 42.1	\$ 44.3	\$ (2.23)	● -5.0%
Operating Exp (mm)	\$ 22.0	\$ 22.4	\$ 0.39	● 1.7%	\$ 211.6	\$ 220.4	\$ 8.75	● 4.0%
Investment Per Rider (IPR)	\$ 4.48	\$ 4.50	\$ 0.02	● 0.4%	\$ 4.48	\$ 4.50	\$ 0.02	● 0.4%
IPR adj for fuel savings	\$ 4.52	\$ 4.50	\$ (0.02)	● -0.4%	\$ 4.57	\$ 4.50	\$ (0.07)	● -1.6%
UTA Diesel Price (\$/gal)	\$ 2.22	\$ 2.50	\$ 0.28	● 11.0%	\$ 1.83	\$ 2.50	\$ 0.67	● 26.7%
Operating Metrics	Oct Actual	Oct-16	F/(UF)	%	YTD Actual	YTD 2016	F/(UF)	%
Ridership (mm)	4.0	4.0	0.0	● 0.0%	37.8	38.1	(0.3)	● -0.7%
Alternative Fuels	\$/gal				YTD Actual			
CNG Price (Bus Diesel Equiv rrl)	\$ 1.24	Revenue Development (mm\$)			\$ 17.17			
Debt Service	Oct Actual	Oct-16	Var	%	YTD Actual	YTD 2016	Var	%
Debt Service (net mm)	\$ 7.53	\$ 8.80	\$ 1.28	14.5%	\$ 85.11	\$ 87.39	\$ 2.28	2.6%

UTA Ridership Trends

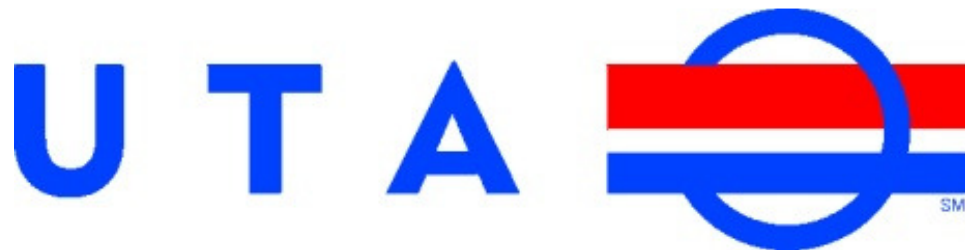


UTA Sales Tax Trends



Utah Transit Authority
Financial Statement
(Unaudited)

October 31, 2017



**KEY ITEM REPORT
(UNAUDITED)
As of October 31, 2017**

EXHIBIT 1-1

	2017 YTD ACTUAL	2017 YTD BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	% FAVORABLE (UNFAVORABLE)
1 Sales Tax	\$ 217,237,023	\$ 210,670,000	\$ 6,567,023	3%
2 Passenger Revenue	\$ 42,078,800	\$ 44,310,889	(2,232,089)	-5%
3 Other Revenue	\$ 71,113,086	\$ 59,579,495	11,533,591	19%
4 Total Revenue	330,428,909	314,560,384	15,868,525	5%
5 Net Operating Expenses	(211,634,278)	(220,388,841)	8,754,563	4%
Net Operating Income (Loss)	118,794,631	94,171,543	24,623,088	26%
6 Debt Service	85,111,591	88,970,900	3,859,309	4%
7 Other Non-Operating Expenses	4,170,504	5,049,541	879,037	17%
8 Sale of Assets	-	-	-	100%
9 Contribution to Capital Reserves	\$ 29,512,535	\$ 151,102	\$ 29,361,433	
10 Bond Debt Service - Series 2007A CAB	158,691			
11 Amortization	(5,684,882)			
12 Depreciation	125,600,000			
13 Total Non-cash Items	\$ 120,073,809			

2017 GOALS

RIDERSHIP

	2016 Actual			2017 YTD		
	October 2017	October 2016	Difference	2017 YTD	2016 YTD	Difference
14 45,572,702	4,010,796	4,010,545	251	37,840,414	38,124,165	-283,751

REVENUE DEVELOPMENT

15 Federal/Local/Regional	YTD \$17,172,208
---------------------------	---------------------

OPERATING INVESTMENT PER RIDER 2017 Budgeted IPR is \$4.50

	IPR		IPR (less diesel savings)
16 Net Operating Expense	\$ 211,634,278	Net Operating Expense	\$ 211,634,278
17 Less: Passenger Revenue	-	Less: Passenger Revenue	-
18	(42,078,800)	Plus: Diesel Savings	+
19 Subtotal	169,555,478	Subtotal	172,916,074
20 Divided by: Ridership	÷ 37,840,414	Divided by: Ridership	÷ 37,840,414
21 Investment per Rider	\$ 4.48	Investment per Rider	\$ 4.57

**SUMMARY FINANCIAL DATA
(UNAUDITED)**

EXHIBIT 1-2

As of October 31, 2017

BALANCE SHEET

	<u>10/31/2017</u>	<u>10/31/2016</u>
CURRENT ASSETS		
1 Cash	\$ 4,262,355	\$ 9,684,780
2 Investments (Unrestricted)	56,808,981	15,408,132
3 Investments (Restricted)	141,109,317	159,780,845
4 Receivables	50,188,596	52,648,388
5 Receivables - Federal Grants	14,712,510	24,874,500
6 Inventories	32,047,437	25,516,849
7 Prepaid Expenses	2,576,541	3,589,347
8 TOTAL CURRENT ASSETS	\$ 301,705,737	\$ 291,502,841
9 Property, Plant & Equipment (Net)	2,969,434,590	3,143,700,514
10 Other Assets	121,080,899	130,024,029
11 TOTAL ASSETS	\$ 3,392,221,226	\$ 3,565,227,385
12 Current Liabilities	24,318,226	\$ 23,393,171
13 Other Liabilities	235,571,442	248,674,024
14 Net Pension Liability	112,925,121	117,437,871
15 Outstanding Debt	2,126,802,972	2,075,003,567
16 Equity	892,603,465	1,102,925,441
17 TOTAL LIABILITIES & EQUITY	\$ 3,392,221,226	\$ 3,567,434,074

RESTRICTED AND DESIGNATED CASH AND CASH EQUIVALENTS RECONCILIATION

RESTRICTED RESERVES		
18 Debt Service Reserves	42,039,563	42,979,365
19 2015A Sub Interest Reserves	-	5,980,437
20 Debt Service Interest Payable	33,941,615	34,147,934
21 Risk Contingency	7,514,484	7,416,534
22 Box Elder County ROW (sales tax)	6,064,500	5,105,586
23 Mountain Accord	189,554	265,227
24 Joint Insurance Trust	3,256,602	3,186,474
25 UT County Bond Proceeds	43,848,784	-
26 Amounts held in escrow	4,254,215	9,299,580
27 TOTAL RESTRICTED RESERVES	\$ 141,109,317	\$ 108,381,137
DESIGNATED OPERATING RESERVES		
28 Service Stabilization Reserve	\$ 13,525,550	\$ 12,543,246
29 Fuel Reserve	1,915,000	1,915,000
30 Parts Reserve	3,000,000	3,000,000
31 Operating Reserve	23,510,173	23,405,698
32 Early Debt Retirement Reserve	14,858,258	10,535,764
33 TOTAL DESIGNATED OPERATING RESERVES	\$ 56,808,981	\$ 51,399,708
34 TOTAL RESTRICTED AND DESIGNATED CASH AND EQUIVALENTS	\$ 197,918,298	\$ 159,780,845

SUMMARY FINANCIAL DATA

EXHIBIT 1-3

(UNAUDITED)

As of October 31, 2017

REVENUE & EXPENSES

	ACTUAL Oct-17	ACTUAL Oct-16	YTD 2017	YTD 2016
REVENUE				
1 Passenger Revenue	\$ 4,043,981	\$ 4,493,797	\$ 42,078,800	\$ 42,501,554
2 Advertising Revenue	200,003	200,000	1,966,667	1,933,336
3 Investment Revenue	316,273	123,249	2,379,518	1,536,351
4 Sales Tax	21,900,609	18,904,224	209,857,221	194,902,833
5 Sales Tax - Prop 1	752,841	634,343	7,379,802	4,735,867
6 Other Revenue	12,784,302	(80,542)	15,490,894	2,245,664
7 Fed Operations/Preventative Maint.	6,261,357	4,476,821	51,276,007	46,631,807
8 TOTAL REVENUE	\$ 46,259,366	\$ 28,751,892	\$ 330,428,909	\$ 294,487,412
OPERATING EXPENSE				
9 Bus Service	\$ 7,423,126	\$ 6,658,935	\$ 73,671,065	\$ 67,753,027
10 Commuter Rail	1,798,475	1,408,473	17,696,017	16,695,691
11 Light Rail	3,359,623	958,219	29,776,975	24,777,645
12 Maintenance of Way	1,707,910	1,252,172	13,536,527	13,995,994
13 Paratransit Service	1,612,240	1,737,395	16,471,267	15,716,909
14 RideShare/Van Pool Services	274,893	172,465	2,418,327	1,745,052
15 Operations Support	3,387,409	2,871,210	34,417,840	30,381,782
16 Administration	2,454,377	2,715,364	23,646,260	23,131,173
17 TOTAL OPERATING EXPENSE	\$ 22,018,053	\$ 17,774,233	\$ 211,634,278	\$ 194,197,273
18 NET OPERATING INCOME (LOSS)	\$ 24,241,313	\$ 10,977,659	\$ 118,794,631	\$ 100,290,139
NON-OPERATING EXPENSE (REVENUE)				
19 Planning & Development	\$ 435,118	\$ 357,792	\$ 4,170,504	\$ 3,487,081
20 Major Investment Studies	-	58,216	-	679,373
21 Offsetting Investment Studies	-	-	-	(316,159)
22 Bond Principal	766,665	729,167	7,446,668	9,501,043
23 Bond Interest	6,492,549	7,051,064	69,923,215	68,147,254
24 Bond Funded Interest - 2015A Sub	-	747,555	4,914,775	7,475,548
25 Bond Cost of Issuance/Fees	-	71,000	45,650	771,583
26 Lease Cost	267,981	268,702	2,781,283	1,494,767
27 Sale of Assets	-	(366,821)	-	(372,289)
28 TOTAL NON-OPERATING EXPENSE	\$ 7,962,313	\$ 8,916,675	\$ 89,282,096	\$ 90,868,201
29 CONTRIBUTION TO CAPITAL RESERVES	\$ 16,279,000	\$ 2,060,984	\$ 29,512,535	\$ 9,421,938
OTHER EXPENSES (NON-CASH)				
30 Bond Debt Service - Series 2007A CAB	\$ 101	\$ 15,091	\$ 158,691	\$ 150,907
31 Bond Premium/Discount Amortization	(1)	(1,330,455)	(13,212,564)	(12,754,945)
32 Bond Refunding Cost Amortization	-	686,795	6,851,920	6,867,951
33 Future Revenue Cost Amortization	67,578	67,576	675,762	675,760
34 Depreciation	12,560,000	12,726,918	125,600,000	128,429,915
35 NET OTHER EXPENSES (NON-CASH)	\$ 12,627,678	\$ 12,165,925	\$ 120,073,809	\$ 123,369,588

CURRENT MONTH

	ACTUAL Oct-17	BUDGET Oct-17	VARIANCE FAVORABLE (UNFAVORABLE)	% FAVORABLE (UNFAVORABLE)
REVENUE				
1 Passenger Revenue	\$ 4,043,981	\$ 4,431,073	\$ (387,092)	-9%
2 Advertising Revenue	200,003	194,409	5,594	3%
3 Investment Revenue	316,273	174,826	141,447	81%
4 Sales Tax	21,900,609	19,166,000	2,734,609	14%
5 Sales Tax - Prop 1	752,841	662,500	90,341	14%
6 Other Revenue	12,784,302	532,562	12,251,740	2301%
7 Fed Operations/Preventative Maint.	6,261,357	5,056,131	1,205,226	24%
8 TOTAL REVENUE	\$ 46,259,366	\$ 30,217,501	\$ 16,041,865	53%
OPERATING EXPENSE				
9 Bus Service	\$ 7,423,126	\$ 7,579,971	\$ 156,845	2%
10 Commuter Rail	1,798,475	1,934,517	136,042	7%
11 Light Rail	3,359,623	3,189,852	(169,771)	-5%
12 Maintenance of Way	1,707,910	1,592,260	(115,650)	-7%
13 Paratransit Service	1,612,240	1,818,967	206,727	11%
14 RideShare/Van Pool Services	274,893	214,620	(60,273)	-28%
15 Operations Support	3,387,409	3,509,124	121,715	3%
16 Administration	2,454,377	2,563,783	109,406	4%
17 TOTAL OPERATING EXPENSE	\$ 22,018,053	\$ 22,403,094	\$ 385,041	2%
18 NET OPERATING INCOME (LOSS)	\$ 24,241,313	\$ 7,814,407	\$ 16,426,906	210%
NON-OPERATING EXPENSE (REVENUE)				
19 Planning & Development	\$ 435,118	\$ 504,954	\$ 69,836	14%
20 Major Investment Studies	-	-	-	
21 Offsetting Investment Studies	-	-	-	
22 Bond Principal	766,665	729,138	(37,527)	-5%
23 Bond Interest	6,492,549	7,344,779	852,230	12%
24 Bond Funded Interest - 2015A Sub	-	-	-	
25 Bond Cost of Issuance/Fees	-	5,000	5,000	100%
26 Lease Cost	267,981	326,664	58,683	18%
27 Sale of Assets	-	-	-	
28 TOTAL NON-OPERATING EXPENSE	\$ 7,962,313	\$ 8,910,535	\$ 948,222	11%
29 CONTRIBUTION TO CAPITAL RESERVES	\$ 16,279,000	\$ (1,096,128)	\$ 17,375,128	1585%
OTHER EXPENSES (NON-CASH)				
30 Bond Debt Service - Series 2007A CAB	\$ 101			
31 Bond Premium/Discount Amortization	(1)			
32 Bond Refunding Cost Amortization	-			
33 Future Revenue Cost Amortization	67,578			
34 Depreciation	12,560,000			
35 NET OTHER EXPENSES (NON-CASH)	\$ 12,627,678			

**BUDGET TO ACTUAL REPORT
(UNAUDITED)**

EXHIBIT 1-5

As of October 31, 2017

YEAR TO DATE

	ACTUAL	BUDGET	VARIANCE	%
	Oct-17	Oct-17	FAVORABLE (UNFAVORABLE)	FAVORABLE (UNFAVORABLE)
REVENUE				
1 Passenger Revenue	\$ 42,078,800	\$ 44,310,889	\$ (2,232,089)	-5%
2 Advertising Revenue	1,966,667	1,944,097	22,570	1%
3 Investment Revenue	2,379,518	1,748,267	631,251	36%
4 Sales Tax	209,857,221	203,506,000	6,351,221	3%
5 Sales Tax - Prop 1	7,379,802	7,164,000	215,802	3%
6 Other Revenue	15,490,894	5,325,639	10,165,255	191%
7 Fed Operations/Preventative Maint.	51,276,007	50,561,492	714,515	1%
8 TOTAL REVENUE	\$ 330,428,909	\$ 314,560,384	\$ 15,868,525	5%
OPERATING EXPENSE				
9 Bus Service	\$ 73,671,065	\$ 75,702,057	\$ 2,030,992	3%
10 Commuter Rail	17,696,017	19,186,665	1,490,648	8%
11 Light Rail	29,776,975	29,186,617	(590,358)	-2%
12 Maintenance of Way	13,536,527	15,317,760	1,781,233	12%
13 Paratransit Service	16,471,267	18,140,111	1,668,844	9%
14 RideShare/Van Pool Services	2,418,327	2,146,204	(272,123)	-13%
15 Operations Support	34,417,840	34,909,857	492,017	1%
16 Administration	23,646,260	25,799,570	2,153,310	8%
17 TOTAL OPERATING EXPENSE	\$ 211,634,278	\$ 220,388,841	\$ 8,754,563	4%
18 NET OPERATING INCOME (LOSS)	\$ 118,794,631	\$ 94,171,543	\$ 24,623,088	26%
NON-OPERATING EXPENSE (REVENUE)				
19 Planning & Development	\$ 4,170,504	\$ 5,049,541	\$ 879,037	17%
20 Major Investment Studies	-	-	-	
21 Offsetting Investment Studies	-	-	-	
22 Bond Principal	7,446,668	7,291,380	(155,288)	-2%
23 Bond Interest	69,923,215	73,448,105	3,524,890	5%
24 Bond Funded Interest - 2015A Sub	4,914,775	4,914,775	-	0%
25 Bond Cost of Issuance/Fees	45,650	50,000	4,350	9%
26 Lease Cost	2,781,283	3,266,640	485,357	15%
27 Sale of Assets	-	-	-	
28 TOTAL NON-OPERATING EXPENSE	\$ 89,282,096	\$ 94,020,441	\$ 4,738,345	5%
29 CONTRIBUTION TO CAPITAL RESERVES	\$ 29,512,535	\$ 151,102	\$ 29,361,433	
OTHER EXPENSES (NON-CASH)				
30 Bond Debt Service - Series 2007A CAB	\$ 158,691			
31 Bond Premium/Discount Amortization	(13,212,564)			
32 Bond Refunding Cost Amortization	6,851,920			
33 Future Revenue Cost Amortization	675,762			
34 Depreciation	125,600,000			
35 NET OTHER EXPENSES (NON-CASH)	\$ 120,073,809			

**CAPITAL PROJECTS
(UNAUDITED)**
As of October 31, 2017

EXHIBIT 1-6

	2017 ACTUAL	ANNUAL BUDGET	PERCENT
EXPENSES			
1 REVENUE VEHICLES	\$ 4,910,613	\$ 39,407,000	12.5%
2 INFORMATION TECHNOLOGY	3,783,550	10,634,000	35.6%
3 FACILITIES, MAINTENANCE & ADMIN. EQUIP.	1,214,648	2,274,000	53.4%
4 CAPITAL PROJECTS	6,474,748	34,589,000	18.7%
5 PROVO OREM BRT	36,151,759	120,308,000	30.0%
6 RAIL MAINTENANCE	199,593	1,562,000	12.8%
7 STATE OF GOOD REPAIR	11,289,085	24,137,000	46.8%
8 PROP 1 PROJECTS	1,162,054	11,221,000	10.4%
9 5310 GRANTS	374,187	1,834,000	20.4%
10 TOTAL	\$ 65,560,237	\$ 245,966,000	26.7%
REVENUES			
14 GRANT	\$ 711,845	\$ 21,656,000	3.3%
16 PROVO-OREM TRIP	36,151,759	120,308,000	30.0%
17 LEASES	-	34,057,000	0.0%
18 BONDS	-	15,033,000	0.0%
19 SALE OF ASSETS	2,146,591	9,511,000	22.6%
15 TRANSFER FROM OPERATING (PROP 1)	1,162,054	4,178,000	0.0%
20 UTA FUNDING	25,387,988	41,223,000	61.6%
21 TOTAL	\$ 65,560,237	\$ 245,966,000	26.7%

**FAREBOX RECOVERY & IPR
(UNAUDITED)**

EXHIBIT 1-7

As of October 31, 2017

BY SERVICE

	CURRENT MONTH		YEAR TO DATE	
	Oct-17	Oct-16	2017	2016
UTA				
Fully Allocated Costs	22,018,053	17,774,233	211,634,280	194,185,392
Passenger Farebox Revenue	4,040,899	4,493,797	42,078,723	42,501,551
Passengers	4,010,796	4,010,544	37,840,414	38,124,165
Farebox Recovery Ratio	18.4%	25.3%	19.9%	21.9%
Actual Investment per Rider	\$4.48	\$3.31	\$4.48	\$3.98
GOAL Investment per Rider				
BUS SERVICE				
Fully Allocated Costs	10,065,400	9,220,082	100,167,412	92,213,916
Passenger Farebox Revenue	1,453,285	1,587,652	15,787,106	16,235,704
Passengers	1,751,539	1,706,317	16,352,500	16,518,842
Farebox Recovery Ratio	14.4%	17.2%	15.8%	17.6%
Actual Investment per Rider	\$4.92	\$4.47	\$5.16	\$4.60
LIGHT RAIL SERVICE				
Fully Allocated Costs	6,573,820	3,485,488	59,760,093	50,704,926
Passenger Farebox Revenue	1,512,574	1,609,899	14,674,473	15,413,215
Passengers	1,684,898	1,721,053	15,670,413	15,980,098
Farebox Recovery Ratio	23.0%	46.2%	24.6%	30.4%
Actual Investment per Rider	\$3.00	\$1.09	\$2.88	\$2.21
COMMUTER RAIL SERVICE				
Fully Allocated Costs	3,025,297	2,832,243	29,285,273	30,670,031
Passenger Farebox Revenue	426,891	455,706	4,696,580	4,583,961
Passengers	408,558	404,429	4,034,266	3,758,477
Farebox Recovery Ratio	14.1%	16.1%	16.0%	14.9%
Actual Investment per Rider	\$6.36	\$5.88	\$6.09	\$6.94
PARATRANSIT				
Fully Allocated Costs	1,905,504	1,893,354	18,287,006	17,251,353
Passenger Farebox Revenue	335,358	531,259	3,722,802	2,973,695
Passengers	73,613	73,443	702,238	734,988
Farebox Recovery Ratio	17.6%	28.1%	20.4%	17.2%
Actual Investment per Rider	\$21.33	\$18.55	\$20.74	\$19.43
RIDESHARE				
Fully Allocated Costs	448,032	343,066	4,134,494	3,345,166
Passenger Farebox Revenue	312,789	309,281	3,197,761	3,294,977
Passengers	92,189	105,303	1,080,997	1,131,761
Farebox Recovery Ratio	69.8%	90.2%	77.3%	98.5%
Actual Investment per Rider	\$1.47	\$0.32	\$0.87	\$0.04

**FAREBOX RECOVERY & IPR
(UNAUDITED)**

EXHIBIT 1-8

As of October 31, 2017

BY TYPE

	CURRENT MONTH		YEAR TO DATE	
	Oct-17	Oct-16	2017	2016
FULLY ALLOCATED COSTS				
Bus Service	\$10,065,400	\$9,220,082	\$100,167,412	\$92,213,916
Light Rail Service	\$6,573,820	\$3,485,488	\$59,760,093	\$50,704,926
Commuter Rail Service	\$3,025,297	\$2,832,243	\$29,285,273	\$30,670,031
Paratransit	\$1,905,504	\$1,893,354	\$18,287,006	\$17,251,353
Rideshare	\$448,032	\$343,066	\$4,134,494	\$3,345,166
UTA	\$22,018,053	\$17,774,233	\$211,634,279	\$194,185,392
PASSENGER FAREBOX REVENUE				
Bus Service	\$1,453,285	\$1,587,652	\$15,787,106	\$16,235,704
Light Rail Service	\$1,512,574	\$1,609,899	\$14,674,473	\$15,413,215
Commuter Rail Service	\$426,891	\$455,706	\$4,696,580	\$4,583,961
Paratransit	\$335,358	\$531,259	\$3,722,802	\$2,973,695
Rideshare	\$312,789	\$309,281	\$3,197,761	\$3,294,977
UTA	\$4,040,899	\$4,493,797	\$42,078,722	\$42,501,551
PASSENGERS				
Bus Service	1,751,539	1,706,317	16,352,500	16,518,842
Light Rail Service	1,684,898	1,721,053	15,670,413	15,980,098
Commuter Rail Service	408,558	404,429	4,034,266	3,758,477
Paratransit	73,613	73,443	702,238	734,988
Rideshare	92,189	105,303	1,080,997	1,131,761
UTA	4,010,796	4,010,545	37,840,414	38,124,165
FAREBOX RECOVERY RATIO				
Bus Service	14.4%	17.2%	15.8%	17.6%
Light Rail Service	23.0%	46.2%	24.6%	30.4%
Commuter Rail Service	14.1%	16.1%	16.0%	14.9%
Paratransit	17.6%	28.1%	20.4%	17.2%
Rideshare	69.8%	90.2%	77.3%	98.5%
UTA	18.4%	25.3%	19.9%	21.9%
ACTUAL INVESTMENT PER RIDER				
Bus Service	\$4.92	\$4.47	\$5.16	\$4.60
Light Rail Service	\$3.00	\$1.09	\$2.88	\$2.21
Commuter Rail Service	\$6.36	\$5.88	\$6.09	\$6.94
Paratransit	\$21.33	\$18.55	\$20.74	\$19.43
Rideshare	\$1.47	\$0.32	\$0.87	\$0.04
UTA	\$4.48	\$3.31	\$4.48	\$3.98

**SUMMARY OF ACCOUNTS RECEIVABLE
(UNAUDITED)**

EXHIBIT 1-9

As of October 31, 2017

<u>Classification</u>	<u>Total</u>	<u>Current</u>	<u>31-60 Days</u>	<u>61-90 Days</u>	<u>90-120 Days</u>	<u>Over 120 Days</u>
1 Federal Government ¹	\$ 14,712,510	\$ 14,712,510				
2 Local Contributions ²	45,414,698	45,414,115				583
3 Pass Sales	522,595	443,560	17,000	17,100	2,678	42,257
4 Property Management	64,559	45,001	9,798			9,760
5 Vanpool/Rideshare	6,184	11,660	7,181	7,362	6,180	(26,199)
6 Product Sales and Development	638,932	412,206	65,863	73,306	14,459	73,098
7 Railway Worker Protection	1,800					1,800
8 Capital Development Agreements	282,379					282,379
9 Mobility Management	2,100	2,100				
10 Paratransit	11,336	14,185	(311)	598	(490)	(2,646)
11 Other ³	3,244,013	3,266,840				
12 Total	\$ 64,901,106	\$ 64,322,177	\$ 99,531	\$ 98,366	\$ 22,827	\$ 381,032

Percentage Due by Aging

13 Federal Government ¹	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
14 Local Contributions ²	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
15 Pass Sales	84.9%	3.3%	3.3%	3.3%	0.5%	8.1%
16 Property Management	69.7%	15.2%	0.0%	0.0%	0.0%	15.1%
17 Vanpool/Rideshare	188.6%	116.1%	119.0%	99.9%	-423.7%	
18 Product Sales and Development	64.5%	10.3%	11.5%	2.3%	11.4%	
19 Railway Worker Protection	0.0%	0.0%	0.0%	0.0%	100.0%	
20 Capital Development Agreements	0.0%	0.0%	0.0%	0.0%	100.0%	
21 Mobility Management	100.0%	0.0%	0.0%	0.0%	0.0%	
22 Paratransit	125.1%	-2.7%	5.3%	-4.3%	-23.3%	
23 Other	100.7%	0.0%	0.0%	0.0%	0.0%	
24 Total	99.1%	0.2%	0.2%	0.0%	0.6%	

¹ Federal preventive maintenance funds, federal RideShare funds, and federal interest subsidies for Build America Bonds

² Estimated sales tax to be distributed upon collection by the Utah State Tax Commission

³ OCIP escrow, fuel tax credit, warranty parts out for repair

Note:

UTAH TRANSIT AUTHORITY BOARD OF TRUSTEES
Agenda Item Coversheet

DATE:	December 5, 2017
CONTACT PERSON:	Robert K. Biles, Vice President Finance, Treasurer Richard C. Swenson, Deputy Treasurer
SUBJECT:	Resolution Authorizing the Issuance and Sale of Sales Tax Revenue Bonds

BACKGROUND:	<p>Resolution 17-12-02 sets the parameters for the 2018 bond issue and provides a maximum bond issue amount, \$88.5 million, to fund budgeted capital projects and issuance costs.</p> <p>The resolution also sets a maximum amount, \$130 million, for the potential refunding of certain maturities of the 2007 and 2012 bond issues. Because of tax reform changes which may eliminate advance refunding opportunities effective January 1, 2018, a 2017 direct purchase through Wells Fargo is being proposed which, assuming market rates in early 2018 are within expectations, will allow UTA to capture an estimated \$8 million in net present value savings.</p> <p>The new money portion of the revenue bond issue, \$88.5 million, will be used to fund certain capital projects in the 2018 Final Budget. Those projects and their portion of the bond issue are:</p> <table style="margin-left: 40px;"> <tr> <td>Positive train control</td> <td style="text-align: right;">\$29,983,000</td> </tr> <tr> <td>Depot District – Phase 1</td> <td style="text-align: right;">7,989,800</td> </tr> <tr> <td>Airport TRAX Station</td> <td style="text-align: right;">25,300,000</td> </tr> <tr> <td>700 South Curve Replacement</td> <td style="text-align: right;">1,400,000</td> </tr> <tr> <td>Red light signal enforcement</td> <td style="text-align: right;">5,076,200</td> </tr> <tr> <td>Main and 4th Interlocking</td> <td style="text-align: right;">6,100,000</td> </tr> <tr> <td>Tooele bus facility</td> <td style="text-align: right;">2,450,000</td> </tr> <tr> <td>Provo-Orem bus rapid transit</td> <td style="text-align: right;"><u>10,227,000</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u>\$88,526,000</u></td> </tr> </table> <p>Maximum maturity for this portion of the bond issue would be 30 years.</p>	Positive train control	\$29,983,000	Depot District – Phase 1	7,989,800	Airport TRAX Station	25,300,000	700 South Curve Replacement	1,400,000	Red light signal enforcement	5,076,200	Main and 4 th Interlocking	6,100,000	Tooele bus facility	2,450,000	Provo-Orem bus rapid transit	<u>10,227,000</u>	Total	<u>\$88,526,000</u>
Positive train control	\$29,983,000																		
Depot District – Phase 1	7,989,800																		
Airport TRAX Station	25,300,000																		
700 South Curve Replacement	1,400,000																		
Red light signal enforcement	5,076,200																		
Main and 4 th Interlocking	6,100,000																		
Tooele bus facility	2,450,000																		
Provo-Orem bus rapid transit	<u>10,227,000</u>																		
Total	<u>\$88,526,000</u>																		

	<p>Based upon current projections, the 2032 maturity of the Series 2007 bonds (the only remaining maturity of the Capital Appreciation portion of the Series 2007 Bonds) and the 2021 thru 2032, the 2040, and 2041 maturities of the Series 2012 can be refunded with a net present value savings exceeding \$8 million. The maximum maturity on this portion of the bond issue will not exceed 2041.</p> <p>Staff is asking the Board of Trustees to approve the following parameters for the 2018 bond issue:</p> <p>Maximum Aggregate principal - \$218,500,000 Maximum maturity – 30 years from date of issue Maximum interest rate – 5.5% Selling price – Not less than 98% of principal amount</p> <p>As with prior authorizing resolutions, the Board is authorizing Designated Officers (any two of (i) the Treasurer or Deputy Treasurer, (ii) the Chairman of the Finance and Operations Committee, and (iii) the Chair of the Board), with advice from UTA’s financial advisor, to address all matters related to the issuance of the 2018 bonds, including, but not limited to: method of sale; principal amounts; interest rates; terms; maturities; redemption features; purchase price; and refunding in the issuance of the 2018 bonds.</p>
<p>PREFERRED ALTERNATIVE:</p>	<ul style="list-style-type: none"> • Approve as presented
<p>EXHIBITS:</p>	<ol style="list-style-type: none"> a. Parameters Resolution b. Official Notices of Bond Sale c. Eleventh Supplemental Indenture (Senior) d. Twelfth Supplemental Subordinate Indenture e. Preliminary Official Statement f. Certificate of Award g. Escrow Deposit Agreement h. Bond Purchase Contract

Salt Lake City, Utah

December 13, 2017

The Board of Trustees (the “Board”) of the Utah Transit Authority (the “Authority”) met in regular session originating from the UTA Frontline Headquarters, 669 West 200 South, in Salt Lake City, Utah, on December 13, 2017 at the hour of 1:30 p.m., with the following members of the Board being present:

Robert McKinley	Chair
Gregory S. Bell	Co-Vice Chair
Jeff Hawker	Co-Vice Chair
Sherrie Hall Everett	Co-Vice Chair
Jeff Acerson	Member
Cortland G. Ashton	Member
Gina Chamness	Member
Necia Christensen	Member
Alex Cragun	Member
Karen Cronin	Member
Babs De Lay	Member
Charles G. Henderson	Member
Dannie R. McConkie	Member
Bret Millburn	Member
Brent Taylor	Member
Troy K. Walker	Member

Also present:

Jerry Benson	CEO/President
Robert K. Biles	Vice President of Finance/ Secretary/Treasurer
Jayme Blakesley	General Counsel

Absent:

After the meeting had been duly called to order and after other matters not pertinent to this resolution had been discussed, there was presented to the Board a Certificate of Compliance with Open Meeting Law with respect to this meeting, a copy of which is attached hereto as Exhibit A.

The following resolution was then introduced in writing, was fully discussed, and pursuant to motion duly made by _____ and seconded by _____, was adopted by the following vote:

AYE:

NAY:

ABSTAIN:

The resolution was then signed by the Chair of the Board and recorded by the Secretary of the Board in the official records of the Utah Transit Authority. The resolution is as follows:

RESOLUTION OF THE BOARD OF TRUSTEES OF THE UTAH TRANSIT AUTHORITY (THE "AUTHORITY") AUTHORIZING THE ISSUANCE AND SALE BY THE AUTHORITY OF ITS SALES TAX REVENUE BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$218,500,000 FIXING THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF THE BONDS, THE MAXIMUM NUMBER OF YEARS OVER WHICH THE BONDS MAY MATURE, THE MAXIMUM INTEREST RATE WHICH THE BONDS MAY BEAR, AND THE MAXIMUM DISCOUNT FROM PAR AT WHICH THE BONDS MAY BE SOLD; DELEGATING TO CERTAIN OFFICERS OF THE AUTHORITY THE AUTHORITY TO APPROVE THE FINAL TERMS AND PROVISIONS OF THE BONDS WITHIN THE PARAMETERS SET FORTH HEREIN; AUTHORIZING THE PUBLICATION OF A NOTICE OF PUBLIC HEARING AND BONDS TO BE ISSUED AND RATIFYING THE PUBLICATION OF A NOTICE OF REFUNDING BONDS TO BE ISSUED; PROVIDING FOR THE RUNNING OF CONTEST PERIODS; AUTHORIZING AND APPROVING THE EXECUTION OF SUPPLEMENTAL INDENTURES, ESCROW AGREEMENTS, BOND PURCHASE AGREEMENTS AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; APPROVING THE DISTRIBUTION OF OFFICIAL STATEMENTS WITH RESPECT TO THE BONDS; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY FOR THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

Resolution No. R2017-12-02

December 13, 2017

WHEREAS, pursuant to the provisions of the Public Transit District Act, Title 17B, Chapter 2a, Part 8, Utah Code Annotated 1953, as amended, the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, and the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended (collectively, the "Act"), the Board of Trustees (the "Board") of the Utah Transit Authority (the "Authority"), has authority to issue bonds of the Authority to finance and refinance any improvements, facilities or property which the Authority is authorized to acquire for use in the Authority's public transit system (the "System") located within the boundaries of its transit district (the "Transit District"); and

WHEREAS, the Board has previously issued various series of its sales tax revenue bonds (collectively, the "Outstanding Bonds"), for the purpose of financing and refinancing improvements and additions to the System; and

WHEREAS, pursuant to the provisions of the Act, the Board desires to issue bonds to (i) finance a portion of the costs associated with additions and improvements to the System (collectively, the "Project"), (ii) refund a portion of the Outstanding Bonds (the "Refunded Bonds"), (iii) fund a debt service reserve fund, if required, and (iv) pay issuance expenses related thereto; and

WHEREAS, in order to accomplish the foregoing, the Authority desires to issue its sales tax revenue bonds in one or more series, from time to time, as senior or subordinate bonds, including as capital appreciation bonds or as short-term bonds intended to be refinanced with proceeds of bonds also issued under the authorization of this Resolution and as federally taxable or tax-exempt bonds, and in an aggregate principal amount of not to exceed \$218,500,000 (the “Series 2017/2018 Bonds”), pursuant to (i) the Act, (ii) either (a) the Amended and Restated General Indenture of Trust, dated as of September 1, 2002, as heretofore amended and supplemented (the “Senior General Indenture”) or (b) the Subordinate General Indenture of Trust, dated as of July 1, 2006, as heretofore amended and supplemented (the “Subordinate General Indenture”) and (iii) one or more Supplemental Indentures of Trust (collectively, the “Supplemental Indentures” and with the respective Senior General Indenture or Subordinate General Indenture, respectively, the “Indentures”); and

WHEREAS, there has been presented to the Board at this meeting forms of (i) a Preliminary Official Statement relating to the Series 2017/2018 Bonds (the “Preliminary Official Statement”), including a form of an Official Notice of Bond Sale, in the case where the Series 2017/2018 Bonds are sold at a competitive sale (the “Official Notice of Bond Sale”), (ii) Supplemental Indentures, (iii) a Bond Purchase Agreement, in the case where the Series 2017/2018 Bonds are sold at a negotiated sale or private placement (the “Bond Purchase Agreement”) and (iv) an Escrow Deposit Agreement in the case where the Series 2017/2018 Bonds are issued for advance refunding purposes (the “Escrow Agreement”); and

WHEREAS, the Board desires to authorize and approve the finalization and use of the Preliminary Official Statement, the Official Notice of Bond Sale or Bond Purchase Agreement (as applicable), and any other documents deemed necessary in marketing the Series 2017/2018 Bonds; and

WHEREAS, in order to allow the Authority, with the advice of its financial advisor, Zions Public Finance, Inc. (the “Financial Advisor”), flexibility in setting the pricing date or dates of the Series 2017/2018 Bonds to achieve favorable long-term interest rates, the Board desires to grant to any two of (i) the Treasurer or the Deputy Treasurer of the Authority, (ii) the Chairman of the Finance and Operations Committee of the Authority and (iii) the Chair of the Board (or in the absence of either the Chairman of the Finance and Operations Committee of the Authority or the Chairman of the Board, either Vice Chair of the Board) (collectively, the “Designated Officers”) the authority from time to time to: (a) conduct a competitive, negotiated or private placement sale for the Series 2017/2018 Bonds pursuant to the terms of the Official Notice of Bond Sale or the Bond Purchase Agreement, as applicable, and, select the purchasers or underwriters of the Series 2017/2018 Bonds; (b) approve the principal amounts, interest rates, terms, maturities, redemption features, and purchase price at which the Series 2017/2018 Bonds shall be sold and whether the Series 2017/2018 Bonds are issued for refunding purposes and/or to finance the Project; and (c) execute a (i) Certificate of Award confirming the sale of the Series 2017/2018 Bonds to the winning bidder pursuant to the Official Notice of Bond Sale or (ii) the Bond Purchase Agreement, as applicable; and

NOW, THEREFORE, it is hereby resolved by the Board of Trustees of the Utah Transit Authority, as follows:

Section 1. Terms defined in the foregoing recitals shall have the same meaning when used in the body of this Resolution.

Section 2. In order to finance the Project, refund the Refunded Bonds, fund a debt service reserve, if needed and pay costs of issuance, the Board hereby finds and determines that it is in the best interests of the Authority and residents within the Transit District, for the Authority to issue not more than \$218,500,000 aggregate principal amount of the Series 2017/2018 Bonds, in one or more series, from time to time and as senior or subordinate bonds, to bear interest at a rate or rates of not to exceed five and one-half percent (5.5%) per annum, to mature in not more than thirty (30) years from their date or dates, and to be sold at a price not less than ninety-eight percent (98%) of the total principal amount thereof, all as shall be approved by the Designated Officers and within the parameters set forth above (the "Parameters"). The Designated Officers may elect to issue short-term bonds, intended to be refinanced with the proceeds of bonds also authorized hereunder and for purposes of the Parameters with respect to maximum principal amount the Authority shall count the greater of the amount of the short-term bonds or the bonds issued to refinance such short-term bonds, but need not count both amounts.

Section 3. The Designated Officers are hereby authorized to specify and agree, from time to time, as to the method of sale (among competitive sale, negotiated sale or private placement), the final principal amounts, terms, discounts, maturities, interest rates, redemption features, and purchase price with respect to the Series 2017/2018 Bonds and whether the Series 2017/2018 Bonds are issued for refunding purposes and/or to finance the Project for and on behalf of the Authority, provided that such terms are within the Parameters set by this Resolution. The selection of the purchasers or underwriters and the determination of the final terms and redemption provisions for the Series 2017/2018 Bonds by the Designated Officers shall be evidenced by the execution of a (a) Certificate of Award (the "Certificate of Award") in substantially the form attached hereto as Exhibit E, in the case where the Series 2017/2018 Bonds are sold at a competitive sale, or (b) the Bond Purchase Agreement, if the Series 2017/2018 Bonds are sold at a negotiated sale or private placement in the form attached hereto as Exhibit G. The form of the Certificate of Award and of the Bond Purchase Agreement are hereby authorized, approved and confirmed.

Section 4. The Supplemental Indentures and the Escrow Agreement, in substantially the forms presented to this meeting and attached hereto as Exhibits C and F, respectively, are hereby authorized, approved, and confirmed. The President or an acting President (the "President") and the Secretary/Treasurer or an acting Secretary/Treasurer (the "Secretary/Treasurer") are hereby authorized to execute and deliver the Supplemental Indentures and the Escrow Agreement in substantially the forms and with substantially the content as the forms presented at this meeting for and on behalf of the Authority, with final terms as may be established by the Designated Officers within the Parameters set forth herein, and with such alterations, changes or additions as may be necessary or as may be authorized by Section 11 hereof. The approval of such final documents shall be conclusively established by the execution of the Supplemental Indentures and the Escrow

Agreement by the President and the Secretary/Treasurer. In the event that the Designated Officers determine that all or any portion of the Series 2017/2018 Bonds should be privately placed, the Bond Purchase Agreement and Supplemental Indentures may be modified to conform to the agreement with such purchasers, including agreement to pay breakage fees, default rates, taxable rates and other similar provisions customary in such placements, and provisions deemed necessary to issue short-term bonds, provided that such obligations are limited to the sources provided under the Indentures.

Section 5. The Board hereby approves and authorizes the utilization of the Preliminary Official Statement (including an Official Notice of Bond Sale, as applicable), in the form attached hereto as Exhibit D in the marketing of the Series 2017/2018 Bonds and hereby approves the Official Statement (the “Official Statement”) in substantially the same form as the Preliminary Official Statement, with any necessary revisions and insertions to complete the same with the terms established for the Series 2017/2018 Bonds. The President is hereby authorized to execute the Official Statement evidencing approval by the Authority. The Designated Officers may elect to privately place the Series 2017/2018 Bonds with or without the use of an Official Statement.

Section 6. The form, terms, and provisions of the Series 2017/2018 Bonds and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption, and number shall be as set forth in the Indentures. The President and Secretary/Treasurer are hereby authorized and directed to execute and seal the Series 2017/2018 Bonds and to deliver said Series 2017/2018 Bonds to the respective bond trustee (the “Trustee”) for authentication. The signatures of the President and Secretary/Treasurer may be by facsimile or manual execution.

Section 7. The appropriate officials of the Authority are hereby authorized and directed to execute and deliver to the Trustee the written order of the Authority for authentication and delivery of the Series 2017/2018 Bonds in accordance with the provisions of the Indentures.

Section 8. Upon their issuance, the Series 2017/2018 Bonds will constitute special limited obligations of the Authority payable solely from and to the extent of the sources set forth in the respective Series 2017/2018 Bonds and Indentures. No provision of this Resolution, the Indentures, the Series 2017/2018 Bonds, or any other instrument, shall be construed as creating a general obligation of the Authority, or of creating a general obligation of the State of Utah or any political subdivision thereof, or as incurring or creating a charge upon the general credit of the Authority or its taxing powers.

Section 9. The appropriate officials of the Authority, and each of them, are hereby authorized and directed to execute and deliver for and on behalf of the Authority any or all additional certificates, documents and other papers and to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this Resolution and the documents authorized and approved herein.

Section 10. After any of the Series 2017/2018 Bonds are delivered by the Trustee to the purchaser or underwriter, and upon receipt of payment therefor, this

Resolution shall be and remain irrevocable until the principal of, premium, if any, and interest on the Series 2017/2018 Bonds are deemed to have been duly discharged in accordance with the terms and provisions of the Indentures.

Section 11. The appropriate officials of the Authority are authorized to make any alterations, changes or additions to the Indentures, the Bond Purchase Agreement, the Certificate of Award, the Series 2017/2018 Bonds, the Preliminary Official Statement, the Official Statement, the Official Notice of Bond Sale, the Escrow Agreement or any other document herein authorized and approved which may be necessary to conform the same to the final terms of the Series 2017/2018 Bonds (within the Parameters set by this Resolution), to correct errors or omissions therein, to complete the same, to remove ambiguities therefrom, or to conform the same to other provisions of said instruments, to the provisions of this Resolution or any resolution adopted by the Board, the agreement with the purchaser or underwriter of the Series 2017/2018 Bonds, or the provisions of the laws of the State of Utah or the United States or to permit the private placement or public sale of the Series 2017/2018 Bonds, to conform such documents to the terms established for the Series 2017/2018 Bonds (including as short-term bonds or capital appreciation bonds) and to update such documents with current information and practices provided that the obligations of the Authority are limited to the sources pledged under the Indentures.

Section 12. (a) With regard to the Series 2017/2018 Bonds to be issued to finance the Project (the “New Money Bonds”), the Secretary/Treasurer of the Board shall cause a “Notice of Public Hearing and Bonds to be Issued” in substantially the form attached hereto as Exhibit H to be published two (2) times in each of The Salt Lake Tribune, The Deseret News, Box Elder News Journal, Provo Daily Herald, Tooele Transcript Bulletin, the Davis County Clipper and the Standard Examiner, newspapers of general circulation within the Authority’s Transit District, posted on the Utah Public Notice Website created under Section 63F-1-701, Utah Code Annotated 1953, as amended, and posted on the Utah Legal Notices website (www.utahlegals.com) created under Section 45-1-101, Utah Code Annotated 1953, as amended, and shall also cause a copy of this Resolution (together with all exhibits hereto) to be kept on file in the principal office of the Authority in Salt Lake City, Utah, for public examination during the regular business hours of the Authority until at least thirty (30) days from and after the last date of publication thereof.

(b) With regard to the Series 2017/2018 Bonds to be issued to refund Outstanding Bonds (the “Refunding Bonds”), the Secretary/Treasurer of the Board has previously caused a “Notice of Bonds to be Issued” in substantially the form attached hereto as Exhibit I to be published one time in each of The Salt Lake Tribune, The Deseret News, Provo Daily Herald, Tooele Transcript Bulletin and the Standard Examiner, newspapers of general circulation within the Authority’s Transit District, posted on the Utah Public Notice Website created under Section 63F-1-701, Utah Code Annotated 1953, as amended, and posted on the Utah Legal Notices website (www.utahlegals.com) created under Section 45-1-101, Utah Code Annotated 1953, as amended, and shall also cause a copy of this Resolution (together with all exhibits hereto) to be kept on file in the principal office of the Authority in Salt Lake City, Utah, for public examination during the regular business hours

of the Authority until at least thirty (30) days from and after the last date of publication thereof. The Board hereby ratifies in all respects the prior publication of this notice.

Section 13. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this Resolution shall be in full force and effect immediately upon its approval and adoption.

Section 14. An officer of the Authority may have previously declared the intent and reasonable expectation of the Authority that moneys of the Authority may be used to pay costs of the Project described herein and to the extent such amounts are paid by the Authority, the Authority be reimbursed with proceeds of the Bonds described herein or other bonds of the Authority. The Board hereby ratifies such declaration. Further, the Authority hereby declares its intention and reasonable expectation to use proceeds of tax-exempt bonds to reimburse itself for initial expenditures for costs of the Project. The Bonds are to be issued, and the reimbursements made, by the later of 18-months after the payment of the costs or after the Project is placed in service, but in any event, no later than three years after the date the original expenditure was paid. The maximum principal amount of the Bonds which will be issued to finance the reimbursed costs of the Project is not expected to exceed \$88,500,000.

APPROVED AND ADOPTED this 13th day of December, 2017.

(Other business not pertinent to the foregoing appears in the minutes of the meeting.)

Upon the conclusion of all business on the Agenda, the meeting was adjourned.

Chair

ATTEST:

Secretary/Treasurer

CERTIFICATE

The undersigned duly qualified Chair of the Board of Trustees of the Utah Transit Authority certifies that the foregoing is a true and correct copy of a resolution adopted at a legally convened meeting of the Board of Trustees held on the 13th day of December, 2017.

Chair

ATTEST:

Secretary/Treasurer

APPROVED AS TO FORM:

Legal Counsel

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

I, Robert K. Biles, the duly qualified and acting Secretary/Treasurer of the Board of Trustees (the “Board”) of the Utah Transit Authority (the “Authority”) do hereby certify according to the records of the Board in my official possession that the foregoing constitutes a true and correct excerpt of the minutes of the meeting of the Board held on the 13th day of December, 2017, including a resolution (the “Resolution”) adopted at said meeting as said minutes and Resolution are officially of record in my possession.

I further certify that the Resolution, with all exhibits attached, was deposited in the principal offices of the Authority on December 13, 2017.

IN WITNESS WHEREOF, I have hereunto subscribed my signature and impressed hereon the official seal of the Authority, this 13th day of December, 2017.

Secretary/Treasurer

(SEAL)

SCHEDULE A

[Attach Proofs of Publication of Notice of Public Hearing and Bonds to be Issued]

EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH
OPEN MEETING LAW

I, Robert K. Biles, the undersigned Secretary/Treasurer of the Board of Trustees (the “Board”) of the Utah Transit Authority (the “Authority”), do hereby certify, according to the records of the Authority in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 52-4-202, Utah Code Annotated, 1953, as amended, not less than twenty-four (24) hours public notice of the agenda, date, time and place of the December 13, 2017, public meeting held by the Board was given as follows:

(a) by causing a Notice, in the form attached hereto as Schedule B to be posted at the Authority’s principal offices at least twenty-four (24) hours prior to the convening of the meeting, said Notice having continuously remained so posted and available for public inspection until the completion of the meeting;

(b) by causing a copy of such Notice, in the form attached hereto as Schedule B to be delivered at least twenty-four (24) hours prior to the convening of the meeting to the persons, newspapers (at least one of which is a newspaper of general circulation within the geographic jurisdiction of the Authority), and media representatives shown on Schedule B attached hereto, as well as to those requesting such notices; and.

(c) by causing a copy of such Notice to be published on the Utah Public Notice Website (<http://pmn.utah.gov>) at least twenty-four (24) hours prior to the convening of the meeting.

In addition, the Notice of 2017 Annual Meeting Schedule for the Board (attached hereto as Schedule C) was given specifying the date, time and place of the regular meetings of the Board to be held during the year, by causing said Notice to be (i) posted in December 2016 at the principal office of the Authority, (ii) provided to local media correspondents, or to newspapers of general circulation within the geographic jurisdiction of the Authority, at least once during the calendar year 2017 and (iii) published on the Utah Public Notice Website (<http://pmn.utah.gov>) during the current calendar year.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this 13th day of December, 2017.

Secretary/Treasurer

(SEAL)

SCHEDULE B

NOTICE AND AGENDA OF THE DECEMBER 13, 2017 MEETING

SCHEDULE C

2017 ANNUAL MEETING NOTICE

EXHIBIT B

GENERAL INDENTURES

(See Transcript Document No. ____)

EXHIBIT C

FORM OF SUPPLEMENTAL INDENTURES OF TRUST

(See Transcript Document No. ____)

EXHIBIT D

PRELIMINARY OFFICIAL STATEMENT

(See Transcript Document No. ____)

EXHIBIT E

CERTIFICATE OF AWARD

(See Transcript Document No. ____)

EXHIBIT F

ESCROW AGREEMENT

(See Transcript Document No. ____)

EXHIBIT G

BOND PURCHASE AGREEMENT

(See Transcript Document No. ____)

EXHIBIT H

(NEW MONEY BONDS) NOTICE OF PUBLIC HEARING AND BONDS TO BE ISSUED

NOTICE IS HEREBY GIVEN pursuant to the provisions of the Public Transit District Act, Title 17B, Chapter 2a, Part 8, Utah Code Annotated 1953, as amended, and the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, that on December 13, 2017, the Board of Trustees (the “Board”) of the Utah Transit Authority (the “Authority”) adopted a resolution (the “Resolution”) expressing its intent to issue its sales tax revenue bonds (to be issued in one or more series and with such additional series designations and titles as may be determined by the Board, the “Bonds”) and has called a public hearing to receive input from the public with respect to the issuance of the Bonds.

TIME, PLACE AND LOCATION OF PUBLIC HEARING

The Authority shall hold a public hearing on January 24, 2018, at the hour of 1:30 p.m. at UTA Frontline Headquarters, 669 West 200 South, in Salt Lake City, Utah. The purpose of the hearing is to receive input from the public with respect to (a) the issuance of the Bonds and (b) any potential economic impact that the Project to be financed with the proceeds of the Bonds may have on the private sector. All members of the public are invited to attend and participate.

PURPOSE FOR ISSUING BONDS

The Authority intends to issue the Bonds for the purpose of (i) financing additions and improvements to the Authority’s transit system (the “Project”), (ii) funding a debt service reserve fund, if needed, and (iii) paying costs of issuing the Bonds.

PARAMETERS OF THE BONDS

The Authority intends to issue the Bonds in the aggregate principal amount of not to exceed eighty-eight million five hundred thousand dollars (\$88,500,000) to bear interest at a rate or rates of not to exceed five and one-half percent (5.5%) per annum, to mature in not more than thirty (30) years from their date or dates, and to be sold at a price of not less than ninety-eight (98%) of the total principal amount thereof. The Bonds are to be issued and sold pursuant to the Resolution, either the Amended and Restated General Indenture of Trust, dated as of September 1, 2002, as heretofore amended and supplemented (previously executed by the Authority) or the Subordinate General Indenture of Trust, dated as of July 1, 2006, as heretofore amended and supplemented (previously executed by the Authority) and one or more Supplemental Indentures of Trust relating to the Bonds (collectively, the “Indentures”).

SALES TAXES AND REVENUES TO BE PLEDGED

As provided in the Indentures, the Bonds will be limited obligations of the Authority payable from the sales taxes and revenues collected for the Authority's public transit system (the "Revenues").

OUTSTANDING BONDS SECURED BY PLEDGED TAXES

Other than the proposed Bonds, the Authority currently has \$2,052,683,567 of bonds outstanding (the "Outstanding Bonds") secured by the Revenues (as more fully described in the Indentures).

OTHER OUTSTANDING BONDS OF THE AUTHORITY

Additional information regarding the Authority's Outstanding Bonds may be found in the Authority's financial report (the "Financial Report") at: <http://secure.utah.gov/auditor-search/>. For additional information, including any information more recent than as of the date of the Financial Report, please contact Robert K. Biles, Vice President of Finance, at (801) 743-3882.

TOTAL ESTIMATED COST

Based on the Authority's current plan of finance and a current estimate of interest rates, the total principal and interest cost of the Bonds to be issued to finance the Project, if held until maturity, is \$150,067,063.

Copies of the Resolution and forms of the Indentures are on file in the principal office of the Authority at 669 West 200 South in Salt Lake City, Utah, where they may be examined during regular business hours of the Authority for a period of at least thirty (30) days from and after the last date of publication of this notice.

NOTICE IS FURTHER GIVEN that a period of thirty (30) days from and after the date of the publication of this notice is provided by law during which (i) any person in interest shall have the right to contest the legality of the Resolution, the Indentures (only as they pertain to the Bonds), or the Bonds, or any provision made for the security and payment of the Bonds, and that after such time, no one shall have any cause of action to contest the regularity, formality, or legality thereof for any cause whatsoever and (ii) registered voters within the boundaries of the Authority's transit district may sign a written petition requesting an election to authorize the issuance of the Bonds. If written petitions which have been signed by at least 20% of the registered voters within the boundaries of the Authority's transit district are filed with the Authority during said 30-day period, the Authority shall be required to hold an election to obtain voter authorization prior to the issuance of the Bonds. If fewer than 20% of the registered voters within the Authority's transit district file a written petition during said 30-day period, the Authority may proceed to issue the Bonds without an election.

DATED this 13th day of December, 2017.

UTAH TRANSIT AUTHORITY

/s/ Robert K. Biles
Vice President of Finance/
Secretary/Treasurer

EXHIBIT I

(REFUNDING BONDS) NOTICE OF BONDS TO BE ISSUED

NOTICE IS HEREBY GIVEN pursuant to the provisions of the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended, that on December 13, 2017, the Board of Trustees (the “Board”) of the Utah Transit Authority (the “Authority”) expects to consider for adoption a resolution (the “Resolution”) expressing its intent to issue its sales tax revenue refunding bonds (to be issued in one or more series and with such additional series designations and titles as may be determined by the Authority, the “Bonds”).

PURPOSE FOR ISSUING BONDS

The Authority intends to issue the Bonds for the purpose of (i) refunding outstanding bonds of the Authority, (ii) funding a debt service reserve fund, if needed, and (iii) paying costs of issuing the Bonds.

PARAMETERS OF THE BONDS

The Authority intends to issue the Bonds in the aggregate principal amount of not to exceed one hundred thirty million dollars (\$130,000,000) (and may issue bonds to refinance short term bonds issued under the Resolution, without counting both issuances), to bear interest at a rate or rates of not to exceed five and one-half percent (5.5%) per annum, to mature in not more than thirty (30) years from their date or dates, and to be sold at a price of not less than ninety-eight (98%) of the total principal amount thereof. The Bonds are to be issued and sold pursuant to the Resolution, either the Amended and Restated General Indenture of Trust, dated as of September 1, 2002, as heretofore amended and supplemented (previously executed by the Authority) or the Subordinate General Indenture of Trust, dated as of July 1, 2006, as heretofore amended and supplemented (previously executed by the Authority) and one or more Supplemental Indentures of Trust relating to the Bonds (collectively, the “Indentures”).

SALES TAXES AND REVENUES TO BE PLEDGED

As provided in the Indentures, the Bonds will be limited obligations of the Authority payable from the sales taxes and revenues collected for the Authority’s public transit system (the “Revenues”).

Copies of the Resolution and forms of the Indentures are on file in the principal office of the Authority at 669 West 200 South in Salt Lake City, Utah, where they may be examined during regular business hours of the Authority for a period of at least thirty (30) days from and after the last date of publication of this notice.

NOTICE IS FURTHER GIVEN that a period of thirty (30) days from and after the date of the publication of this notice is provided by law during which any person in interest shall have the right to contest the legality of the Resolution, the Indentures (only as they pertain to the Bonds), or the Bonds, or any provision made for the security and payment of the Bonds, and that after such time, no one shall have any cause of action to contest the regularity, formality, or legality thereof for any cause whatsoever.

DATED this 21st day of November, 2017.

UTAH TRANSIT AUTHORITY

/s/ Robert K. Biles
Vice President of Finance/
Secretary/Treasurer

Official Notice Of Bond Sale

(Bond sale to be conducted electronically)

Utah Transit Authority

\$ _____ *

Subordinated Sales Tax Revenue Refunding Bonds, Series 2018A

Bids will be received electronically (as described under “Procedures Regarding Electronic Bidding” below) by the Utah Transit Authority (the “Authority”), on the *PARITY*[®] bidding system (“*PARITY*[®]”) at 9:30 a.m., Mountain Standard Time (“M.S.T.”), on _____, _____, 2018, for the purchase of all or none (“AON”) of \$ _____* aggregate principal amount of the Authority’s Subordinated Sales Tax Revenue Refunding Bonds, Series 2018A (the “2018A Bonds”). The bids will be reviewed and considered by designated officers of the Authority on _____, _____, 2018, before 5:00 p.m., M.S.T.

The 2018A Bonds are being issued pursuant to (i) the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended; (ii) a resolution of the Board of Trustees of the Authority (the “Board”) adopted on December 13, 2017; and (iii) a Subordinate General Indenture of Trust, dated as of July 1, 2006, as heretofore supplemented (the “General Indenture”), as further amended and supplemented by a Twelfth Supplemental Subordinate Indenture of Trust dated as of _____ 1, 2018 (the “Twelfth Supplemental Indenture” and together with the General Indenture, the “Indenture”) each between the Authority and Zions Bank, a division of ZB, National Association, as trustee.

The 2018A Bonds are being issued to (i) refund a portion of certain outstanding sales tax bonds of the Authority and (ii) pay issuance expenses to be incurred in connection with the issuance and sale of the 2018A Bonds.

The 2018A Bonds are more fully described in the Authority’s PRELIMINARY OFFICIAL STATEMENT with respect to the 2018A Bonds dated _____, 2018 (the “PRELIMINARY OFFICIAL STATEMENT”).

Description of Bonds

The 2018A Bonds will be dated the date of delivery thereof (expected to be _____, _____, 2018), will be fully registered bonds, in book-entry form, in denominations of \$5,000 or integral multiples thereof, and will mature on December 15 of the years and in the principal amounts as follows:

* Subject to adjustment as described herein.

Maturity (December 15)	<u>Amount*</u>	Maturity (December 15)	<u>Amount*</u>
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Total\$ _____*

Adjustment of Principal Amount of the 2018A Bonds

The Authority reserves the right, following determination of the best bid(s), to reduce or increase the principal amount of each maturity of the 2018A Bonds by the amount necessary to properly size the issue so that proceeds available to the Authority will be approximately \$_____. The dollar amount of the price bid by the successful bidder may be changed as described below, but the interest rates specified by the successful bidder for all maturities will not change. A successful bidder may not withdraw its bid as a result of any changes made within these limits, and the Authority will consider the bid as having been made for the adjusted amount of the 2018A Bonds. The dollar amount of the price bid will be changed so that the percentage net compensation to the successful bidder (i.e., the percentage resulting from dividing (a) the aggregate difference between the offering price of the 2018A Bonds to the public and the price to be paid to the Authority, by (b) the principal amount of the 2018A Bonds) does not increase or decrease from what it would have been if no adjustment was made to the principal amounts shown above. The Authority expects to advise the successful bidder as soon as possible, but expects no later than 2:00 p.m., M.D.T., on the date of sale, of the amount, if any, by which the aggregate principal amount of the 2018A Bonds will be adjusted and the corresponding changes to the principal amount of 2018A Bonds maturing on one or more of the above-designated maturity dates for the 2018A Bonds. Any such adjustment will be in an amount of \$5,000 or a whole multiple thereof.

To facilitate any adjustment in the principal amounts, the successful bidder is required to indicate by facsimile transmission to Zions Public Finance, Inc., Salt Lake City, Utah, the Financial Advisor to the Authority (the “Financial Advisor”) at fax number (801) 844-4484 within one-half hour of the time of bid opening, the amount of any original issue discount or premium on each maturity of the 2018A Bonds and the amount received from the sale of the 2018A Bonds to the public that will be retained by the successful bidder as its compensation.

Possible Rejection of All Bids

As described below under “Sale Reservations,” the Authority reserves the right to reject any and all bids and to resell the 2018A Bonds. In such case the Authority may elect to negotiate a subsequent sale of the 2018A Bonds or hold an additional competitive bid.

Ratings

The Authority will, at its own expense, pay the fees of Standard and Poor’s Ratings Services, Fitch, Inc. and Moody’s Investors Service for rating the 2018A Bonds.

* Subject to adjustment as described herein.

Purchase Price

The purchase price to be bid for the 2018A Bonds shall not be less than 98% of the principal amount of the 2018A Bonds \$_____.

Interest Rates

The 2018A Bonds will bear interest at any number of different rates, any of which may be repeated, which rates shall be expressed in multiples of one-eighth or one-twentieth of one percent (1/8 or 1/20 of 1%) per annum. In addition:

- no rate bid may exceed ____% per annum;
- all 2018A Bonds of the same maturity must bear a single rate of interest;
- a zero rate cannot be named for all or any part of the time from the date of any 2018A Bond to its stated maturity;
- premium must be paid in the funds specified for the payment of the 2018A Bonds as part of the purchase price;
- interest shall be computed from the dated date of a 2018A Bond to its stated maturity date at the single interest rate specified in the bid for the 2018A Bonds of such maturity;
- the purchase price must be paid in immediately available funds and no bid will be accepted that contemplates the cancellation of any interest or the waiver of interest or other concession by the bidder as a substitute for federal funds;
- there shall be no supplemental interest coupons; and
- interest shall be computed on the basis of a 360-day year of 12, 30 day months.

Interest will be payable semiannually on June 15 and December 15, beginning _____, at the rate or rates to be fixed at the time the 2018A Bonds are sold.

Payment of Principal and Interest

Principal and interest are payable by Zions Bank, a division of ZB, National Association, Salt Lake City, Utah, as Trustee, Paying Agent, and Registrar, to the registered owners of the 2018A Bonds. So long as The Depository Trust Company, New York, NY (“DTC”), is the registered owner, DTC will, in turn, remit such principal and interest to its participants, for subsequent disbursements to the beneficial owners of the 2018A Bonds as described under the caption “THE 2018A BONDS—Book—Entry System” in the Authority’s PRELIMINARY OFFICIAL STATEMENT with respect to the 2018A Bonds. Interest on the 2018A Bonds will be payable by check or draft mailed to the registered owners thereof (initially DTC) as shown on the registration books kept for the Authority by the Registrar.

Optional Redemption

[The 2018A Bonds maturing on or prior to December 15, 20__ are not subject to redemption prior to maturity.]

[The 2018A Bonds maturing on and after December 15, 20____ are subject to redemption at the option of the Authority on December 15, 20____, and on any date thereafter prior to maturity, in whole or in part, from such maturities or parts thereof as may be selected by the Authority, at a redemption price equal to 100% of the principal amount of the 2018A Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption.]

Security

The 2018A Bonds are special limited obligations of the Authority, payable solely from the Pledged Revenues of the Authority [subject to the prior lien securing the outstanding Senior Bonds and any additional Senior Bonds that may be issued in the future under the Senior Indenture] as described in the Indenture. Neither the full faith and credit nor the ad valorem taxing power of the Authority or the State of Utah or any agency, instrumentality or political subdivision thereof is pledged for the payment of the principal of, premium, if any, or interest on the 2018A Bonds. The 2018A Bonds are not general obligations of the Authority or the State of Utah or any agency, instrumentality or political subdivision thereof. The issuance of the 2018A Bonds shall not directly, indirectly, or contingently obligate the Authority or the State of Utah or any agency, instrumentality or political subdivision thereof to levy any form of ad valorem taxation therefor or to make any appropriation for the payment of the 2018A Bonds. The Authority will not mortgage or grant any security interest in any of the improvements refinanced with the proceeds of the 2018A Bonds to secure payment of the 2018A Bonds.

Procedures Regarding Electronic Bidding

No bid will be accepted unless the Authority has determined that such bidder has provided the requested Deposit as described under “Good Faith Deposit” below.

Bids will be received by means of the *PARITY*[®] electronic bid submission system. A prospective bidder must communicate its bid electronically through *PARITY*[®] on or before 9:30 a.m. M.D.T., on _____, _____, 2018. No bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in *PARITY*[®] conflict with this OFFICIAL NOTICE OF BOND SALE, the terms of this OFFICIAL NOTICE OF BOND SALE shall control. For further information about *PARITY*[®], potential bidders may contact the Financial Advisor or i-Deal LLC at 1359 Broadway, New York, New York 10018; 212.849.5021. The time as maintained by *PARITY*[®] shall constitute the official time.

Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access *PARITY*[®] for purposes of submitting its bid in a timely manner and in compliance with the requirements of this OFFICIAL NOTICE OF BOND SALE. Neither the Financial Advisor, the Authority, nor i-Deal LLC shall have any duty or obligation to provide or assure such access to any qualified prospective bidder, and neither the Financial Advisor, the Authority, nor i-Deal LLC shall be responsible for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, *PARITY*[®]. The Authority is using *PARITY*[®] as a communication mechanism, and not as the Authority’s agent, to conduct the electronic bidding for the 2018A Bonds.

Notification

The Financial Advisor, on behalf of the Authority, will notify the apparent successful bidder (electronically via *PARITY*[®]) as soon as possible after the Authority’s receipt of bids, that such bidder’s bid appears to be the lowest and best bid received which conforms to the requirements

of this OFFICIAL NOTICE OF BOND SALE, subject to verification and to official action to be taken by designated officers of the Authority awarding the 2018A Bonds as described in the next succeeding paragraph.

The bids will be reviewed and considered by the Authority and the Authority's Financial Advisor no later than 5:00 p.m., M.D.T., on _____, _____, 2018.

Form of Bid

Each bidder is required to transmit electronically via *PARITY*[®] an unconditional bid specifying the lowest rate or rates of interest and confirm the purchase price (as described under "Purchase Price" above) at which the bidder will purchase the 2018A Bonds. Each bid must be for all the 2018A Bonds herein offered for sale.

For information purposes only, bidders are requested to state in their bids the effective interest rate for the 2018A Bonds represented on a TIC basis, as described under "Award" below, represented by the rate or rates of interest and the bid price specified in their respective bids.

No bids will be accepted in written form, by facsimile transmission or in any other medium or on any system other than by means of *PARITY*[®]; provided, however, that in the event a prospective bidder cannot access *PARITY*[®], through no fault of its own, it may so notify the office of the Financial Advisor by telephone at (801) 844-7373. Thereafter, it may submit its bid by telephone to the Financial Advisor at (801) 844-7373, who shall transcribe such bid into written form, or by facsimile transmission to the Financial Advisor at (801) 844-4484, in either case before 9:30 a.m., M.D.T., on _____, _____, 2018. For purposes of bids submitted telephonically to the Financial Advisor (as described above) or by facsimile transmission, the time as maintained by *PARITY*[®], shall constitute the official time. Each bid submitted as provided in the preceding sentence must specify the interest rate or rates for the 2018A Bonds and the total purchase price of all of the 2018A Bonds. The Financial Advisor will seal transcribed telephonic bids and facsimile transmission bids for submission. Neither the Authority nor the Financial Advisor assume any responsibility or liability from the failure of any such transcribed telephonic bid or facsimile transmission (whether such failure arises from equipment failure, unavailability of phone lines or otherwise). No bid will be received after the time for receiving such bids specified above.

If requested by the Financial Advisor, the apparent successful bidder will provide written confirmation of its bid (by facsimile transmission) to the Financial Advisor prior to 3:00 p.m., M.D.T., on _____, _____, 2018.

Right of Cancellation

The successful bidder shall have the right, at its option, to cancel its obligation to purchase the 2018A Bonds if the Authority shall fail to execute the 2018A Bonds and tender the same for delivery within 60 days from the date of sale thereof, and in such event the successful bidder shall be entitled to the return of the deposit accompanying its bid.

Award

Award or rejection of bids will be made on _____, _____, 2018, no later than 5:00 M.D.T. The 2018A Bonds will be awarded to the responsible bidder offering to pay the lowest effective interest cost to the Authority, computed from the date of the 2018A Bonds to maturity and taking into consideration the premium or discount, if any, in the purchase price of the 2018A

Bonds. The effective interest rate to the Authority shall be the interest rate per annum determined on a per annum true interest cost (“TIC”) based on the discounting of the scheduled semiannual debt service payments of the Authority on the 2018A Bonds (based on such rate or rates of interest so bid) to the dated date of the 2018A Bonds, compounded semiannually, and to the bid price, excluding accrued interest to the date of delivery. Interest cost shall be computed on a 360–day year of 12, 30–day months.

Good Faith Deposit

A good faith deposit (the “Deposit”) in the amount of \$_____ is required only from the successful bidder. The Deposit shall be payable to the order of the Authority in the form of a wire transfer in federal funds as instructed by the Financial Advisor no later than 12:00 noon, M.D.T., on _____, _____, 2018. As an alternative to wiring funds, a bidder may deliver a cashier’s or certified check, payable to the order of the Authority. If a check is used, it must precede each bid. Such check shall be promptly returned to its respective bidder whose bid is not accepted.

The Authority shall, as security for the faithful performance by the successful bidder of its obligation to take up and pay for the 2018A Bonds when tendered, cash the Deposit check, if applicable, of the successful bidder and hold the proceeds of the Deposit of the successful bidder, or invest the same (at the Authority’s risk) in obligations which mature at or before the delivery of the 2018A Bonds as described under the caption “Manner and Time of Delivery” below, until disposed of as follows: (a) at such delivery of the 2018A Bonds and upon compliance with the successful bidder’s obligation to take up and pay for the 2018A Bonds, the full amount of the Deposit held by the Authority, without adjustment for interest, shall be applied toward the purchase price of the 2018A Bonds at that time and the full amount of any interest earnings thereon shall be retained by the Authority; and (b) if the successful bidder fails to take up and pay for the 2018A Bonds when tendered, the full amount of the Deposit plus any interest earnings thereon will be forfeited to the Authority as liquidated damages.

Sale Reservations

The Authority reserves the right: (i) to waive any irregularity or informality in any bid or in the bidding process; (ii) to reject any and all bids for the 2018A Bonds; and (iii) to resell the 2018A Bonds as provided by law.

Manner and Time of Delivery

The successful bidder will be given at least seven business days advance notice of the proposed date of the delivery of the 2018A Bonds when that date has been tentatively determined. It is now estimated that the 2018A Bonds will be delivered in book–entry form on or about _____, _____, 2018. Delivery of the 2018A Bonds will be made in Salt Lake City, Utah. The successful bidder must also agree to pay for the 2018A Bonds in federal funds which will be immediately available to the Authority on the day of delivery.

CUSIP Numbers

It is anticipated that CUSIP numbers will be printed on the 2018A Bonds, at the expense of the Authority, but neither the failure to print such numbers on any 2018A Bond nor any error with respect thereof shall constitute cause for a failure or refusal by the successful bidder thereof

to accept delivery of and pay for the 2018A Bonds in accordance with terms of this OFFICIAL NOTICE OF BOND SALE.

Tax-Exempt Status

Federal Income Tax. In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Authority, interest on the 2018A Bonds (including any original issue discount properly allocable to an owner thereof) (i) is excludable from gross income for federal income tax purposes and (ii) is not an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. The above opinions are subject to the condition that the Authority complies with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the 2018A Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Authority has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the 2018A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the 2018A Bonds.

State Income Tax. In the opinion of Bond Counsel to the Authority, interest on the 2018A Bonds is exempt from State of Utah individual income taxes.

Bond Counsel expresses no opinion regarding any other tax consequences relating to ownership or disposition of or the accrual or receipt of interest on the 2018A Bonds.

Establishment of Issue Price

The successful bidder shall assist the Authority in establishing the issue price of the 2018A Bonds and shall execute and deliver to the Authority on the date of issuance of the 2018A Bonds an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the 2018A Bonds, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the successful bidder, the Authority and Bond Counsel. All actions to be taken by the Authority under this Official Notice of Bond Sale to establish the issue price of the 2018A Bonds may be taken on behalf of the Authority by the Municipal Advisor identified herein and any notice or report to be provided to the Authority may be provided to the Municipal Advisor.

The Authority intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the 2018A Bonds) will apply to the initial sale of the 2018A Bonds (the “competitive sale requirements”) because:

- (i) the Authority shall disseminate this Official Notice of Bond Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (ii) all bidders shall have an equal opportunity to bid;
- (iii) the Authority may receive bids from at least three underwriters of municipal obligations who have established industry reputations for underwriting new issuances of municipal obligations; and

(iv) the Authority anticipates awarding the sale of the 2018A Bonds to the bidder who submits a firm offer to purchase the 2018A Bonds at the highest price (or lowest interest cost), as set forth in this Official Notice of Bond Sale.

Any bid submitted pursuant to this Official Notice of Bond Sale shall be considered a firm offer for the purchase of the 2018A Bonds, as specified in the bid.

In the event that the competitive sale requirements are not satisfied, the Authority shall so advise the successful bidder. The Authority shall then treat the first price at which 10% of a maturity of the 2018A Bonds (the “10% Test”) is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The successful bidder shall advise the Authority if any maturity of the 2018A Bonds satisfies the 10% Test as of the date and time of the award of the 2018A Bonds. The Authority will not require bidders to comply with the “Hold-The-Offering-Price Rule” and therefore in such case does not intend to use the initial offering price to the public as of the sale date of any maturity of the 2018A Bonds as the issue price of that maturity. Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied. Bidders should prepare their bids on the assumption that the 2018A Bonds will be subject to the 10% Test in order to establish the issue price of the 2018A Bonds.

If the competitive sale requirements are not satisfied, then until the 10% Test has been satisfied as to each maturity of the 2018A Bonds, the successful bidder agrees to promptly report to the Authority the prices at which the unsold 2018A Bonds of that maturity have been sold to the public. At or promptly after the award of the 2018A Bonds, the winning bidder shall report to the Authority the price at which it has sold to the public the 2018A Bonds of each maturity sufficient to satisfy the 10% Test. If as of the award of the 2018A Bonds the 10% Test has not been satisfied as to any maturity of the 2018A Bonds, the winning bidder agrees to promptly report to the Authority the prices at which it subsequently sells 2018A Bonds of that maturity to the public until the 10% Test is satisfied. In either case, if 2018A Bonds constituting the first 10% of a certain maturity are sold at different prices, the winning bidder shall report to the Authority the prices at which 2018A Bonds of such maturity are sold until the winning bidder sells 10% of the 2018A Bonds of such maturity at a single price. The winning bidder’s reporting obligation shall continue as set forth above, whether or not the date of issuance of the 2018A Bonds has occurred.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the 2018A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the public the unsold 2018A Bonds of each maturity allotted to it until it is notified by the successful bidder that either the 10% Test has been satisfied as to the 2018A Bonds of that maturity or all 2018A Bonds of that maturity have been sold to the public, if and for so long as directed by the successful bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the 2018A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the 2018A Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the public the unsold 2018A Bonds of each maturity allotted to it until it is notified by the successful bidder or such underwriter that either the 10% Test has been satisfied as to the 2018A Bonds of that maturity or all 2018A Bonds of that maturity have been sold to the public, if and for

so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

Sales of any 2018A Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Official Notice of Bond Sale. Further, for purposes of this Official Notice of Bond Sale:

(i) “public” means any person other than an underwriter or a related party,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 2018A Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the 2018A Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the 2018A Bonds to the public),

(iii) a purchaser of any of the 2018A Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date that the 2018A Bonds are awarded by the Authority to the successful bidder.

Legal Opinion and Closing Documents

The approving opinion of Gilmore & Bell, P.C., covering the legality of the 2018A Bonds will be furnished to the successful bidder without charge. There will also be furnished the usual closing certificates dated as of the date of delivery of and payment for the 2018A Bonds, including a certificate from the attorney for the Authority that there is no litigation pending or, to the knowledge of the signer thereof, threatened, affecting the validity of the 2018A Bonds.

Disclosure Certificate

The Authority will deliver to the successful bidder a certificate of officers of the Authority, dated the date of the delivery of the 2018A Bonds, stating that as of the date thereof, to the best of the knowledge and belief of said officer(s): (a) the descriptions and statements contained in the PRELIMINARY OFFICIAL STATEMENT circulated with respect to the 2018A Bonds were at the time of the acceptance of the bid true and correct in all material respects and did not at the time of the acceptance of the bid contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and (b) the descriptions and statements contained in the final OFFICIAL STATEMENT are at the time of delivery of the 2018A Bonds true and correct in all material respects and do not at the time of the delivery of the 2018A Bonds contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they

were made, not misleading; provided, should the final OFFICIAL STATEMENT be supplemented or amended subsequent to the date thereof, the foregoing confirmation as to the final OFFICIAL STATEMENT shall relate to the final OFFICIAL STATEMENT as so supplemented or amended.

The Authority has retained [Chapman and Cutler LLP] to act as disclosure counsel to the Authority with respect to the 2018A Bonds and as such disclosure counsel, such firm will review the contents of the PRELIMINARY OFFICIAL STATEMENT and final OFFICIAL STATEMENT. Chapman and Cutler LLP will deliver a letter to the successful bidder for the 2018A Bonds with respect to the PRELIMINARY OFFICIAL STATEMENT and the final OFFICIAL STATEMENT which will state, in effect, that, while the firm has not verified and is not passing upon, and does not assume responsibility for, the accuracy, completeness or fairness of the statements contained in the PRELIMINARY OFFICIAL STATEMENT or the final OFFICIAL STATEMENT, based upon participation in conferences and in reliance thereon with various representatives of the Authority, counsel to the Authority, and representatives of the Financial Advisor for the Authority at which the contents of the PRELIMINARY OFFICIAL STATEMENT and the final OFFICIAL STATEMENT were discussed and reviewed, without independent verification, no facts came to the attention of the attorneys of such firm rendering legal services in connection with such retention which lead such firm to believe that either (a) the PRELIMINARY OFFICIAL STATEMENT as of its date contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading or (b) the final OFFICIAL STATEMENT as of its date contained, or as of the date of the delivery of the 2018A Bonds contains, any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. However, such firm will not be called upon to and will not express an opinion or belief as to information relating to the book-entry system or the expressions of opinion, the assumptions, the projections, financial statements (including notes and schedules thereto) or other financial, numerical, demographic or statistical data contained in the PRELIMINARY OFFICIAL STATEMENT and the final OFFICIAL STATEMENT.

Official Statement

Copies of the Authority's PRELIMINARY OFFICIAL STATEMENT may be obtained as specified below prior to the time bids are taken. The PRELIMINARY OFFICIAL STATEMENT is in a form "deemed final" by the Authority for purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission, but is subject to revision, amendment and completion in a final OFFICIAL STATEMENT.

The Authority shall deliver to the successful bidder no later than the seventh business day after the award of the 2018A Bonds as described under the caption "Award" above, a final OFFICIAL STATEMENT in electronic format, to comply with paragraph (b)(4) of Rule 15c2-12 of the Securities and Exchange Commission and the rules of the Municipal Securities Rulemaking Board.

Continuing Disclosure Undertaking

Pursuant to Securities and Exchange Commission Rule 15c2-12, the Authority will undertake in a Continuing Disclosure Undertaking to provide certain ongoing disclosure (including audited financial statements) and notices of the occurrence of certain material events. A description of the undertaking is set forth in the Preliminary OFFICIAL STATEMENT.

Additional Information

For copies of this OFFICIAL NOTICE OF BOND SALE, the Preliminary OFFICIAL STATEMENT and information regarding the electronic bidding procedures and other related information, contact Brian Baker (brian.baker@zionsbank.com) or Eric Pehrson (eric.pehrson@zionsbank.com), Zions Public Finance, Inc., Zions Bank Building, One South Main Street, 18th floor, Salt Lake City, Utah 84133-1109; (801) 844-7381; Fax: (801) 844-4484; the Financial Advisor to the Authority.

Dated this ____ day of _____, 2018.

UTAH TRANSIT AUTHORITY

/s/ Jerry Benson

President/CEO

EXHIBIT A

FORM OF CERTIFICATE OF PURCHASER

ELEVENTH SUPPLEMENTAL INDENTURE OF TRUST

Dated as of _____ 1, 2018

between

UTAH TRANSIT AUTHORITY,
as Issuer

and

ZB, NATIONAL ASSOCIATION,
as Trustee

and supplementing the

Amended and Restated General Indenture of Trust
Dated as of September 1, 2002

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ELEVENTH SUPPLEMENTAL INDENTURE OF TRUST

THIS ELEVENTH SUPPLEMENTAL INDENTURE OF TRUST, dated as of _____ 1, 2018, by and between the UTAH TRANSIT AUTHORITY, a public transit district duly organized and existing under the Constitution and laws of the State of Utah (the “Issuer”) and ZB, NATIONAL ASSOCIATION dba ZIONS BANK, a national bank duly organized and existing under the laws of the United States of America, authorized by law to accept and execute trusts and having its principal office in Salt Lake City, Utah, as trustee (the “Trustee”);

WITNESSETH:

WHEREAS, the Issuer has entered into an Amended and Restated General Indenture of Trust, dated as of September 1, 2002, as heretofore amended and supplemented (the “General Indenture”) with the Trustee; and

WHEREAS, the Issuer has previously issued (among others) its Subordinated Sales Tax Revenue and Refunding Bonds, Series 2007A (the “Series 2007A Bonds”) and its Subordinated Sales Tax Revenue and Refunding Bonds, Series 2012 (the “Series 2012 Bonds”) pursuant to the Subordinate Indenture of Trust, dated as of July 1, 2006, as amended and supplemented (the “Subordinate Indenture”), all to finance or refinance (among others) certain improvements and additions to its public transit system; and

[WHEREAS, the Issuer desires to refund portions of the Series 2007A Bonds and Series 2012 Bonds as hereinafter set forth (collectively, the “Refunded Bonds”); and]

WHEREAS in order to (i) finance a portion of the costs associated with additions and improvements to the System (the “Project”), (ii) [refund the Refunded Bonds] and (iii) finance the costs of issuance of the Bonds herein authorized, the Issuer has determined to issue its Sales Tax Revenue [and] [Refunding] Bonds, Series 2018, in the aggregate Principal amount of \$_____ (the “Series 2018 Bonds”); and

WHEREAS, the Series 2018 Bonds will be issued on a parity with the Series 2005A Bonds, the Series 2006C Bonds, the Series 2008A Bonds, the Series 2009B Bonds, the Series 2013 Bonds, and the Series 2015A Bonds, and will be authorized, issued and secured under the General Indenture, as supplemented by this Eleventh Supplemental Indenture (the “Eleventh Supplemental Indenture,” and collectively with the General Indenture, the “Indenture”); and

WHEREAS, the execution and delivery of the Series 2018 Bonds and of this Eleventh Supplemental Indenture have in all respects been duly authorized and all things necessary to make the Series 2018 Bonds, when executed by the Issuer and authenticated by the Trustee, the valid and binding legal obligations of the Issuer and to make this Eleventh Supplemental Indenture a valid and binding agreement have been done;

NOW, THEREFORE, THIS ELEVENTH SUPPLEMENTAL INDENTURE OF TRUST WITNESSETH, that to secure the Series 2018 Bonds, the Series 2005A Bonds,

the Series 2006C Bonds, the Series 2008A Bonds, the Series 2009B Bonds, the Series 2015A Bonds, and all Additional Bonds issued and Outstanding under the Indenture, the payment of the Principal or redemption price thereof and interest thereon, the rights of the Registered Owners of the Bonds and of all Security Instrument Issuers and Reserve Instrument Providers and the performance of all of the covenants contained in such Bonds and herein, and for and in consideration of the mutual covenants herein contained and of the purchase of such Bonds by the Registered Owners thereof from time to time and the issuance of the Security Instruments by Security Instrument Issuers and of the Reserve Instruments by the Reserve Instrument Providers, and of the acceptance by the Trustee of the trusts hereby created, and intending to be legally bound hereby, the Issuer has executed and delivered this Eleventh Supplemental Indenture, and by these presents does, in confirmation of the General Indenture, hereby sell, assign, transfer, set over and pledge unto ZB, National Association, as Trustee, its successors and trusts and its assigns forever, to the extent provided in the General Indenture, all right, title and interest of the Issuer in and to (i) the Pledged Revenues, (ii) all moneys in funds and accounts held by the Trustee under the General Indenture and hereunder (except as provided in Section 5.7 of the General Indenture), and (iii) all other rights granted under the General Indenture and hereinafter granted for the further securing of such Bonds, Security Instrument Repayment Obligations and Reserve Instrument Repayment Obligations;

TO HAVE AND TO HOLD THE SAME unto the Trustee and its successors in trust hereby created and its and their assigns forever;

IN TRUST, NEVERTHELESS, FIRST, for the equal and ratable benefit and security of all present and future Registered Owners of Bonds and related Security Instrument Issuers without preference, priority, or distinction as to lien or otherwise (except as otherwise specifically provided), of any one Bond or Security Instrument Repayment Obligation over any other Bond or Security Instrument Repayment Obligation, and SECOND, for the equal and proportionate benefit, security and protection of all Reserve Instrument Providers, without privilege, priority or distinction as to the lien or otherwise of any Reserve Instrument Repayment Obligation over any of the others by reason of time of issuance, delivery or expiration thereof or otherwise for any cause whatsoever.

ARTICLE I

SUPPLEMENTAL INDENTURE; DEFINITIONS

Section 1.1 Supplemental Indenture. This Eleventh Supplemental Indenture is supplemental to, and is executed in accordance with and pursuant to Articles II and IX of the General Indenture.

Section 1.2 Definitions. All terms which are defined in the General Indenture, shall have the meanings, respectively, herein (including the use thereof in the recitals and the granting clauses thereof) unless expressly given a different meaning or unless the context clearly otherwise requires. All terms used herein which are defined in the recitals hereto shall have the meanings therein given to the same unless the context requires otherwise and, in addition, the following terms shall have the meanings specified below:

“Advance Refunded Bonds” means that portion of the Series 2012 Bonds maturing from June 15 of the years and in the amounts, as follows:

[insert maturities and principal amounts]

.

“Cede” means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Series 2018 Bonds pursuant to Section 4.2 hereof.

“Cost of Issuance Account” means the account created by Section 3.6 hereof.

“Costs of Issuance” means the items of expense payable or reimbursable directly or indirectly by the Issuer and other costs incurred by the Issuer, all related to the authorization, sale and issuance of the Series 2018 Bonds, which costs and items of expense shall include, but not be limited to, printing costs, costs of developing, reproducing and storing and safekeeping documents and other information, processing materials related to the Series 2018 Bonds, filing and recording fees, travel expenses incurred by the Issuer in relation to the issuance of the Series 2018 Bonds, initial fees and charges of the Trustee, initial premiums with respect to insurance to be paid by the Issuer, legal fees and charges, professional consultants’ fees, accountants’ fees, costs of bond ratings, Reserve Instrument Costs, Security Instrument Costs, and fees and charges for execution, transportation and safekeeping of the Series 2018 Bonds.

“Current Refunded Bonds” means that portion of the Series 2007A Bonds maturing on June 15, 2032.

“Dated Date” with respect to the Series 2018 Bonds means their date of delivery.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“Eleventh Supplemental Indenture” means this Eleventh Supplemental Indenture of Trust.

[“Escrow Account” means the Escrow Account established in the Escrow Agreement.

“Escrow Agent” means ZB, National Association, One South Main Street, 12th Floor, Salt Lake City, Utah 84133.

“Escrow Agreement” means the Escrow Deposit Agreement dated as of _____ 1, 2018 between the Issuer and the Escrow Agent providing payment of interest on, and the principal and redemption price of, the Refunded Bonds through the redemption date thereof.]

“Interest Payment Date” means with respect to the Series 2018 Bonds, each June 15 and December 15, commencing _____.

“Participants” means those broker-dealers, bank and other financial institutions for which DTC from time to time holds Bonds as securities depository.

“Person” means natural persons, firms, partnerships, associations, corporations, trusts, public bodies and other entities.

[“Purchaser” means _____.]

[“Refunded Bonds” means collectively, the Advance Refunded Bonds and the Current Refunded Bonds.]

“Register” means the record of ownership of the Series 2018 Bonds maintained by the Registrar.

“Regular Record Date” means the fifteenth day (whether or not a business day) next preceding such Interest Payment Date.

“Representation Letter” means the representation letter from the Issuer to DTC in the form of Exhibit C attached hereto.

“Series 2005A Bonds” means the Issuer’s Sales Tax Revenue Refunding Bonds, Series 2005A.

“Series 2006C Bonds” means the Issuer’s Sales Tax Revenue Refunding Bonds, Series 2006C.

“Series 2007A Bonds” means the Issuer’s Subordinated Sales Tax Revenue and Refunding Bonds, Series 2007A, issued pursuant to the Subordinate Indenture.

“Series 2008A Bonds” means the Issuer’s Sales Tax Revenue Bonds, Series 2008A.

“Series 2009B Bonds” means the Issuer’s Sales Tax Revenue Bonds, Series 2009B (Federally Taxable—Issuer Subsidy—Build America Bonds).

“Series 2012 Bonds” means the Issuer’s Subordinated Sales Tax Revenue and Refunding Bonds, Series 2012, issued pursuant to the Subordinate Indenture.

“Series 2015A Bonds” means the Issuer’s Sales Tax Revenue Refunding Bonds, Series 2015A herein authorized.

“Series 2018 Bonds” means the Issuer’s Sales Tax Revenue [and] [Refunding] Bonds, Series 2018 herein authorized.

“Series 2018 Construction Account” means the Series 2018 Construction Account established in Section 3.2 hereof.

“Series 2018 Project” means the financing of a portion of the costs associated with _____.

“Subordinate Bonds” means bonds issued pursuant to the Subordinate Indenture.

“Subordinate Indenture” means that certain Subordinate Indenture of Trust, dated as of July 1, 2006, providing for the issuance of Subordinate Bonds.

“Tax Certificate” means any agreement or certificate of the Issuer which the Issuer may execute in order to establish and maintain the tax-exempt status of interest received on the Series 2018 Bonds.

“2018 Continuing Disclosure Undertaking” means that certain Continuing Disclosure Undertaking between the Issuer and the Trustee dated the date of issuance and delivery of the Series 2018 Bonds, as originally executed and as it may be amended from time to time in accordance with its terms.

[“Underwriter” means _____.]

The terms “hereby,” “hereof,” “herein” and “hereunder” and any similar terms used in this Eleventh Supplemental Indenture, refer to this Eleventh Supplemental Indenture.

ARTICLE II

ISSUANCE OF THE Series 2018 Bonds

Section 2.1 Principal Amount, Designation and Series. The Series 2018 Bonds are hereby authorized for issuance under the Indenture for the purpose of providing funds to (i) finance the Project; (ii) [refund the Refunded Bonds] and (iii) pay costs incurred in connection with the issuance of the Series 2018 Bonds. The Series 2018 Bonds shall be limited to \$_____ in aggregate principal amount, shall be issued in fully registered form, shall be in substantially the form and contain substantially the terms contained in Exhibit A attached hereto and made a part hereof, and shall bear interest at the rates and be payable as to principal or redemption price as specified herein. The Series 2018 Bonds shall be designated as, and shall be distinguished from the Bonds of all other series by the title, “Sales Tax Revenue [and][Refunding] Bonds, Series 2018.”

Section 2.2 Date, Maturities and Interest. The Series 2018 Bonds shall be dated as of their Dated Date, and shall mature on the dates and in the years and in the amounts and shall bear interest from the Interest Payment Date next preceding their date of authentication thereof unless authenticated as of an Interest Payment Date, in which event such Bonds shall bear interest from such date, or unless such Bonds are authenticated prior to the first Interest Payment Date, in which event such Bonds shall bear interest from their Dated Date or unless, as shown by the records of the Trustee, interest on the Series 2018 Bonds shall be in default, in which event such Bonds shall bear interest from the date to which interest has been paid in full, or unless no interest shall have been paid on such Bonds, in which event such Bonds shall bear interest from their Dated Date, payable on each Interest Payment Date, at the rates per annum as set forth below:

<u>Maturity Date</u> <u>(December 15)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
--	-------------------------	----------------------

Interest shall be calculated on the basis of a year of 360 days comprised of twelve 30-day months.

Section 2.3 Execution of Bonds. The President of the Issuer is hereby authorized to execute by facsimile or manual signature the Series 2018 Bonds and the Secretary/Treasurer of the Issuer to countersign by facsimile or manual signature the Series 2018 Bonds and to have imprinted, engraved, lithographed, stamped or otherwise placed on the Series 2018 Bonds a facsimile of the official seal of the Issuer, and the Trustee shall manually authenticate the Series 2018 Bonds.

Section 2.4 Delivery of Bonds. The Series 2018 Bonds, when executed, registered, and authenticated as provided herein and by law, shall be delivered by the Issuer to the Purchaser upon receiving full payment therefor.

Section 2.5 Designation of Registrar. ZB, National Association, Corporate Trust Department, One South Main Street, 12th Floor, Salt Lake City, Utah, or Trustee's Principal Corporate Trust Office, is hereby designated as Registrar for the Series 2018 Bonds, which approval shall be evidenced by a written acceptance from the Registrar.

Section 2.6 Designation of Paying Agent. ZB, National Association, Corporate Trust Department, One South Main Street, 12th Floor, Salt Lake City, Utah, or Trustee's Principal Corporate Trust Office, is hereby designated as Paying Agent for the Series 2018 Bonds, which approval shall be evidenced by a written acceptance from the Paying Agent.

Section 2.7 Limited Obligation. The Series 2018 Bonds, together with interest thereon, shall be limited obligations of the Issuer payable solely from the Pledged Revenues (except to the extent paid out of moneys attributable to the Series 2018 Bond proceeds or other funds created hereunder or under the Indenture or the income from the temporary investment thereof).

Section 2.8 Mandatory Sinking Fund Redemption.

(a) The Series 2018 Bonds are subject to mandatory redemption from Sinking Fund Installments, by lot in such manner as the Trustee may determine, at a price equal to one hundred percent (100%) of the Principal amount thereof plus accrued interest to the redemption date, on the dates and in the principal amounts as follows:

<u>Redemption Date</u> <u>(December 15)</u>	<u>Principal Amount</u>
--	-------------------------

*Final Maturity

(b) Principal payments due upon mandatory sinking fund redemption (other than at maturity) may be noted on the Record of Principal Payments attached to the Series 2018 Bond and upon signature of an authorized officer of the Registered Owner, the principal amount of the Series 2018 Bond shall be reduced by the payment of principal thereof on the dates and amounts indicated on such Record of Principal Payments without the surrender of the Series 2018 Bond to the Trustee.

(c) If fewer than all of the Series 2018 Bonds are redeemed in a manner other than pursuant to a mandatory sinking fund redemption, the Principal amount so redeemed shall be credited at one hundred percent (100%) of the Principal amount thereof by the Trustee against the obligation of the Issuer on future mandatory sinking fund redemption dates for the Series 2018 Bonds in such order as shall be directed by the Issuer.

Section 2.9 Optional Redemption. The Series 2018 Bonds are subject to redemption prior to their maturity, in whole or in part, at the option of the Issuer on _____, _____ or on any date thereafter at a redemption price equal to 100% of the principal amount of the Series 2018 Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption.

Section 2.10 Perfection of Security Interest.

(a) The Indenture creates a valid and binding pledge and assignment of security interest in all of the Pledged Revenues pledged under the Indenture in favor of the Trustee as security for payment of the Series 2018 Bonds, enforceable by the Trustee in accordance with the terms thereof.

(b) Under the laws of the State, such pledge and assignment and security interest is automatically perfected by Section 11-14-501, Utah Code Annotated 1953, as amended, and is and shall have priority as against all parties having claims of any kind in tort, contract, or otherwise hereafter imposed on the Pledged Revenues.

ARTICLE III

APPLICATION OF PROCEEDS

Section 3.1 Application of Proceeds of the Series 2018 Bonds. The Issuer shall deposit with the Trustee the proceeds from the sale of the Series 2018 Bonds (representing the principal amount of the Series 2018 Bonds) and the Trustee shall deposit such proceeds as follows:

(a) Into the Series 2018 Construction Account, the amount of \$_____;

(b) [An amount equal to \$_____ into the Bond Fund to be used to redeem the Current Refunded Bonds on the Date of Issuance;]

(c) [An amount equal to \$_____ shall be transferred by the Trustee to the Escrow Account, with \$_____ invested in the Government Obligations described in the Escrow Agreement and \$_____ deposited as a beginning cash balance, the principal and interest on which shall be sufficient to pay interest on the Advance Refunded Bonds and to redeem the Advance Refunded Bonds on _____; and]

(d) The remaining amount of \$_____ into the Cost of Issuance Account to be held by the Trustee under this Supplemental Indenture.

Section 3.2 Series 2018 Construction Account. There is hereby established a Series 2018 Account in the Construction Fund designated as the “Series 2018 Construction Account,” moneys in which shall be used for the purpose and as authorized by Section 5.1 of the General Indenture to pay the Costs of the Series 2018 Project.

Section 3.3 No Series 2018 Debt Service Reserve Requirement There will be no Debt Service Reserve Requirement for the Series 2018 Bonds.

Section 3.4 Completion of the Series 2018 Project. Any unexpended balance remaining in the Series 2018 Construction Account after completion of the Series 2018 Project shall, as directed by the Issuer, be paid immediately into the Bond Fund and used pursuant to the provisions of the General Indenture.

Section 3.5 Series 2018 Bonds as Additional Bonds. The Series 2018 Bonds are issued on a parity with the Series 2005A Bonds, the Series 2006C Bonds, the Series 2008A Bonds, the Series 2009B Bonds, the Series 2013 Bonds, and the Series 2015A Bonds under the Indenture as Additional Bonds. The Issuer hereby certifies that the requirements set forth in Section 2.15 of the General Indenture and Section 2.15 of the Subordinate Indenture have been and will be complied with in connection with the issuance of the Series 2018 Bonds, as follows:

(a) The Issuer has delivered a written certificate executed by an Authorized Representative of the Issuer to the effect that Adjusted Sales and Use Taxes are at least 200% of the maximum Aggregate Debt Service for any Bond Fund Year on all of the Bonds that will be Outstanding, including the Series 2018 Bonds, upon the issuance of the Series 2018 Bonds.

(b) The Issuer has delivered a written certificate executed by an Authorized Representative of the Issuer to the effect that Adjusted Sales and Use Taxes are at least 120% of the maximum Aggregate Debt Service for any Bond Fund Year on all of the Bonds that will be Outstanding, including the Series 2018 Bonds and the Subordinate Bonds, upon the issuance of the Series 2018 Bonds.

(c) No Repayment Obligations are now due and owing under the Indenture and no repayment obligations are now due and owing under the Subordinate Indenture.

(d) All payments required by the Indenture to be made into the Bond Fund have been made in full, and there is on deposit in each account in the Debt Service Reserve Fund (taking into account any Reserve Instrument Coverage) the full amount required by the Indenture to be accumulated therein. Furthermore, all payments required by the Subordinate Indenture to be made into the bond fund therein have been made in full, and there is on deposit in each account in the debt service reserve fund therein the full amount required by the Subordinate Indenture to be accumulated therein.

(e) The proceeds of the Additional Bonds, less costs of issuance and funding of reserves, will be used in connection with the refunding of the Refunded Bonds.

(f) No Event of Default is existing under the Indenture or the Subordinate Indenture.

Section 3.6 Creation and Operation of Cost of Issuance Account. A Cost of Issuance Account is hereby created to be held by the Trustee. Moneys in such Account shall be used to pay Costs of Issuance incurred in connection with the issuance of the Series 2018 Bonds. The Trustee shall issue its checks for each disbursement from the Cost of Issuance Account (except for any fees payable to the Trustee, which may be withdrawn directly by it) upon being furnished with a Cost of Issuance Disbursement Request of the Issuer, a form of which is attached hereto as Exhibit B. Any excess remaining upon payment of all Costs of Issuance, or in any case 90 days after the date of delivery, shall be transferred by the Trustee to the Bond Fund upon receipt by the Trustee of a certificate of the Issuer stating that such moneys are no longer needed for the payment of Costs of Issuance, whereupon the Cost of Issuance Account shall be closed.

ARTICLE IV

PROVISIONS WITH RESPECT TO DISCLOSURE AND BOOK-ENTRY; COVENANTS AND UNDERTAKINGS

Section 4.1 Continuing Disclosure. The Issuer hereby covenants and agrees that it will comply with and carry out all of the provisions of the 2018 Continuing Disclosure Undertaking. Notwithstanding any other provision of the Indenture, failure of the Issuer to comply with the 2018 Continuing Disclosure Undertaking shall not be considered an Event of Default under the Indenture; however, the Trustee may (and, at the request of any of the Purchasers or the Bondholders of the Series 2018 Bonds owning at least 25% aggregate principal amount of Outstanding Bonds, shall) or any Bondholder of the Series 2018 Bonds or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Section and the 2018 Continuing Disclosure Undertaking. For purposes of this Section, Beneficial Owner shall mean any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2018 Bond (including persons holding Series 2018 Bonds through nominees, depositories or other intermediaries).

Section 4.2 Book-Entry System; Limited Obligation of Issuer; Representation Letter.

(a) The Series 2018 Bonds shall be initially issued in the form of a single certificated fully registered bond for each maturity of Series 2018 Bonds. Upon initial issuance, the ownership of each such Series 2018 Bond shall be registered in the registration books kept by the Registrar in the name of Cede, as nominee of DTC. Except as provided in Subsection (c) of this Section 4.2, all of the outstanding Series 2018 Bonds shall be registered in the registration books kept by the Registrar in the name of Cede, as nominee of DTC.

With respect to Series 2018 Bonds registered in the registration books kept by the Registrar in the name of Cede, as nominee of DTC, the Issuer, the Registrar and the Paying Agent shall have no responsibility or obligation to any Participant or to any Person on behalf of which a Participant holds an interest in the Series 2018 Bonds. Without limiting the immediately preceding sentence, the Issuer, the Trustee, the Registrar and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any Participant with respect to any ownership interest in the Series 2018 Bonds, (ii) the delivery to any Participant or any other Person, other than a Bondholder, as shown in the registration books kept by the Registrar, of any notice with respect to the Series 2018 Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other Person, other than a Bondholder, as shown in the registration books kept by the Registrar, of any amount with respect to principal of, premium, if any, or interest on the Series 2018 Bonds. The Issuer, the Trustee, the Registrar and the Paying Agent may treat and consider the Person in whose name each Series 2018 Bond is registered

on the registration books kept by the Registrar as the holder and absolute owner of such Series 2018 Bond for the purpose of payment of principal, premium and interest with respect to such Series 2018 Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2018 Bond, for the purpose of registering transfers with respect to such Series 2018 Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any, and interest on the Series 2018 Bonds only to or upon the order of the respective Bondholders, as shown in the registration books kept by the Registrar, or their respective attorneys duly authorized in writing, as provided in Section 2.8 of the General Indenture, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of, premium, if any, and interest on the Series 2018 Bonds to the extent of the sum or sums so paid. No Person other than a Bondholder, as shown in the registration books kept by the Registrar, shall receive a certificated Series 2018 Bond evidencing the obligation of the Issuer to make payments of principal, premium, if any, and interest pursuant to the Indenture. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the provisions herein with respect to record dates, the word "Cede" in this Eleventh Supplemental Indenture shall refer to such new nominee of DTC; and upon receipt of such a notice the Trustee shall promptly deliver a copy of the same to the Registrar and the Paying Agent, if other than the Trustee.

(b) The Representation Letter in substantially the form attached hereto as Exhibit C has previously been authorized and executed on behalf of the Issuer. The Issuer's execution and delivery of the Representation Letter shall not in any way limit the provisions of Section 4.2(a) hereof or in any other way impose upon the Issuer any obligation whatsoever with respect to Persons having interests in the Series 2018 Bonds other than the Bondholders, as shown on the registration books kept by the Registrar. The Paying Agent and Registrar, respectively, hereby agree to take all action necessary for all representations of the Issuer in the Representation Letter and DTC's operational arrangements with respect to the Paying Agent and Registrar, respectively, to at all times be complied with.

(c) In the event that (i) the Issuer determines that DTC is incapable of discharging or is unwilling to discharge its responsibilities described herein and in the Representation Letter and DTC's operational arrangements, (ii) DTC determines to discontinue providing its service as securities depository with respect to the Series 2018 Bonds at any time as provided in the Representation Letter and DTC's operational arrangements, or (iii) the Issuer determines that continuation of the system of book-entry only transfers through DTC is not in the best interests of the beneficial owners of the Series 2018 Bonds or of the Issuer, the Issuer may thereupon terminate the services of DTC with respect to the Series 2018 Bonds. The Issuer shall terminate the services of DTC with respect to the Series 2018 Bonds upon receipt by the Issuer of written notice from DTC to the effect that DTC has received notice from Participants having interests, as shown on the records of DTC, in an aggregate principal amount of not less than fifty

percent (50%) of the aggregate Principal amount of the then Outstanding Series 2018 Bonds to the effect that: (i) DTC is unable to discharge its responsibilities with respect to the Series 2018 Bonds; or (ii) a continuation of the requirement that all Outstanding Series 2018 Bonds be registered in the registration books kept by the Registrar in the name of Cede is not in the best interests of the beneficial owners of the Series 2018 Bonds. In any such event terminating the services of DTC, the Issuer shall notify DTC and direct DTC to notify the Participants of the availability through DTC of Series 2018 Bond certificates and the Series 2018 Bonds shall no longer be restricted to being registered in the registration books kept by the Registrar in the name of Cede, as nominee of DTC. At that time, the Issuer may determine that the Series 2018 Bonds shall be registered in the name of and deposited with such other depository operating a universal book-entry system, as may be acceptable to the Issuer, or such depository's agent or designee, and if the Issuer does not select such alternate universal book-entry system, then the Series 2018 Bonds shall no longer be restricted to being registered in the registration books kept by the Registrar in the name of Cede, as nominee of DTC, but may be registered in whatever name or names Series 2018 Bondholders transferring or exchanging Bonds shall designate, in accordance with the provisions of the General Indenture.

(d) Notwithstanding any other provision of the Indenture to the contrary, so long as any Series 2018 Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Series 2018 Bond and all notices with respect to such Series 2018 Bond shall be made and given, respectively, in the manner provided in the Representation Letter and DTC's operational arrangements.

Section 4.3 Arbitrage Covenant; Covenant to Maintain Tax Exemption.

(a) Authorized officials of the Issuer shall execute and deliver from time to time such Tax Certificates as shall be necessary to establish that (i) the Series 2018 Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Code; (ii) the Series 2018 Bonds are not and will not become "private activity bonds" within the meaning of Section 141 of the Code; (iii) all applicable requirements of Section 149 of the Code are and will be met; (iv) the covenants of the Issuer contained in this Section 4.3 will be complied with; and (v) interest on the Series 2018 Bonds is not and will not become includible in gross income for federal income tax purposes under the Code.

(b) The Issuer covenants and certifies to and for the benefit of the Owners from time to time of the Series 2018 Bonds that:

(i) it will at all times comply with the provisions of any Tax Certificates;

(ii) it will at all times comply with the rebate requirements contained in Section 148(f) of the Code including, without limitation, the

keeping of records necessary to enable such calculations to be made and the timely payment to the United States, of all amounts, including any applicable penalties and interest, required to be rebated;

(iii) no use will be made of the proceeds of the issue and sale of the Series 2018 Bonds, or any funds or accounts of the Issuer which may be deemed to be proceeds of the Series 2018 Bonds, pursuant to Section 148 of the Code which use, if it had been reasonably expected on the date of issuance of the Series 2018 Bonds, would have caused the Series 2018 Bonds to be classified as “arbitrage bonds” within the meaning of Section 148 of the Code;

(iv) [it will not use or permit the use of any of the facilities or properties financed by the Refunded Bonds in such manner that such use would cause the Series 2018 Bonds to be “private activity bonds” as described in Section 141 of the Code;]

(v) it will not take any action that would cause interest on the Series 2018 Bonds to be or to become ineligible for the exclusion from gross income of the Owners of the Series 2018 Bonds as provided in Section 103 of the Code, nor will they omit to take or cause to be taken, in timely manner, any action, which omission would cause interest on the Series 2018 Bonds to be or to become ineligible for the exclusion from gross income of the owners of the Series 2018 Bonds as provided in Section 103 of the Code; and

(vi) it will adopt, make, execute and enter into (and to take such actions, if any, as may be necessary to enable them to do so) any resolution or Tax Certificate necessary to comply with any changes in law or regulations in order to preserve the exclusion of interest on the Series 2018 Bonds from gross income of the Bondholders thereof for federal income tax purposes to the extent that they may lawfully do so.

Pursuant to these covenants, the Issuer obligates itself to comply throughout the term of the issue of the Series 2018 Bonds with the requirements of Sections 103, 148, 149 and 150 of the Code.

(c) Terms used in this Section 4.3 which are not otherwise defined herein have the same meanings herein as in the provisions of the Code which relate to tax-exempt bonds.

(d) Notwithstanding any other provision in the Indenture, to the extent permitted by law, neither the Issuer, the Trustee, nor any holder of a Series 2018 Bond shall claim or accept the benefits of any federal guarantee unless there has been obtained an opinion of counsel of nationally recognized standing in the field of law relating to municipal bonds to the effect that acceptance of such federal

guarantee will not adversely affect the tax-exempt status of interest on the Series 2018 Bonds.

ARTICLE V

CONFIRMATION OF GENERAL INDENTURE

As supplemented by this Eleventh Supplemental Indenture, and except as provided herein, the General Indenture (as heretofore supplemented and amended) is in all respects ratified and confirmed, and the General Indenture, and this Eleventh Supplemental Indenture shall be read, taken and construed as one and the same instrument so that all of the rights, remedies, terms, conditions, covenants and agreements of the General Indenture shall apply and remain in full force and effect with respect to this Eleventh Supplemental Indenture, and to any revenues, receipts and moneys to be derived therefrom.

ARTICLE VI

MISCELLANEOUS

Section 6.1 Confirmation of Sale of Series 2018 Bonds. The sale of the Series 2018 Bonds to the Purchaser at a price of \$ _____ is hereby ratified, confirmed and approved.

Section 6.2 Severability. If any provision of this Eleventh Supplemental Indenture shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or sections in this Eleventh Supplemental Indenture contained, shall not affect the remaining portions of this Eleventh Supplemental Indenture, or any part thereof.

Section 6.3 Illegal, etc. Provisions Disregarded. In case any provision in this Eleventh Supplemental Indenture shall for any reason be held invalid, illegal or unenforceable in any respect, this Eleventh Supplemental Indenture shall be construed as if such provision had never been contained herein.

Section 6.4 Applicable Law. This Eleventh Supplemental Indenture shall be governed by and construed in accordance with the laws of the State.

Section 6.5 Headings for Convenience Only. The descriptive headings in this Eleventh Supplemental Indenture are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

Section 6.6 Counterparts. This Eleventh Supplemental Indenture may be executed in any number of counterparts, each of which shall be deemed an original and all of which, when so executed and delivered, shall constitute but one and the same instrument.

Section 6.7 Notice to Bond Insurer. A copy of this Eleventh Supplemental Indenture has been provided to Assured Guaranty Municipal Corp. (“AGM”), as a Security Instrument Issuer under the Indenture and AGM will be provided with a copy of the transcript for the Series 2018 Bonds.

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this Eleventh Supplemental Indenture of Trust to be executed as of the date first above written.

UTAH TRANSIT AUTHORITY

(SEAL)

By: _____
President

COUNTERSIGN:

Secretary/Treasurer

APPROVED AS TO FORM:

By: _____
UTA Legal Counsel

ZB, NATIONAL ASSOCIATION,
TRUSTEE

By: _____

Title: _____

ATTEST:

Title: _____

EXHIBIT A

(FORM OF SERIES 2018 BOND)

Unless this certificate is presented by an authorized representative of the Depository Trust Company (55 Water Street, New York, New York) to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of the Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

**UNITED STATES OF AMERICA
STATE OF UTAH
UTAH TRANSIT AUTHORITY
SALES TAX REVENUE [AND] [REFUNDING] BOND
SERIES 2018**

Number R - _____ \$ _____

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
%	December 15, _____	_____, 2018	_____

Registered Owner: CEDE & CO.

Principal Amount: _____ AND NO/100 DOLLARS***

Utah Transit Authority (“Issuer”), a public transit district and body corporate duly organized and existing under the Constitution and laws of the State of Utah, for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner named above or registered assigns, out of the special fund hereinbelow designated and not otherwise, the Principal Amount specified above on the Maturity Date specified above (except as provided herein with respect to redemption prior to maturity) with interest thereon until paid at the Interest Rate specified above per annum, payable semiannually on June 15 and December 15 of each year commencing _____ (each an “Interest Payment Date”), until said Principal Amount is paid. Principal and premium, if any, shall be payable upon surrender of this Bond at the principal offices of ZB, National Association, Corporate Trust Department, One South Main Street, 12th Floor, Salt Lake City, Utah, 84133 (“Trustee” and “Paying Agent”) or its successors. Interest on this Bond shall be payable by check or draft mailed to the Registered Owner hereof at its address as it appears on the registration books of the Paying Agent, who shall also act as the Registrar for the Issuer, or at such other address as is furnished to the Paying Agent in writing by such Registered Owner. Interest thereon shall be deemed to

be paid by the Paying Agent when mailed. Both principal and interest shall be payable in lawful money of the United States of America.

This Bond is one of an issue of Bonds in the aggregate principal amount of \$_____ (the “Series 2018 Bonds”), of like tenor and effect, except as to date of maturity, interest rate, and principal payable at maturity numbered R-1 and upwards, issued by the Issuer pursuant to that Amended and Restated General Indenture dated as of September 1, 2002, as heretofore amended and supplemented, as further supplemented by the Eleventh Supplemental Indenture of Trust, dated as of _____ 1, 2018 (collectively the “Indenture”) approved by resolution adopted on September 27, 2017, for the purpose of (i) financing a portion of the costs associated with additions and improvements to the Issuer’s transit system, (ii) [refunding a portion of the Issuer’s outstanding sales tax revenue bonds (the “Refunded Bonds”)] and (iii) paying certain issuance expenses, all in full conformity with the Constitution and laws of the State of Utah. Both principal of and interest on this Bond and the issue of which it is a part are payable solely from a special fund designated “Utah Transit Authority Bond Fund” (the “Bond Fund”), into which fund, to the extent necessary to assure prompt payment of the principal of and interest on the issue of which this is one and on all series of bonds issued on a lien parity with this Bond shall be paid the Pledged Revenues, all as more fully described and provided in the Indenture.

As more fully provided in the Indenture, the Series 2018 Bonds are special limited obligations of the Issuer, payable from and secured solely by the Pledged Revenues and certain moneys held by the Trustee under the Indenture and shall not constitute a general obligation indebtedness or pledge of the full faith and credit of the Issuer or of the State of Utah or any agency, instrumentality or political subdivision thereof. The issuance of the Series 2018 Bonds shall not, directly, indirectly or contingently, obligate the Issuer or the State of Utah or any agency, instrumentality or political subdivision thereof to levy any form of ad valorem taxation therefore. The Issuer covenants and agrees that, subject to such special limited obligation, it will make all payments required to be made into the Bond Fund, and to carry out all the requirements of the Indenture.

Under the Indenture, the Issuer has previously issued its Sales Tax Revenue Refunding Bonds, Series 2005A (the “Series 2005A Bonds”), its Sales Tax Revenue Refunding Bonds, Series 2006C (the “Series 2006C Bonds”); its Sales Tax Revenue Bonds, Series 2008A (the “Series 2008A Bonds”), its Sales Tax Revenue Bonds, Series 2009B (Federally Taxable—Issuer Subsidy—Build America Bonds) (the “Series 2009B Bonds”) and its Sales Tax Revenue Refunding Bonds, Series 2015A (the “Series 2015A Bonds”). As provided in the Indenture, additional bonds, notes and other obligations of the Issuer may be issued and secured on an equal lien parity with the Series 2018 Bonds, the Series 2005A Bonds, the 2006C Bonds, the Series 2008A Bonds, the 2009B Bonds, the Series 2013 Bonds and the Series 2015A Bonds from time to time in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the Indenture, and the aggregate principal amount of such bonds, notes and other obligations issued and to be issued under the Indenture is not limited. In addition, the Issuer may issue bonds, notes or other obligations secured by a subordinated lien on the Pledged Revenues.

Reference is hereby made to the Indenture, copies of which are on file with the Trustee, for the provisions, among others, with respect to the nature and extent of the rights, duties and obligations of the Issuer, the Trustee and the Registered Owners of the Series 2018 Bonds, the terms upon which the Series 2018 Bonds are issued and secured, and upon which the Indenture may be modified and amended, to all of which the Registered Owner of this Bond assents by the acceptance of this Bond.

Except as otherwise provided herein and unless the context indicates otherwise, words and phrases used herein shall have the same meanings as such words and phrases in the Indenture.

Interest on the initially issued Bonds and on all Bonds authenticated prior to the first Interest Payment Date shall accrue from the Dated Date specified above. Interest on the Bonds authenticated on or subsequent to the first Interest Payment Date shall accrue from the Interest Payment Date next preceding their date of authentication, or if authenticated on an Interest Payment Date, as of that date; provided, however, that if interest on the Bonds shall be in default, interest on the Bonds issued in exchange for Bonds surrendered for transfer or exchange shall be payable from the date to which interest has been paid in full on the Bonds surrendered.

The Series 2018 Bonds are subject to redemption at the times and with notice all as provided in the Indenture.

The Bonds are issued as fully registered Bonds. Subject to the limitations and upon payment of the charges provided in the Indenture, registered Bonds may be exchanged for a like aggregate principal amount of registered Bonds of other authorized denominations of the same series and the same maturity.

This Bond is transferable by the registered holder hereof in person or by its attorney duly authorized in writing at the principal corporate offices of ZB, National Association (the "Registrar") in Salt Lake City, Utah, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture and upon surrender and cancellation of this Bond. Upon such transfer a new registered Bond or Bonds of the same series and the same maturity and of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor.

The Issuer and the Paying Agent may deem and treat the Registered Holder hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof, premium, if any, and interest due hereon and for all other purposes, and neither Issuer nor Paying Agent shall be affected by any notice to the contrary.

This Bond is issued under and pursuant to the Public Transit District Act, Title 17B, Chapter 2a, Part 8, Utah Code Annotated 1953, as amended, the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, and the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended.

It is hereby declared and represented that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened and have been performed in regular and due time, form and manner as required by law, that the amount of this Bond, together with the issue of which it forms a part, does not exceed any limitation prescribed by the Constitution or statutes of the State of Utah, that the Pledged Revenues of the Issuer have been pledged and that an amount therefrom will be set aside into a special fund by the Issuer sufficient for the prompt payment of the principal of and interest on this Bond and the issue of which it forms a part, as authorized for issue under the Indenture, and that the Pledged Revenues of the Issuer are not pledged, hypothecated or anticipated in any way other than by the issue of the Bonds of which this Bond is one and all bonds issued on a parity with this Bond or subordinate to the lien of the Indenture.

This Bond shall not be valid or become obligatory for any purpose nor be entitled to any security or benefit under the Indenture until the Certificate of Authentication on this Bond shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed by the manual or facsimile signature of its President and countersigned by the manual or facsimile signature of its Secretary/Treasurer under its corporate seal or a facsimile thereof.

(SEAL)

(facsimile or manual signature)
President

COUNTERSIGN:

(facsimile or manual signature)
Secretary/Treasurer

APPROVED AS TO FORM:

By: _____
UTA Legal Counsel

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Sales Tax Revenue [and] [Refunding] Bonds, Series 2018 of the Utah Transit Authority.

ZB, NATIONAL ASSOCIATION, as
Trustee

By: _____
(Manual Signature)
Authorized Officer

Date of Authentication: _____

(ASSIGNMENT)

FOR VALUE RECEIVED, _____, the undersigned, hereby sells, assigns and transfers unto:

(Social Security or Other Identifying Number of Assignee)

(Please Print or Typewrite Name and Address of Assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____

Signature: _____
NOTICE: The signature to this assignment must correspond with the name as it appears on the face of this Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an "eligible guarantor institution" that is a member of or a participant in a "signature guarantee program" (e.g., the Securities Transfer Agents Medallion Program, the Stock Exchange Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program).

EXHIBIT B

COST OF ISSUANCE DISBURSEMENT REQUEST

ZB, National Association
One South Main Street, 12th Floor
Salt Lake City, Utah 84133

Pursuant to Section 3.4 of the Eleventh Supplemental Indenture of Trust dated as of _____ 1, 2018 between the Utah Transit Authority and ZB, National Association you are hereby authorized to pay to the following costs of issuance from the Cost of Issuance Account:

[See Attached Schedule]

AUTHORIZED REPRESENTATIVE,
UTAH TRANSIT AUTHORITY

COSTS OF ISSUANCE

Payee	Purpose	Amount
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EXHIBIT C

LETTER OF REPRESENTATIONS

[See Transcript Document No. ____]

TWELFTH SUPPLEMENTAL SUBORDINATE INDENTURE OF TRUST

Dated as of _____ 1, 2018

between

UTAH TRANSIT AUTHORITY,
as Issuer

and

ZB, NATIONAL ASSOCIATION,
as Trustee

and supplementing the

Subordinate General Indenture of Trust
Dated as of July 1, 2006

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TWELFTH SUPPLEMENTAL SUBORDINATE INDENTURE OF TRUST

THIS TWELFTH SUPPLEMENTAL SUBORDINATE INDENTURE OF TRUST, dated as of _____ 1, 2018, by and between the UTAH TRANSIT AUTHORITY (the “Issuer”), a public transit district duly organized and existing under the Constitution and laws of the State of Utah and ZB, NATIONAL ASSOCIATION dba ZIONS BANK, a national bank duly organized and existing under the laws of the United States of America, authorized by law to accept and execute trusts and having its principal office in Salt Lake City, Utah, as trustee (the “Trustee”);

WITNESSETH:

WHEREAS, the Issuer has entered into a Subordinate General Indenture of Trust, dated as of July 1, 2006 as heretofore supplemented (the “General Indenture”) with the Trustee; and

WHEREAS, pursuant to the General Indenture the Issuer has previously issued (among others) its Subordinated Sales Tax Revenue and Refunding Bonds, Series 2007A (the “Series 2007A Bonds”) and its Subordinated Sales Tax Revenue and Refunding Bonds, Series 2012 (the “Series 2012 Bonds”), all for the purpose of (among others) financing and refinancing certain improvements and additions to its public transit system; and

WHEREAS, the Issuer desires to refund portions of the outstanding Series 2007A Bonds and Series 2012 Bonds as hereinafter set forth (collectively, the “Refunded Bonds”); and

WHEREAS, the Issuer is authorized to issue bonds, notes and other obligations pursuant to the provisions of the General Indenture in order to refund any outstanding borrowing of the Issuer; and

WHEREAS in order to (i) finance a portion of the costs associated with additions and improvements to the System (the “Series 2018 Project”), (ii) [refund the Refunded Bonds] and (iii) pay the costs of issuance of the Bonds herein authorized, the Issuer has determined to issue its Subordinated Sales Tax Revenue [and] [Refunding] Bonds, Series 2018 (the “Series 2018 Bonds”), in the aggregate original Principal amount of \$ _____; and

WHEREAS, the Series 2018 Bonds will be issued on a parity with the Issuer’s Series 2016 Bonds, Series 2015A Bonds, Series 2012 Bonds, Series 2010 Bonds, and Series 2007A Bonds heretofore issued pursuant to the General Indenture and will be authorized, issued and secured under the General Indenture, as supplemented by this Twelfth Supplemental Subordinate Indenture of Trust (the “Twelfth Supplemental Indenture,” and collectively with the General Indenture, the “Indenture”); and

WHEREAS, the execution and delivery of the Series 2018 Bonds and of this Twelfth Supplemental Indenture have in all respects been duly authorized and all things

necessary to make the Series 2018 Bonds, when executed by the Issuer and authenticated by the Trustee, the valid and binding legal obligations of the Issuer and to make this Twelfth Supplemental Indenture a valid and binding agreement have been done;

NOW, THEREFORE, THIS TWELFTH SUPPLEMENTAL SUBORDINATE INDENTURE OF TRUST WITNESSETH, that to secure the Series 2018 Bonds, Series 2016 Bonds, Series 2015A Bonds, Series 2012 Bonds, Series 2010 Bonds, and Series 2007A Bonds, and all Additional Bonds issued and Outstanding under the Indenture, the payment of the Principal or redemption price thereof and interest thereon, the rights of the Registered Owners of the Bonds and of all Security Instrument Issuers and Reserve Instrument Providers and the performance of all of the covenants contained in such Bonds and herein, and for and in consideration of the mutual covenants herein contained and of the purchase of such Bonds by the Registered Owners thereof from time to time and the issuance of the Security Instruments by Security Instrument Issuers and of the Reserve Instruments by the Reserve Instrument Providers, and of the acceptance by the Trustee of the trusts hereby created, and intending to be legally bound hereby, the Issuer has executed and delivered this Twelfth Supplemental Indenture, and by these presents does, in confirmation of the General Indenture, hereby sell, assign, transfer, set over and pledge unto ZB, National Association, as Trustee, its successors and trusts and its assigns forever, to the extent provided in the General Indenture, all right, title and interest of the Issuer in and to (i) the Pledged Revenues (as defined in the General Indenture) subordinate only to the lien created by the Senior Indenture (as defined in the General Indenture), (ii) all moneys in funds and accounts held by the Trustee under the General Indenture and hereunder (except as provided in Sections 5.4 and 5.7 of the General Indenture), and (iii) all other rights granted under the General Indenture and hereinafter granted for the further securing of such Bonds, Security Instrument Repayment Obligations and Reserve Instrument Repayment Obligations.

TO HAVE AND TO HOLD THE SAME unto the Trustee and its successors in trust hereby created and its and their assigns forever;

IN TRUST, NEVERTHELESS, FIRST, for the equal and ratable benefit and security of all present and future Registered Owners of Bonds and related Security Instrument Issuers without preference, priority, or distinction as to lien or otherwise (except as otherwise specifically provided), of any one Bond or Security Instrument Repayment Obligation over any other Bond or Security Instrument Repayment Obligation, and SECOND, for the equal and proportionate benefit, security and protection of all Reserve Instrument Providers, without privilege, priority or distinction as to the lien or otherwise of any Reserve Instrument Repayment Obligation over any of the others by reason of time of issuance, delivery or expiration thereof or otherwise for any cause whatsoever.

ARTICLE I

SUPPLEMENTAL INDENTURE; DEFINITIONS

Section 1.1 Supplemental Indenture. This Twelfth Supplemental Indenture is supplemental to, and is executed in accordance with and pursuant to Articles II and IX of the General Indenture.

Section 1.2 Definitions. All terms which are defined in the General Indenture, shall have the meanings, respectively, herein (including the use thereof in the recitals and the granting clauses thereof) unless expressly given a different meaning or unless the context clearly otherwise requires. All terms used herein which are defined in the recitals hereto shall have the meanings therein given to the same unless the context requires otherwise and, in addition, the following terms shall have the meanings specified below:

“Advance Refunded Bonds” means that portion of the Series 2012 Bonds maturing from June 15 of the years and in the amounts, as follows:

[insert maturity dates and amounts]

“Cede” means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Series 2018 Bonds pursuant to Section 4.2 hereof.

“Cost of Issuance Account” means the account created by Section 3.6 hereof.

“Costs of Issuance” means the items of expense payable or reimbursable directly or indirectly by the Issuer and other costs incurred by the Issuer, all related to the authorization, sale and issuance of the Series 2018 Bonds, which costs and items of expense shall include, but not be limited to, printing costs, costs of developing, reproducing and storing and safekeeping documents and other information, processing materials related to the Series 2018 Bonds, filing and recording fees, travel expenses incurred by the Issuer in relation to the issuance of the Series 2018 Bonds, initial fees and charges of the Trustee, initial premiums with respect to insurance to be paid by the Issuer, legal fees and charges, professional consultants’ fees, accountants’ fees, costs of bond ratings, Reserve Instrument Costs, Security Instrument Costs, and fees and charges for execution, transportation and safekeeping of the Series 2018 Bonds.

“Current Refunded Bonds” means that portion of the Series 2007A Bonds maturing on June 15, 2032.

“Dated Date” with respect to the Series 2018 Bonds means their date of delivery.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

[“Escrow Account” means the Escrow Account established in the Escrow Agreement.

“Escrow Agent” means ZB, National Association, One South Main Street, 12th Floor, Salt Lake City, Utah 84133.

“Escrow Agreement” means the Escrow Deposit Agreement dated as of _____ 1, 2018 between the Issuer and the Escrow Agent providing payment of interest on, and the principal and redemption price of, the Refunded Bonds through the redemption date thereof.]

“Interest Payment Date” means, with respect to the Series 2018 Bonds, each June 15 and December 15, commencing _____.

“Participants” means those broker-dealers, bank and other financial institutions for which DTC from time to time holds Bonds as securities depository.

“Person” means natural persons, firms, partnerships, associations, corporations, trusts, public bodies and other entities.

[“Purchaser” means _____.]

[“Refunded Bonds” means collectively, the Current Refunded Bonds and the Advance Refunded Bonds.]

“Register” means the record of ownership of the Series 2018 Bonds maintained by the Registrar.

“Regular Record Date” means the fifteenth day (whether or not a business day) next preceding such Interest Payment Date.

“Representation Letter” means the representation letter from the Issuer to DTC in the form of Exhibit C attached hereto.

“Series 2007A Bonds” means the Issuer’s Subordinated Sales Tax Revenue and Refunding Bonds, Series 2007A, issued pursuant to the General Indenture.

“Series 2010 Bonds” means the Issuer’s Federally Taxable Subordinated Sales Tax Revenue Bonds, Series 2010 (Issuer Subsidy—Build America Bonds), issued pursuant to the General Indenture.

“Series 2012 Bonds” means the Issuer’s Subordinated Sales Tax Revenue and Refunding Bonds, Series 2012, issued pursuant to the General Indenture.

“Series 2015A Bonds” means the Issuer’s Subordinated Sales Tax Revenue Refunding Bonds, Series 2015A, issued pursuant to the General Indenture.

“Series 2016 Bonds” means the Issuer’s Subordinated Sales Tax Revenue Refunding Bonds, Series 2016, issued pursuant to the General Indenture.

“Series 2018 Bonds” means the Issuer’s Subordinated Sales Tax Revenue [and] [Refunding Bonds], Series 2018 herein authorized.

“Series 2018 Construction Account” means the Account established within the Construction Fund under the General Indenture held in trust by the Trustee, into which a portion of the proceeds of the Series 2018 Bonds shall be deposited as provided herein.

“Series 2018 Project” means financing a portion of the costs associated with additions and improvements to the System.

“Tax Certificate” means any agreement or certificate of the Issuer which the Issuer may execute in order to establish and maintain the tax-exempt status of interest received on the Series 2018 Bonds.

“Twelfth Supplemental Indenture” means this Twelfth Supplemental Indenture of Trust.

“2018 Continuing Disclosure Undertaking” means that certain Continuing Disclosure Undertaking between the Issuer and the Trustee dated the date of issuance and delivery of the Series 2018 Bonds, as originally executed and as it may be amended from time to time in accordance with its terms.

[“Underwriter” means _____.]

The terms “hereby,” “hereof,” “herein” and “hereunder” and any similar terms used in this Twelfth Supplemental Indenture, refer to this Twelfth Supplemental Indenture.

ARTICLE II

ISSUANCE OF THE SERIES 2018 BONDS

Section 2.1 Principal Amount, Designation and Series. The Series 2018 Bonds are hereby authorized for issuance under the Indenture for the purpose of providing funds to (i) finance the Series 2018 Project, (ii) [refund the Refunded Bonds] and (iii) pay costs incurred in connection with the issuance of the Series 2018 Bonds. The Series 2018 Bonds shall be limited to \$_____ in aggregate principal amount and shall be issued in fully registered form. The Series 2018 Bonds shall be designated as, and shall be distinguished from the Bonds of all other series by the title, “Subordinated Sales Tax Revenue [and] [Refunding] Bonds, Series 2018.”

Section 2.2 Date, Maturities and Interest Rates of Series 2018 Bonds. The Series 2018 Bonds shall be dated as of their Dated Date, shall be in substantially the form and contain substantially the terms contained in Exhibit A attached hereto and made a part hereof and shall mature on the dates and in the years and in the amounts and shall bear interest from the Interest Payment Date next preceding their date of authentication thereof unless authenticated as of an Interest Payment Date, in which event such Bonds shall bear interest from such date, or unless such Bonds are authenticated prior to the first Interest Payment Date, in which event such Bonds shall bear interest from their Dated Date or unless, as shown by the records of the Trustee, interest on the Series 2018 Bonds shall be in default, in which event such Bonds shall bear interest from the date to which interest has been paid in full, or unless no interest shall have been paid on such Bonds, in which event such Bonds shall bear interest from their Dated Date, payable on each Interest Payment Date, at the rates per annum as set forth below:

Maturity Date <u>(December 15)</u>	Principal Amount	<u>Interest Rate</u>
---------------------------------------	---------------------	----------------------

Interest shall be calculated on the basis of a year of 360 days comprised of twelve 30-day months.

Section 2.3 Execution of Bonds. The President of the Issuer is hereby authorized to execute by facsimile or manual signature the Series 2018 Bonds and the Secretary/Treasurer of the Issuer to countersign by facsimile or manual signature the Series 2018 Bonds and to have imprinted, engraved, lithographed, stamped or otherwise placed on the Series 2018 Bonds a facsimile of the official seal of the Issuer, and the Trustee shall manually authenticate the Series 2018 Bonds.

Section 2.4 Delivery of Bonds. The Series 2018 Bonds, when executed, registered, and authenticated as provided herein and by law, shall be delivered by the Issuer to the Purchasers upon receiving full payment therefor.

Section 2.5 Designation of Registrar. ZB, National Association, Corporate Trust Department (at the Trustee's Principal Corporate Trust Office) is hereby designated as Registrar for the Series 2018 Bonds, which approval shall be evidenced by execution of this Supplemental Indenture.

Section 2.6 Designation of Paying Agent. ZB, National Association, Corporate Trust Department (at the Trustee's Principal Corporate Trust Office) is hereby designated as Paying Agent for the Series 2018 Bonds, which approval shall be evidenced by execution of this Supplemental Indenture.

Section 2.7 Limited Obligation. The Series 2018 Bonds, together with interest thereon, shall be limited obligations of the Issuer payable solely from the Pledged Revenues (except to the extent paid out of moneys attributable to the Series 2018 Bond proceeds or other funds created hereunder or under the Indenture or the income from the temporary investment thereof) and shall be subordinate only to the lien created for the obligations under the Senior Indenture.

Section 2.8 Mandatory Sinking Fund Redemption.

(a) The Series 2018 Bonds are subject to mandatory redemption from Sinking Fund Installments, by lot in such manner as the Trustee may determine, at a price equal to one hundred percent (100%) of the Principal amount thereof plus accrued interest to the redemption date, on the dates and in the principal amounts as follows:

<u>Redemption Date</u>	<u>Principal Amount</u>
<u>(December 15)</u>	

*Final Maturity

(b) Principal payments due upon mandatory sinking fund redemption (other than at maturity) may be noted on the Record of Principal Payments attached to the Series 2018 Bond and upon signature of an authorized officer of the Registered Owner, the principal amount of the Series 2018 Bond shall be reduced by the payment of principal thereof on the dates and amounts indicated on such Record of Principal Payments without the surrender of the Series 2018 Bond to the Trustee.

(c) If fewer than all of the Series 2018 Bonds are redeemed in a manner other than pursuant to a mandatory sinking fund redemption, the Principal amount so redeemed shall be credited at one hundred percent (100%) of the Principal amount thereof by the Trustee against the obligation of the Issuer on future

mandatory sinking fund redemption dates for the Series 2018 Bonds in such order as shall be directed by the Issuer.

Section 2.9 Optional Redemption. The Series 2018 Bonds are subject to redemption prior to their maturity, in whole or in part, at the option of the Issuer on _____ or on any date thereafter at a redemption price equal to 100% of the principal amount of the Series 2018 Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption.

Section 2.10 Perfection of Security Interest.

(a) The Indenture creates a valid and binding pledge and assignment of security interest in all of the Pledged Revenues pledged under the Indenture in favor of the Trustee as security for payment of the Series 2018 Bonds, enforceable by the Trustee in accordance with the terms thereof.

(b) Under the laws of the State, such pledge and assignment and security interest is automatically perfected by Section 11-14-501, Utah Code Annotated 1953, as amended, and is and shall have priority as against all parties having claims of any kind in tort, contract, or otherwise hereafter imposed on the Pledged Revenues.

ARTICLE III

APPLICATION OF PROCEEDS

Section 3.1 Application of Proceeds of the Series 2018 Bonds. The Issuer shall deposit with the Trustee net proceeds from the sale of the Series 2018 Bonds (\$_____) (representing the original principal amount of the Series 2018 Bonds, plus a reoffering premium of \$_____ and less a Purchaser's discount of \$_____), and the Trustee shall deposit such proceeds as follows:

(a) \$_____ into the Series 2018 Construction Account, for the payment of the Costs of the Series 2018 Project;

(b) An amount equal to \$_____ into the Bond Fund to be used to redeem the Current Refunded Bonds on the Date of Issuance;

(c) An amount equal to \$_____ shall be transferred by the Trustee to the Escrow Account, with \$_____ invested in the Government Obligations described in the Escrow Agreement and \$_____ deposited as a beginning cash balance, the principal and interest on which shall be sufficient to pay interest on the Advance Refunded Bonds and to redeem the Advance Refunded Bonds on _____; and

(d) The remaining amount of \$_____ into the Cost of Issuance Account to be held by the Trustee under this Supplemental Indenture.

Section 3.2 Series 2018 Construction Account. There is hereby established a Series 2018 Account in the Construction Fund designated as the "Series 2018 Construction Account," moneys in which shall be used for the purpose and as authorized by Section 5.1 of the General Indenture to pay the Costs of the Series 2018 Project.

Section 3.3 Completion of the Series 2018 Project. Any unexpended balance remaining in the Series 2018 Construction Account after completion of the Series 2018 Project shall, as directed by the Issuer, be paid immediately into the Bond Fund and used pursuant to the provisions of the General Indenture.

Section 3.4 No Debt Service Reserve Requirement for Series 2018 Bonds. There will be no Debt Service Reserve Requirement for the Series 2018 Bonds.

Section 3.5 Series 2018 Bonds as Additional Bonds. The Series 2018 Bonds are issued on a parity with the Series 2016 Bonds, Series 2015A Bonds, Series 2012 Bonds, Series 2010 Bonds, and Series 2007A Bonds, under the Indenture as Additional Bonds. The Issuer hereby certifies that the requirements set forth in Section 2.15 of the General Indenture have been and will be complied with in connection with the issuance of the Series 2018 Bonds, as follows:

(a) The Issuer has delivered a written certificate executed by an Authorized Representative of the Issuer to the effect that Adjusted Sales and Use

Taxes are at least 120% of the maximum Aggregate Debt Service for any Bond Fund Year on all of the Bonds and Senior Bonds that will be Outstanding, including the Series 2018 Bonds, upon the issuance of the Series 2018 Bonds. In calculating Adjusted Sales and Use Taxes, no Sales and Use Taxes with an expiration date or sunset provision prior to the final maturity of the Series 2018 Bonds were included in such calculation.

(b) No Repayment Obligations are now due and owing under the Indenture.

(c) All payments required by the Indenture to be made into the Bond Fund have been made in full, and there is on deposit in each account in the Debt Service Reserve Fund (taking into account any Reserve Instrument Coverage) the full amount required by the Indenture to be accumulated therein. Furthermore, all payments required by the Senior Indenture to be made into the bond fund therein established have been made in full, and there is on deposit in each account in the debt service reserve fund therein established the full amount required by the Senior Indenture to be accumulated therein.

(d) The proceeds of the Additional Bonds, less costs of issuance and funding of reserves, will be used in connection with the refunding of the Refunded Bonds.

(e) No Event of Default is existing under the Indenture or the Senior Indenture.

Section 3.6 Creation and Operation of Cost of Issuance Account. A Cost of Issuance Account is hereby created to be held by the Trustee. Moneys in such Account shall be used to pay Costs of Issuance incurred in connection with the issuance of the Series 2018 Bonds. The Trustee shall issue its checks or make wire transfers for each disbursement from the Cost of Issuance Account (except for any fees payable to the Trustee, which may be withdrawn directly by it) upon being furnished with a Cost of Issuance Disbursement Request of the Issuer, a form of which is attached hereto as Exhibit B. Any excess remaining upon payment of all Costs of Issuance, or in any case 90 days after the date of delivery, shall be transferred by the Trustee to the Bond Fund upon receipt by the Trustee of a certificate of the Issuer stating that such moneys are no longer needed for the payment of Costs of Issuance, whereupon the Cost of Issuance Account shall be closed.

Section 3.7 [Transfers from Revenue Fund. On or before the last Business Day of each month commencing _____ and from amounts available in the Revenue Fund following the transfers required by Section 5.2(b) of the Senior Indenture, the Issuer shall transfer and deposit into the Bond Fund an amount equal to one-sixth of the interest payable on the Series 2018 Bonds (or, if the first Interest Payment Date is less than six months away, the Issuer shall deposit into the Bond Fund an amount sufficient to total the interest payable on the Series 2018 Bonds in equal monthly installments) on the next succeeding Interest Payment Date and if Principal is payable on the Series 2018 Bonds

in the twelve months succeeding such transfers, one-twelfth of Principal next payable on the Series 2018 Bonds (or, if the first Principal payable on the Series 2018 Bonds is less than twelve months away, the Issuer shall deposit into the Bond Fund an amount sufficient to total the Principal payable on the Series 2018 Bonds in equal monthly installments). In addition, all deficiencies in required deposits to the Bond Fund shall also be supplied. Said deposits shall be reduced, as appropriate, by (x) any income derived from the investment of the Bond Fund, and (y) any other deposits made to the Bond Fund pursuant to the Indenture. In addition, the Issuer shall transfer from the Revenue Fund to the Bond Fund an amount equal to all Security Instrument Repayment Obligations owed with respect to any Security Instrument securing the Series 2018 Bonds promptly upon the date on which such obligations become payable and the Trustee shall thereupon apply such amounts to the payment of such obligations.]

ARTICLE IV

PROVISIONS WITH RESPECT TO DISCLOSURE AND BOOK-ENTRY; COVENANTS AND UNDERTAKINGS

Section 4.1 Continuing Disclosure. The Issuer hereby covenants and agrees that it will comply with and carry out all of the provisions of the 2018 Continuing Disclosure Undertaking. Notwithstanding any other provision of the Indenture, failure of the Issuer to comply with the 2018 Continuing Disclosure Undertaking shall not be considered an Event of Default under the Indenture; however, the Trustee may (and, at the request of any of the Purchasers or the Bondholders of the Series 2018 Bonds owning at least 25% aggregate principal amount of Outstanding Bonds, shall) or any Bondholder of the Series 2018 Bonds or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Section and the 2018 Continuing Disclosure Undertaking. For purposes of this Section, Beneficial Owner shall mean any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2018 Bond (including persons holding Series 2018 Bonds through nominees, depositories or other intermediaries).

Section 4.2 Book-Entry System; Limited Obligation of Issuer; Representation Letter.

(a) The Series 2018 Bonds shall be initially issued in the form of a single certificated fully registered bond for each maturity of Series 2018 Bonds. Upon initial issuance, the ownership of each such Series 2018 Bond shall be registered in the registration books kept by the Registrar in the name of Cede, as nominee of DTC. Except as provided in Subsection (c) of this Section 4.2, all of the outstanding Series 2018 Bonds shall be registered in the registration books kept by the Registrar in the name of Cede, as nominee of DTC.

With respect to Series 2018 Bonds registered in the registration books kept by the Registrar in the name of Cede, as nominee of DTC, the Issuer, the Registrar and the Paying Agent shall have no responsibility or obligation to any Participant or to any Person on behalf of which a Participant holds an interest in the Series 2018 Bonds. Without limiting the immediately preceding sentence, the Issuer, the Trustee, the Registrar and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any Participant with respect to any ownership interest in the Series 2018 Bonds, (ii) the delivery to any Participant or any other Person, other than a Bondholder, as shown in the registration books kept by the Registrar, of any notice with respect to the Series 2018 Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other Person, other than a Bondholder, as shown in the registration books kept by the Registrar, of any amount with respect to principal of, premium, if any, or interest on the Series 2018 Bonds. The Issuer, the Trustee, the Registrar and the Paying Agent may treat and consider the Person in whose name each Series 2018 Bond is registered on the registration books kept by the Registrar

as the holder and absolute owner of such Series 2018 Bond for the purpose of payment of principal, premium and interest with respect to such Series 2018 Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2018 Bond, for the purpose of registering transfers with respect to such Series 2018 Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any, and interest on the Series 2018 Bonds only to or upon the order of the respective Bondholders, as shown in the registration books kept by the Registrar, or their respective attorneys duly authorized in writing, as provided in Section 2.8 of the General Indenture, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of, premium, if any, and interest on the Series 2018 Bonds to the extent of the sum or sums so paid. No Person other than a Bondholder, as shown in the registration books kept by the Registrar, shall receive a certificated Series 2018 Bond evidencing the obligation of the Issuer to make payments of principal, premium, if any, and interest pursuant to the Indenture. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the provisions herein with respect to record dates, the word "Cede" in this Twelfth Supplemental Indenture shall refer to such new nominee of DTC; and upon receipt of such a notice the Trustee shall promptly deliver a copy of the same to the Registrar and the Paying Agent, if other than the Trustee.

(b) The Representation Letter in substantially the form attached hereto as Exhibit C has previously been authorized and executed on behalf of the Issuer. The Issuer's execution and delivery of the Representation Letter shall not in any way limit the provisions of Section 4.2(a) hereof or in any other way impose upon the Issuer any obligation whatsoever with respect to Persons having interests in the Series 2018 Bonds other than the Bondholders, as shown on the registration books kept by the Registrar. The Paying Agent and Registrar, respectively, hereby agree to take all action necessary for all representations of the Issuer in the Representation Letter and DTC's operational arrangements with respect to the Paying Agent and Registrar, respectively, to at all times be complied with.

(c) In the event that (i) the Issuer determines that DTC is incapable of discharging or is unwilling to discharge its responsibilities described herein and in the Representation Letter and DTC's operational arrangements, (ii) DTC determines to discontinue providing its service as securities depository with respect to the Series 2018 Bonds at any time as provided in the Representation Letter and DTC's operational arrangements, or (iii) the Issuer determines that continuation of the system of book-entry only transfers through DTC is not in the best interests of the beneficial owners of the Series 2018 Bonds or of the Issuer, the Issuer may thereupon terminate the services of DTC with respect to the Series 2018 Bonds. The Issuer shall terminate the services of DTC with respect to the Series 2018 Bonds upon receipt by the Issuer of written notice from DTC to the effect that DTC has received notice from Participants having interests, as shown on the records of DTC, in an aggregate principal amount of not less than fifty percent (50%) of the aggregate Principal amount of the then Outstanding Series 2018 Bonds to the effect

that: (i) DTC is unable to discharge its responsibilities with respect to the Series 2018 Bonds; or (ii) a continuation of the requirement that all Outstanding Series 2018 Bonds be registered in the registration books kept by the Registrar in the name of Cede is not in the best interests of the beneficial owners of the Series 2018 Bonds. In any such event terminating the services of DTC, the Issuer shall notify DTC and direct DTC to notify the Participants of the availability through DTC of Series 2018 Bond certificates and the Series 2018 Bonds shall no longer be restricted to being registered in the registration books kept by the Registrar in the name of Cede, as nominee of DTC. At that time, the Issuer may determine that the Series 2018 Bonds shall be registered in the name of and deposited with such other depository operating a universal book-entry system, as may be acceptable to the Issuer, or such depository's agent or designee, and if the Issuer does not select such alternate universal book-entry system, then the Series 2018 Bonds shall no longer be restricted to being registered in the registration books kept by the Registrar in the name of Cede, as nominee of DTC, but may be registered in whatever name or names Series 2018 Bondholders transferring or exchanging Bonds shall designate, in accordance with the provisions of the General Indenture.

(d) Notwithstanding any other provision of the Indenture to the contrary, so long as any Series 2018 Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Series 2018 Bond and all notices with respect to such Series 2018 Bond shall be made and given, respectively, in the manner provided in the Representation Letter and DTC's operational arrangements.

Section 4.3 Arbitrage Covenant; Covenant to Maintain Tax Exemption.

(a) Authorized officials of the Issuer shall execute and deliver from time to time such Tax Certificates as shall be necessary to establish that (i) the Series 2018 Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Code; (ii) the Series 2018 Bonds are not and will not become "private activity bonds" within the meaning of Section 141 of the Code; (iii) all applicable requirements of Section 149 of the Code are and will be met; (iv) the covenants of the Issuer contained in this Section 4.3 will be complied with; and (v) interest on the Series 2018 Bonds is not and will not become includible in gross income for federal income tax purposes under the Code.

(b) The Issuer covenants and certifies to and for the benefit of the Owners from time to time of the Series 2018 Bonds that:

(i) it will at all times comply with the provisions of any Tax Certificates;

(ii) it will at all times comply with the rebate requirements contained in Section 148(f) of the Code including, without limitation, the keeping of records necessary to enable such calculations to be made and the

timely payment to the United States, of all amounts, including any applicable penalties and interest, required to be rebated;

(iii) no use will be made of the proceeds of the issue and sale of the Series 2018 Bonds, or any funds or accounts of the Issuer which may be deemed to be proceeds of the Series 2018 Bonds, pursuant to Section 148 of the Code which use, if it had been reasonably expected on the date of issuance of the Series 2018 Bonds, would have caused the Series 2018 Bonds to be classified as “arbitrage bonds” within the meaning of Section 148 of the Code;

(iv) it will not use or permit the use of any of the facilities or properties financed by the Refunded Bonds in such manner that such use would cause the Series 2018 Bonds to be “private activity bonds” as described in Section 141 of the Code;

(v) it will not take any action that would cause interest on the Series 2018 Bonds to be or to become ineligible for the exclusion from gross income of the Owners of the Series 2018 Bonds as provided in Section 103 of the Code, nor will they omit to take or cause to be taken, in timely manner, any action, which omission would cause interest on the Series 2018 Bonds to be or to become ineligible for the exclusion from gross income of the owners of the Series 2018 Bonds as provided in Section 103 of the Code; and

(vi) it will adopt, make, execute and enter into (and to take such actions, if any, as may be necessary to enable them to do so) any resolution or Tax Certificate necessary to comply with any changes in law or regulations in order to preserve the exclusion of interest on the Series 2018 Bonds from gross income of the Bondholders thereof for federal income tax purposes to the extent that they may lawfully do so.

Pursuant to these covenants, the Issuer obligates itself to comply throughout the term of the issue of the Series 2018 Bonds with the requirements of Sections 103, 148, 149 and 150 of the Code.

(c) Terms used in this Section 4.3 which are not otherwise defined herein have the same meanings herein as in the provisions of the Code which relate to tax-exempt bonds.

(d) Notwithstanding any other provision in the Indenture, to the extent permitted by law, neither the Issuer, the Trustee, nor any holder of a Series 2018 Bond shall claim or accept the benefits of any federal guarantee unless there has been obtained an opinion of counsel of nationally recognized standing in the field of law relating to municipal bonds to the effect that acceptance of such federal guarantee will not adversely affect the tax-exempt status of interest on the Series 2018 Bonds.

ARTICLE V

CONFIRMATION OF GENERAL INDENTURE

As supplemented by this Twelfth Supplemental Indenture, and except as provided herein, the General Indenture (as heretofore supplemented and amended) is in all respects ratified and confirmed, and the General Indenture, and this Twelfth Supplemental Indenture shall be read, taken and construed as one and the same instrument so that all of the rights, remedies, terms, conditions, covenants and agreements of the General Indenture shall apply and remain in full force and effect with respect to this Twelfth Supplemental Indenture, and to any revenues, receipts and moneys to be derived therefrom.

ARTICLE VI

MISCELLANEOUS

Section 6.1 Confirmation of Sale of Series 2018 Bonds. The sale of the Series 2018 Bonds to the Purchaser at a price of \$ _____ is hereby ratified, confirmed and approved.

Section 6.2 Severability. If any provision of this Twelfth Supplemental Indenture shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or sections in this Twelfth Supplemental Indenture contained, shall not affect the remaining portions of this Twelfth Supplemental Indenture, or any part thereof.

Section 6.3 Illegal, etc. Provisions Disregarded. In case any provision in this Twelfth Supplemental Indenture shall for any reason be held invalid, illegal or unenforceable in any respect, this Twelfth Supplemental Indenture shall be construed as if such provision had never been contained herein.

Section 6.4 Applicable Law. This Twelfth Supplemental Indenture shall be governed by and construed in accordance with the laws of the State.

Section 6.5 Headings for Convenience Only. The descriptive headings in this Twelfth Supplemental Indenture are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

Section 6.6 Counterparts. This Twelfth Supplemental Indenture may be executed in any number of counterparts, each of which shall be deemed an original and all of which, when so executed and delivered, shall constitute but one and the same instrument.

Section 6.7 Notice to Bond Insurer. Copies of this Twelfth Supplemental Indenture have been provided to National Public Finance Guarantee Corp. (“National” or the “Security Instrument Issuer”) as the Security Instrument Issuer under the Second Supplemental Subordinate Indenture of Trust dated as of June 1, 2007 in accordance with the notice requirement of Section 9.1 of the General Indenture.

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this Twelfth Supplemental Indenture of Trust to be executed as of the date first above written.

UTAH TRANSIT AUTHORITY

(SEAL)

By: _____
President

COUNTERSIGN:

Secretary/Treasurer

APPROVED AS TO FORM:

By: _____
UTA Legal Counsel

ZB, NATIONAL ASSOCIATION,
TRUSTEE

By: _____

Title: _____

ATTEST:

Title: _____

EXHIBIT A

(FORM OF SERIES 2018 BOND)

Unless this certificate is presented by an authorized representative of the Depository Trust Company (55 Water Street, New York, New York) to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of the Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

**UNITED STATES OF AMERICA
STATE OF UTAH
UTAH TRANSIT AUTHORITY
SUBORDINATED SALES TAX REVENUE [AND] [REFUNDING] BOND
SERIES 2018**

Number R - _____ \$ _____

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
%	December 15, ____	_____, 2018	____

Registered Owner: CEDE & CO.

Principal Amount: _____ DOLLARS

Utah Transit Authority (“Issuer”), a public transit district and body corporate duly organized and existing under the Constitution and laws of the State of Utah, for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner named above or registered assigns, out of the special fund hereinbelow designated and not otherwise, the Principal Amount specified above on the Maturity Date specified above (except as provided herein with respect to redemption prior to maturity) with interest thereon until paid at the Interest Rate specified above per annum, payable semiannually on June 15 and December 15 of each year commencing _____ (each an “Interest Payment Date”), until said Principal Amount is paid. Principal and premium, if any, shall be payable upon surrender of this Bond at the principal offices of ZB, National Association, Corporate Trust Department, One South Main Street, 12th Floor, Salt Lake City, Utah 84133 (“Trustee” and “Paying Agent”) or its successors. Interest on this Bond shall be payable by check or draft mailed to the Registered Owner hereof at its address as it appears on the registration books of the Paying Agent, who shall also act as the Registrar for the Issuer, or at such other address as is furnished to the Paying Agent in writing by such Registered Owner. Interest hereon shall be deemed to be paid by the Paying Agent when mailed. Both principal and interest shall be payable in lawful money of the United States of America.

This Bond is one of an issue of Bonds in the aggregate original principal amount of \$_____ (the “Series 2018 Bonds”), of like tenor and effect, except as to date of maturity, interest rate, and principal payable at maturity numbered R-1 and upwards, issued by the Issuer pursuant to that Subordinate General Indenture of Trust dated as of July 1, 2006, as heretofore amended and supplemented, and as further supplemented by the Twelfth Supplemental Subordinate Indenture of Trust, dated as of _____ 1, 2018 (collectively the “Indenture”) approved by resolution adopted on September 27, 2017, for the purpose of (i) financing a portion of the costs associated with additions and improvements to the Issuer’s transit system; (ii) [refunding a certain portion of the Issuer’s outstanding sales tax revenue bonds (the “Refunded Bonds”)] and (iii) paying certain issuance expenses, all in full conformity with the Constitution and laws of the State of Utah.

Both principal of and interest on this Bond and the issue of which it is a part are payable solely from a special fund designated “Utah Transit Authority Subordinated Bond Fund” (the “Bond Fund”), into which fund, to the extent necessary to assure prompt payment of the principal of and interest on the issue of which this is one and on all series of bonds issued on a lien parity with this Bond shall be paid the Pledged Revenues, all as more fully described and provided in the Indenture. As more fully described in the Indenture, the lien of the Indenture and of the Series 2016 Bonds, Series 2015A Bonds, Series 2012 Bonds, Series 2010 Bonds, and Series 2007A Bonds, (as defined in the Indenture) (collectively, the “Outstanding Subordinate Bonds”) and the Series 2018 Bonds is subordinate to the lien created with respect to the Issuer’s obligations (the “Senior Bonds”) issued pursuant to an Amended and Restated General Indenture of Trust dated as of September 1, 2002, as supplemented and amended from time to time (the “Senior Indenture”).

As more fully provided in the Indenture, the Series 2018 Bonds are special limited obligations of the Issuer, payable from and secured solely by the Pledged Revenues and certain moneys held by the Trustee under the Indenture, subordinate to the lien created for the Senior Bonds and shall not constitute a general obligation indebtedness or pledge of the full faith and credit of the Issuer or of the State of Utah or any agency, instrumentality or political subdivision thereof. The issuance of the Series 2018 Bonds shall not, directly, indirectly or contingently, obligate the Issuer or the State of Utah or any agency, instrumentality or political subdivision thereof to levy any form of ad valorem taxation therefor. The Issuer covenants and agrees that, subject to such special limited obligation, it will make all payments required to be made into the Bond Fund, and to carry out all the requirements of the Indenture.

Reference is hereby made to the Indenture, copies of which are on file with the Trustee, for the provisions, among others, with respect to the nature and extent of the rights, duties and obligations of the Issuer, the Trustee and the Registered Owners of the Series 2018 Bonds, the terms upon which the Series 2018 Bonds are issued and secured, and upon which the Indenture may be modified and amended, to all of which the Registered Owner of this Bond assents by the acceptance of this Bond.

One or more series of Additional Bonds, as defined in the Indenture, and additional Senior Bonds, may, subject to certain conditions specified in the Indenture and the Senior Indenture, including but not limited to, debt service coverage requirements, be issued by the Issuer for the purpose of providing additional moneys to finance property, improvements and additions to its public transit system (the “System”), or to refund obligations of the Issuer, all of which shall have a claim on the Pledged Revenues on a parity with or senior to, as applicable, the Series 2018 Bonds and other Outstanding Subordinate Bonds.

Except as otherwise provided herein and unless the context indicates otherwise, words and phrases used herein shall have the same meanings as such words and phrases in the Indenture.

Interest on the initially issued Series 2018 Bonds and on all Series 2018 Bonds authenticated prior to the first Interest Payment Date shall accrue from the Dated Date specified above. Interest on the Series 2018 Bonds authenticated on or subsequent to the first Interest Payment Date shall accrue from the Interest Payment Date next preceding their date of authentication, or if authenticated on an Interest Payment Date, as of that date; provided, however, that if interest on the Series 2018 Bonds shall be in default, interest on the Series 2018 Bonds issued in exchange for Series 2018 Bonds surrendered for transfer or exchange shall be payable from the date to which interest has been paid in full on the Series 2018 Bonds surrendered.

The Series 2018 Bonds are subject to redemption at the times, at the prices and with notice all as provided in the Indenture.

The Series 2018 Bonds are issued as fully registered Bonds in denominations of \$5,000 and integral multiples thereof. Subject to the limitations and upon payment of the charges provided in the Indenture, registered Series 2018 Bonds may be exchanged for a like aggregate principal amount of registered Series 2018 Bonds of other authorized denominations of the same series, interest rate and maturity.

This Bond is transferable by the registered holder hereof in person or by its attorney duly authorized in writing at the principal corporate offices of ZB, National Association (the “Registrar”) in Salt Lake City, Utah, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture and upon surrender and cancellation of this Bond. Upon such transfer a new registered Bond or Bonds of the same series, interest rate and maturity and of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor.

The Issuer and the Paying Agent may deem and treat the Registered Holder hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof, premium, if any, and interest due hereon and for all other purposes, and neither Issuer nor Paying Agent shall be affected by any notice to the contrary.

This Bond is issued under and pursuant to the Public Transit District Act, Title 17B, Chapter 2a, Part 8, Utah Code Annotated 1953, as amended, the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, and the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended.

It is hereby declared and represented that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened and have been performed in regular and due time, form and manner as required by law, that the amount of this Bond, together with the issue of which it forms a part, does not exceed any limitation prescribed by the Constitution or statutes of the State of Utah, that the Pledged Revenues of the Issuer have been pledged and that an amount therefrom will be set aside into a special fund by the Issuer sufficient for the prompt payment of the principal of and interest on this Bond and the issue of which it forms a part, as authorized for issue under the Indenture, and that the Pledged Revenues of the Issuer are not pledged, hypothecated or anticipated in any way other than by the issue of the Bonds of which this Bond is one and all bonds issued on a parity with this Bond or subordinate to the lien of the Indenture.

This Bond shall not be valid or become obligatory for any purpose nor be entitled to any security or benefit under the Indenture until the Certificate of Authentication on this Bond shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed by the manual or facsimile signature of its President and countersigned by the manual or facsimile signature of its Secretary/Treasurer under its corporate seal or a facsimile thereof.

(SEAL)

(facsimile or manual signature)

President

COUNTERSIGN:

(facsimile or manual signature)

Secretary/Treasurer

APPROVED AS TO FORM:

By: _____
(facsimile or manual signature)

UTA Legal Counsel

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Subordinated Sales Tax Revenue [and] [Refunding] Bonds, Series 2018 of the Utah Transit Authority.

ZB, NATIONAL ASSOCIATION, as
Trustee

By: _____
(Manual Signature)
Authorized Officer

Date of Authentication: _____

(ASSIGNMENT)

FOR VALUE RECEIVED, _____, the undersigned, hereby sells, assigns and transfers unto:

(Social Security or Other Identifying Number of Assignee)

(Please Print or Typewrite Name and Address of Assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____

Signature: _____

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of this Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an "eligible guarantor institution" that is a member of or a participant in a "signature guarantee program" (e.g., the Securities Transfer Agents Medallion Program, the Stock Exchange Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program).

EXHIBIT B

COST OF ISSUANCE DISBURSEMENT REQUEST

ZB, National Association
One South Main Street, 12th Floor
Salt Lake City, Utah 84133

Pursuant to Section 3.4 of the Twelfth Supplemental Subordinate Indenture of Trust dated as of _____ 1, 2018, between the Utah Transit Authority and ZB, National Association you are hereby authorized to pay to the following costs of issuance from the Cost of Issuance Account:

[See Attached Schedule]

AUTHORIZED REPRESENTATIVE,
UTAH TRANSIT AUTHORITY

Costs of Issuance

<u>Payee</u>	<u>Purpose</u>	<u>Amount</u>
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EXHIBIT C

LETTER OF REPRESENTATIONS

[See Transcript Document No. ____]

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 30, 2017

NEW ISSUE

Ratings: [Fitch “AA”; Moody’s “A1”; S&P “A+”]
See “MISCELLANEOUS—Bond Ratings” herein.

In the opinion of Gilmore & Bell, P.C., Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended, the interest on the 2018 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Bond Counsel is also of the opinion that the interest on the 2018 Bonds is exempt from State of Utah individual income taxes. See “TAX MATTERS” herein.



[\$218,500,000]*

Utah Transit Authority

Subordinated Sales Tax Revenue and Refunding Bonds, Series 2018

The [\$218,500,000]* Subordinated Sales Tax Revenue Bonds, Series 2018, are issued by the Authority as fully-registered bonds and, when initially issued, will be in book-entry form, registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York. DTC will act as securities depository for the 2018 Bonds.

Principal of and interest on the 2018 Bonds (interest payable June 15 and December 15 of each year, commencing [December 15, 2018] are payable by ZB, National Association, dba Zions Bank, Corporate Trust Department, Salt Lake City, Utah, as Paying Agent, to the registered owners thereof, initially DTC.

The 2018 Bonds are subject to optional [and mandatory sinking fund redemption] prior to maturity as described herein. See “THE 2018 BONDS—Redemption Provisions” herein.

The 2018 Bonds are being issued for financing certain transportation related projects and to refund certain subordinated sales tax revenue bonds previously issued by of the Authority and paying costs associated with the issuance of the 2018 Bonds. See “PLAN OF REFUNDING and “THE 2018 PROJECTS” herein.

The 2018 Bonds, together with certain outstanding and additional parity obligations issued under the Subordinate Indenture, are special limited obligations of the Authority that are payable solely from and secured by a pledge of Pledged Revenues and certain other moneys pledged therefor in the Subordinate Indenture, *subject to the prior lien securing the Senior Bonds.*

The principal and expected source of Pledged Revenues consists of certain sales and use taxes collected by the Authority. No assurance can be given that the Pledged Revenues will remain sufficient for the payment of principal of and interest on the 2018 Bonds and the Authority is limited by Utah law in its ability to increase the rate of such taxes. See “RISK FACTORS AFFECTING UTAH TRANSIT AUTHORITY AND THE 2018 BONDS” herein. The 2018 Bonds do not constitute a general obligation of the Authority, and are not obligations of the State of Utah or any other agency or other political subdivision or entity of the State of Utah (other than the Authority). The Authority will not mortgage or grant any security interest in any of its physical assets to secure payment of the 2018 Bonds. See “SECURITY FOR THE SUBORDINATE BONDS” herein.



Dated: Date of Delivery¹

Due: December 15, as shown on the inside front cover

See the inside front cover for the maturity of the 2018 Bonds.



This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire OFFICIAL STATEMENT to obtain information essential to the making of an informed investment decision.

This OFFICIAL STATEMENT is dated January __, 2018, and the information contained herein speaks only as of that date.

[Wells Fargo Securities

Morgan Stanley]

* Preliminary; subject to change.

¹ The anticipated date of delivery is [_____, February __, 2018.

This PRELIMINARY OFFICIAL STATEMENT and the information contained herein are subject to completion, amendment or other change without any notice. Under no circumstances shall this PRELIMINARY OFFICIAL STATEMENT constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

Utah Transit Authority

[\$218,500,000]*

Subordinated Sales Tax Revenue and Refunding Bonds, Series 2018

Dated: Date of Delivery¹

Due: December 15, as shown below

Due December 15	CUSIP® 917565	Principal Amount*	Interest Rate	Yield/ Price
20__.....			%	%
20__.....				
20__.....				
20__.....				
20__.....				
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\$_____ % Term Bond Due December 15, 20__*—Price _____ % (CUSIP® 917565 _____)

* Preliminary; subject to change.
¹ The anticipated date of delivery is [_____, February __, 2018].
 ® CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services is managed on behalf of the American Bankers Association by S&P Capital IQ.

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This OFFICIAL STATEMENT does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of the 2018 Bonds (as defined herein) by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained herein, and if given or made, such other informational representations must not be relied upon as having been authorized by either Utah Transit Authority (the “Authority”); ZB, National Association, dba Zions Bank, Corporate Trust Department, Salt Lake City, Utah (as Paying Agent and Trustee); Zions Public Finance Inc., Salt Lake City, Utah (as Municipal Advisor); [Wells Fargo Bank, National Association, New York, New York or Morgan Stanley & Co. LLC, New York, New York] (collectively, the “Underwriters”); or any other entity. All other information contained herein has been obtained from the Authority, The Depository Trust Company, New York, New York and from other sources which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this OFFICIAL STATEMENT nor the issuance, sale, delivery or exchange of the 2018 Bonds, shall under any circumstance create any implication that there has been no change in the affairs of the Authority since the date hereof.

The 2018 Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon exemptions contained in such act. Any registration or qualification of the 2018 Bonds in accordance with applicable provisions of the securities laws of the states in which the 2018 Bonds have been registered or qualified and the exemption from registration or qualification in other states cannot be regarded as a recommendation thereof. Any representation to the contrary is unlawful.

These 2018 Bonds have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this OFFICIAL STATEMENT. Any representation to the contrary is a criminal offense.

The yields/prices at which the 2018 Bonds are resold to the public may vary from the initial reoffering yields/prices on the inside cover page of this OFFICIAL STATEMENT. In addition, the Underwriters may allow concessions or discounts from the initial resale prices of the 2018 Bonds to dealers and others. In connection with the offering of the 2018 Bonds, the Underwriters may engage in transactions that stabilize, maintain, or otherwise affect the price of the 2018 Bonds. Such transactions may include overallocments in connection with the purchase of 2018 Bonds and the purchase of 2018 Bonds to stabilize their market price. Such transactions, if commenced, may be discontinued at any time.

Forward-Looking Statements. Certain statements included or incorporated by reference in this OFFICIAL STATEMENT constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used, such as “plan,” “project,” “forecast,” “expect,” “estimate,” “budget” or other similar words. ***The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future resulting performance or achievements expressed or implied by such forward-looking statements. The Authority does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur. Investors are cautioned not to place undue reliance on any such forward-looking statements. See “RISK FACTORS AFFECTING UTAH TRANSIT AUTHORITY AND THE 2018 BONDS” and “PROJECTED DEBT SERVICE COVERAGE” herein.***

The CUSIP® (the Committee on Uniform Securities Identification Procedures) identification numbers are provided on the inside cover page of this OFFICIAL STATEMENT and are being provided solely for the convenience of bondholders only, and the Authority makes no representation with respect to such numbers or undertake any responsibility for their accuracy. The CUSIP® numbers are subject to being changed after the issuance of the 2018 Bonds because of various subsequent actions including, but not limited to, a refunding in whole or in part of the 2018 Bonds.

The information available at Web sites referenced in this OFFICIAL STATEMENT has not been reviewed for accuracy and completeness. Such information has not been provided in connection with the resale of the 2018 Bonds and is not a part of this OFFICIAL STATEMENT.

OFFICIAL STATEMENT RELATED TO

Utah Transit Authority

[\$218,500,000]*

Subordinated Sales Tax Revenue and Refunding Bonds, Series 2018

INTRODUCTION

This introduction is only a brief description of the 2018 Bonds (as hereinafter defined), the security and source of payment for the 2018 Bonds, and certain information regarding Utah Transit Authority (the “Authority”). The summary information contained herein is expressly qualified by reference to the entire OFFICIAL STATEMENT. Investors are urged to make a full review of the entire OFFICIAL STATEMENT as well as of the documents summarized or described herein. The appendices attached hereto are an integral part of this OFFICIAL STATEMENT and should be read in conjunction herewith.

When used herein the terms “Fiscal Year[s] 20YY” or “Fiscal Year[s] End[ed][ing] December 31, 20YY” shall refer to the year beginning on January 1 and ending on December 31 of the year indicated and the terms “Calendar Year[s] 20YY” or “Calendar Year[s] End[ed][ing] December 31, 20YY” shall refer to the year beginning on January 1 and ending on December 31 of the year indicated.

Capitalized terms used but not otherwise defined herein have the same meaning as given to them in “APPENDIX B—EXTRACTS OF CERTAIN PROVISIONS OF THE SUBORDINATE INDENTURE—Definitions,” as applicable.

The Authority And The System

The Authority, which was organized in 1970, operates and exists under the Public Transit District Act, Title 17B, Chapter 2a, Part 8, Utah Code Annotated 1953, as amended (the “Utah Code”), and other applicable provisions of the title Limited Purpose Local Government Entities—Local Districts, Title 17B, Utah Code (collectively, the “Transit Act”). The Authority’s service area (the “Service Area”) lies in the region commonly referred to as the Wasatch Front, located in the State of Utah (the “State”).

The Service Area extends from the Wasatch Mountains on the east to the Great Salt Lake on the west, consists of an area of approximately 1,400 square miles, and covers all or portions of six principal counties (Box Elder, Davis, Salt Lake, Tooele, Utah and Weber). The Service Area also includes a small portion of Juab County. The total U.S. Census Bureau’s 2016 estimated population of these six principal counties is approximately 2,420,000, which represents approximately 79% of the State’s total population¹.

* Preliminary; subject to change.

¹ The Authority serves only portions of Box Elder and Tooele Counties (and a small portion of Juab County). The difference between the total population of the six principal counties served by the Authority and the population of the Service Area is estimated to be less than 1% (or approximately 22,500 people) of the counties’ total population.

The Authority owns and operates an integrated mass transit system (as more fully described herein, the “System”). The System includes: (i) a fleet of buses and vans; (ii) a light rail transit system; and (iii) a single-track commuter rail system. See “THE UTAH TRANSIT AUTHORITY” below.

The Authority receives its revenues from: (i) certain sales and use taxes charged in the Authority’s Service Area; (ii) farebox revenues and other revenues attributable to the ownership and operation of the System; and (iii) other miscellaneous income (collectively, the “Revenues”).

The 2018 Bonds; Purpose

The 2018 Bonds. This OFFICIAL STATEMENT, including the cover page, introduction and appendices, provides information in connection with the issuance and sale by the Authority of its [\$218,500,000]* Subordinated Sales Tax Revenue and Refunding Bonds, Series 2018 (the “2018 Bonds” or “2018 Bond”), initially issued in book-entry form.

Purpose. The 2018 Bonds are being issued for financing certain transportation related projects and to refund certain subordinated sales tax revenue bonds previously issued by of the Authority and paying costs associated with the issuance of the 2018 Bonds. See “THE 2018 BONDS—Sources And Uses Of Funds” and “THE 2018 PROJECTS” and “PLAN OF REFUNDING” below.

Authorization Of The 2018 Bonds; Outstanding Subordinate Bonds; Additional Subordinate Bonds

Authorization of the 2018 Bonds. The 2018 Bonds are being issued pursuant to the Transit Act and the Subordinate General Indenture of Trust, dated as of July 1, 2006, as previously amended and supplemented (the “Subordinate General Indenture”), between the Authority and ZB, National Association dba Zions Bank, Corporate Trust Department, Salt Lake City, Utah, as trustee (the “Trustee”); and as further supplemented and amended by an Thirteenth Supplemental Subordinate Indenture of Trust, dated as of [February 1, 2018] between the Authority and the Trustee (the “Thirteenth Supplemental Subordinate Indenture” and, together with the Subordinate General Indenture, the “Subordinate Indenture”), providing for the issuance of the 2018 Bonds.

Outstanding Subordinate Bonds; Additional Subordinate Bonds. The 2018 Bonds, the bonds previously issued by the Authority pursuant to the Subordinate Indenture (the “Outstanding Subordinate Bonds”) and any additional bonds that may be issued from time to time under the Subordinate Indenture (the “Additional Subordinate Bonds” and, collectively with the Outstanding Subordinate Bonds and the 2018 Bonds, the “Subordinate Bonds”), are equally and ratably secured by a pledge of Pledged Revenues and certain other funds, as provided in the Subordinate Indenture. *The lien on Sales and Use Taxes and other Pledged Revenues established under the Subordinate Indenture is junior to the lien on such Pledged Revenues established under the Senior Indenture (as defined below).* Upon the issuance of the 2018 Bonds, the Authority will have [\$945,697,528*] aggregate principal amount of Subordinate Bonds outstanding under the Subordinate Indenture. The Senior Indenture and the Subordinate Indenture are referred to collectively herein as the “Indentures.”

Outstanding Senior Bonds; Additional Senior Bonds

Pursuant to an Amended and Restated General Indenture of Trust, dated as of September 1, 2002, as supplemented and amended (the “Senior General Indenture”) between the Authority and the Trustee, the Authority has issued various series of sales tax revenue bonds secured by a lien on Sales and Use Taxes and other Revenues *that is senior to the lien established under the Subordinate Indenture* (the “Outstanding Senior Bonds”). The Outstanding Senior Bonds and any additional bonds that may be issued from time to time under the Senior General Indenture (the “Additional Senior Bonds”) are collectively referred

* Preliminary; subject to change.

to as the “Senior Bonds”. Upon the issuance of the 2018 Bonds the Authority will have [\$1,112,175,000*] aggregate principal amount of Senior Bonds outstanding under the Senior General Indenture. Upon compliance with certain debt service coverage and other requirements under the Senior Indenture and the Subordinate Indenture, the Authority may issue additional Senior Bonds. See “SECURITY FOR THE SUBORDINATE BONDS—Issuance Of Additional Senior Bonds And Additional Subordinated Bonds” and “DEBT STRUCTURE OF THE UTAH TRANSIT AUTHORITY—Future Issuance Of Debt” below.

See “SECURITY FOR THE SUBORDINATE BONDS” below.

Security And Source Of Payment

The 2018 Bonds are special limited obligations of the Authority payable solely from the Pledged Revenues (as herein defined), as provided in the Indentures. The most significant source of Pledged Revenues is the sales and use taxes described below under “SECURITY FOR THE SUBORDINATE BONDS—Sales And Use Taxes—Pledge of Sales and Use Taxes” (the “Sales and Use Taxes”). The 2018 Bonds are not a general obligation or a pledge of the full faith and credit of the Authority, the State or any agency, instrumentality or political subdivision thereof. The issuance of the 2018 Bonds shall not directly, indirectly or contingently obligate the Authority or the State or any agency, instrumentality or political subdivision thereof to levy any form of ad valorem taxation therefor.

See “SECURITY FOR THE SUBORDINATE BONDS—Sales And Use Taxes” and “PROJECTED DEBT SERVICE COVERAGE” below.

No Debt Service Reserve Fund For The 2018 Bonds

There is no Debt Service Reserve Fund for the 2018 Bonds. See “SECURITY FOR THE SUBORDINATE BONDS—No Debt Service Reserve Fund For The 2018 Bonds” below.

Redemption Provisions

The 2018 Bonds are subject to optional [and mandatory sinking fund] redemption prior to maturity as described herein. See “THE 2018 BONDS—Redemption Provisions” below.

Registration, Denominations, Manner Of Payment

The 2018 Bonds are issuable only as fully-registered bonds and, when initially issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the 2018 Bonds. Purchases of 2018 Bonds will be made in book-entry form only, in \$5,000 principal or any whole multiple thereof and, through brokers and dealers who are, or who act through, DTC Participants (as defined herein). Beneficial Owners (as defined herein) of the 2018 Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the 2018 Bonds. “Direct Participants,” “Indirect Participants” and “Beneficial Owners” are defined under “APPENDIX E—BOOK-ENTRY SYSTEM.”

Principal of and interest on the 2018 Bonds are payable by the Trustee to the registered owners of the 2018 Bonds. So long as Cede & Co. is the sole registered owner, it will, in turn, remit such principal and interest to its Direct Participants, for subsequent disbursements to the Beneficial Owners of the 2018 Bonds, as described under “APPENDIX E—BOOK-ENTRY SYSTEM.”

* Preliminary; subject to change.

So long as DTC or its nominee is the sole registered owner of the 2018 Bonds, neither the Authority, nor the Trustee will have any responsibility or obligation to any Direct or Indirect Participants of DTC, or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the Direct Participants, Indirect Participants or the Beneficial Owners of the 2018 Bonds. Under these circumstances, references herein and in the Senior Indenture to the “Bondowners” or “Registered Owners” of the 2018 Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the 2018 Bonds.

Transfer Or Exchange; Regular Record Date

If the book–entry system is terminated with respect to the 2018 Bonds, and in all cases in which the privilege of exchanging or transferring the 2018 Bonds is exercised, the Authority shall execute, and the Trustee shall authenticate and deliver, the 2018 Bonds in accordance with the provisions of the Indentures. For every such exchange or transfer of the 2018 Bonds, the Trustee shall require payment by the Registered Owner of any tax or other governmental charge required to be paid with respect to such exchange or transfer of the 2018 Bonds.

The Regular Record Date means the 15th day (whether or not a Business Day) next preceding each Interest Payment Date. The Special Record Date means such date as may be fixed for the payment of defaulted interest on the 2018 Bonds in accordance with the Indentures. The Authority and the Trustee shall not be required to transfer or exchange any 2018 Bond (i) during the period from and including any Regular Record Date, to and including the next succeeding Interest Payment Date, (ii) during the period from and including the day 15 days prior to any Special Record Date, to and including the date of the proposed payment pertaining thereto, (iii) during the period from and including the day 15 days prior to the mailing of notice calling any 2018 Bonds for redemption, to and including the date of such mailing, or (iv) at any time following the mailing of notice calling such 2018 Bond for redemption.

Tax Matters Regarding The 2018 Bonds

In the opinion of Gilmore & Bell, P.C., Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”), the interest on the 2018 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Bond Counsel is also of the opinion that the interest on the 2018 Bonds is exempt from State of Utah individual income taxes. See “TAX MATTERS” below. Bond Counsel expresses no opinion regarding any other tax consequences relating to ownership or disposition of or the accrual or receipt of interest on the 2018 Bonds.

Professional Services

As of the date of this OFFICIAL STATEMENT the following have served in the capacity indicated in connection with the issuance of the 2018 Bonds:

Registrar, Paying Agent and Trustee
ZB National Association dba Zions Bank
Zions Bank Building
Corporate Trust Department
One S Main St 12th Fl
Salt Lake City UT 84133–1109
801.844.7517 | f 801.594.8018
dawn.richards@zionsbancorp.com

Authority’s Attorney
Jayme L. Blakesley
Utah Transit Authority
669 W 200 S
Salt Lake City UT 84101
801.262.5626 | f 801.287.4520
jblakesley@rideuta.com

Bond Counsel
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15 W S Temple Ste 1450
Salt Lake City UT 84101
801.364.5080 | f 801.364.5032
bwade@gilmorebell.com

Municipal Advisor
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Zions Bank Building
One S Main St 18th Fl
Salt Lake City UT 84133-1109
801.844.7373 | f 801.844.4484
brian.baker@zionsbancorp.com

Conditions Of Delivery, Anticipated Date, Manner And Place Of Delivery

The 2018 Bonds are reoffered when, as and if issued and received by [Wells Fargo Bank, National Association, New York, New York and Morgan Stanley & Co. LLC, New York, New York] (collectively, the “Underwriters”), subject to the approval of legality by Gilmore & Bell, P.C., Bond Counsel to the Authority, and certain other conditions. Certain legal matters will be passed on for the Authority by Jayme L. Blakesley, General Counsel to the Authority. Certain legal matters regarding this OFFICIAL STATEMENT will be passed on for the Underwriters by their counsel, Chapman and Cutler LLP. It is expected that the 2018 Bonds, in book-entry form, will be available for delivery to DTC or its agent on or about [_____, February __, 2018].

Continuing Disclosure Undertaking

The Authority will enter a continuing disclosure undertaking for the benefit of the Beneficial Owners of the 2018 Bonds. For a detailed discussion of this undertaking, previous undertakings and timing of submissions, see “CONTINUING DISLCOSURE UNDERTAKING” below and “APPENDIX D—PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING.”

Basic Documentation

This OFFICIAL STATEMENT speaks only as of its date, and the information contained herein is subject to change. Brief descriptions of the Authority and the 2018 Bonds are included in this OFFICIAL STATEMENT. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Senior Indenture, the Subordinate Indenture, and the 2018 Bonds are qualified in their entirety by reference to each such document.

Descriptions of the Indentures and the 2018 Bonds are qualified by reference to bankruptcy laws affecting the remedies for the enforcement of the rights and security provided therein and the effect of the exercise of the police power by any entity having jurisdiction. Copies of the Indentures may be obtained from the contact persons indicated below. Extracts of the Subordinate Indenture are attached hereto as “APPENDIX B—EXTRACTS OF CERTAIN PROVISIONS OF THE SUBORDINATE INDENTURE.”

Contact Persons

As of the date of this OFFICIAL STATEMENT, additional requests for information may be directed to Zions Public Finance Inc., Salt Lake City, Utah (the “Municipal Advisor”):

Brian F. Baker, Vice President, brian.baker@zionsbancorp.com
Eric John Pehrson, Vice President, eric.pehrson@zionsbancorp.com

Zions Public Finance, Inc.
Zions Bank Building
One S Main St 18th Fl
Salt Lake City UT 84133-1109
801.844.7373 | f 801.844.4484

As of the date of this OFFICIAL STATEMENT, the chief contact person for the Authority concerning the 2018 Bonds is:

Richard C. Swenson, Deputy Treasurer and Financial Services Manager
rswenson@rideuta.com

Utah Transit Authority
669 W 200 S
Salt Lake City UT 84101
801.287.2412 | f 801.287.4537

CONTINUING DISCLOSURE UNDERTAKING

The Authority will enter into Continuing Disclosure Undertaking (the “Disclosure Undertaking”) for the benefit of the Beneficial Owners of the 2018 Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access system (“EMMA”) pursuant to the requirements of paragraph (b)(5) of Rule 15c2-12 (the “Rule”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. No person, other than the Authority, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the 2018 Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and other terms of the Disclosure Undertaking, including termination, amendment and remedies, are set forth in the proposed form of Disclosure Undertaking in “APPENDIX D—PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING.”

During the five years prior to the date of this OFFICIAL STATEMENT, the Authority has not failed to comply in all material respects with its prior undertakings pursuant to the Rule.

The Disclosure Undertaking requires the Authority to submit its annual financial report (Fiscal Year Ending December 31) and other operating and financial information on or before July 18 of each year.

A failure by the Authority to comply with the Disclosure Undertaking will not constitute a default under the Indentures, and Beneficial Owners of the 2018 Bonds are limited to the remedies provided in the Disclosure Undertaking. See “APPENDIX D—PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING—Consequences of Failure of the Issuer to Provide Information.” A failure by the Authority to comply with the Disclosure Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the 2018 Bonds in the secondary market. Any such failure may adversely affect the marketability of the 2018 Bonds.

RISK FACTORS AFFECTING UTAH TRANSIT AUTHORITY AND THE 2018 BONDS

The purchase of the 2018 Bonds involves certain investment risks which are discussed throughout this OFFICIAL STATEMENT. Accordingly, each prospective purchaser of the 2018 Bonds should make an independent evaluation of all the information presented in this OFFICIAL STATEMENT in order to make an informed investment decision. Certain of these risks are described below. The enumerated risks described below are not all-inclusive but are intended to highlight certain of these risks for the convenience of the reader.

Dependence On Sales And Use Tax Revenues

Pledged Revenues consist primarily of Sales and Use Taxes pledged under the Indentures. Sales and Use Taxes depend, to a large extent, on the strength of and growth in the local economy. Downturns in the economy adversely affect Sales and Use Taxes. *Many of such taxes are currently levied at the maximum rates permitted by law.* The availability of any increase in sales tax rates of the Authority is determined by the State and local governments who authorize and impose such taxes, or by the voters of the local governments pursuant to referendum, as applicable. See “SECURITY FOR THE SUBORDINATE BONDS—Sales and Use Taxes” below.

In addition, Sales and Use Taxes are dependent on the volume of the transactions subject to the tax. The Utah State Legislature (the “Legislature”) has authority to revoke or diminish, directly or by expansion of exemptions to the sales tax base, the sales taxes available to the Authority. From time to time the Legislature has removed certain types of purchases from the sales tax. The Authority cannot predict what impact any future legislation affecting transit sales taxes may have on the Authority’s Sales and Use Taxes.

The Authority receives certain Sales and Use Taxes pursuant to interlocal agreements between the Authority and certain counties and cities within its Service Area. Each of such interlocal agreements extends at least until Fiscal Year 2045. The Authority’s right to receive certain of such Sales and Use Taxes following the expiration of the interlocal agreements may be limited. See “SECURITY FOR THE SUBORDINATE BONDS—Sales And Use Taxes—Interlocal Agreements” below.

Subordinate Bonds

The Subordinate Bonds are secured by a junior lien on Pledged Revenues. Therefore, the security for the payment of the principal of and interest on the Subordinate Bonds is dependent on the Authority’s receipt of Pledged Revenues in amounts sufficient to meet the debt service requirements of the Subordinate Bonds after payment of the Senior Bonds. The Authority may issue additional Senior Bonds (as well as additional Subordinate Bonds) without Bondholder consent upon meeting certain coverage tests under the Indentures, as described herein.

Federal Funding

A significant portion of the Authority’s annual revenues derives from federal grants, including, in particular, preventative maintenance grants. Preventative maintenance grants are federal formula grants received by the Authority pursuant to the current federal transportation funding legislation. Federal grant moneys do not constitute Revenues or Pledged Revenues for purposes of the Indentures to the extent that such moneys are prohibited by law from being pledged, but failure to receive such grant moneys could materially disrupt the operations and financial position of the Authority. See “FINANCIAL INFORMATION REGARDING UTAH TRANSIT AUTHORITY—Financial Summaries—Statement of Revenues, Expenses and Changes in Net Assets” and “—Federal Grants” below.

Operations Risks And Other Risk Factors

Operations of the Authority may be affected by various factors beyond its direct control, such as labor and fuel cost volatility; the availability of parts and equipment and volatility in the cost of parts and equipment; federal decisions affecting funding for mass transit; local political decisions affecting road construction, traffic regulations, and zoning approvals for Authority facilities; and natural or manmade disasters that affect the ability of the Authority to operate its System. Revenues derived from operation of the System and available after payment of operation and maintenance expenses constitute only a small fraction, if any, of Pledged Revenues. See “SECURITY FOR THE SUBORDINATE BONDS—Sales And Use Taxes” below. These and other factors, however, could negatively impact public and political

perception and support of the Authority, resulting in legislative and other local governmental decisions that adversely affect the amount of sales taxes the Authority may collect, and could otherwise adversely impact the Authority and its System.

PLAN OF REFUNDING

[Discussion of the plan of refunding]

THE 2018 BONDS

General

The 2018 Bonds will be dated the date of original issuance and delivery¹ (the “Dated Date”) and will mature on December 15 of the years and in the amounts as set forth on the inside cover pages of this OFFICIAL STATEMENT.

The 2018 Bonds will bear interest from their Dated Date at the rates per annum set forth on the inside cover page of this OFFICIAL STATEMENT. Interest on the 2018 Bonds is payable semiannually on each June 15 and December 15, commencing [December 15, 2018]. Interest on the 2018 Bonds shall be computed based on a 360-day year consisting of 12, 30-day months. Zions Bank is the Trustee, Registrar and Paying Agent with respect to the 2018 Bonds (in such respective capacities, the “Trustee,” “Registrar” and “Paying Agent”). The Trustee, Bond Registrar and Paying Agent may resign or be removed and a successor may be appointed in accordance with the Senior Indenture.

The 2018 Bonds will be issued as fully-registered bonds, initially in book-entry form, in the denomination of \$5,000 or any whole multiple thereof, not exceeding the amount of each maturity.

Sources And Uses Of Funds

The proceeds from the sale of the 2018 Bonds are estimated to be applied as set forth below:

Sources:

Par amount of 2018 Bonds	\$
Original issue premium	_____
Totals	\$

Uses:

Deposit into Project Account.....	\$
Costs of issuance (1).....	_____
Underwriters' discount	_____
Original issue discount	_____
Totals	\$

(1) Includes legal fees, Municipal Advisor fees, rating agency fees, Trustee, Escrow Agent, Bond Registrar and Paying Agent fees, escrow verification agent fees, rounding amounts and other miscellaneous costs of issuance.

(Source: Municipal Advisor.)

Redemption Provisions

Optional Redemption. The 2018 Bonds are subject to redemption prior to maturity, in whole or in part, at the option of the Authority on any date on and after [December 15, 20__] or [June 15, 20__]*, at a redemption price equal to 100% of the principal amount of the 2018 Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption.

Mandatory Sinking Fund Redemption. The 2018 Bonds maturing on [_____] are subject to mandatory sinking fund redemption, by lot in such manner as the Trustee may determine, at a price equal to 100% of the principal amount thereof plus accrued interest to the redemption date, on the dates and in the principal amounts as follows:

¹ The anticipated date of delivery is [_____, February __, 2018].

* Preliminary; subject to change.

<u>Mandatory Sinking Fund Redemption Date</u>	<u>Sinking Fund Requirements</u>
December 15, 20__	\$
December 15, 20__	
December 15, 20__	
December 15, 20__	
December 15, 20__ (final maturity).....	_____
Total	\$

Notice of Redemption. Notice of redemption shall be given by the Trustee by first class mail, not less than 30 nor more than 60 days prior to the redemption date, to the registered owner of the 2018 Bonds at the address of such Bondowner as it appears in the registration books of the Authority kept by the Trustee. Each notice of redemption shall state (i) the complete official name and identifying number of the 2018 Bonds to be redeemed; (ii) any other descriptive information deemed to accurately identify the 2018 Bonds being redeemed, including, but not limited to, the dated date of and interest rate on such 2018 Bonds; (iii) in the case of a partial redemption, the respective principal amounts to be redeemed; (iv) the date of mailing of redemption notice and the redemption date; (v) the redemption price; (vi) that on the redemption date the redemption price will become due and payable upon each such 2018 Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and (vii) the place where such 2018 Bonds are to be surrendered for payment of the redemption price.

Each notice of redemption may further state that such redemption shall be conditional upon the Trustee's receiving for deposit into the Bond Fund, on or prior to the date fixed for redemption, moneys authorized by the Authority to be deposited therein that are sufficient to pay the redemption price of and interest on the 2018 Bonds to be redeemed and that if such moneys have not been so received the notice shall be of no force or effect and the Authority shall not be required to redeem such 2018 Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption will not be made and the Registrar will within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received. Any notice mailed will be conclusively presumed to have been duly given, whether or not the Bondowner receives such notice. Failure to give such notice or any defect therein with respect to any 2018 Bond will not affect the validity of the proceedings for redemption with respect to any other 2018 Bond.

For so long as a book-entry system is in effect with respect to the 2018 Bonds, the Registrar will mail notices of redemption to DTC or its successor. Any failure of DTC to convey such notice to any Direct Participants or any failure of the Direct Participants or Indirect Participants to convey such notice to any Beneficial Owner will not affect the sufficiency of the notice or the validity of the redemption of 2018 Bonds. See "THE 2018 BONDS—Book-Entry System" below.

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Debt Service On The 2018 Bonds

<u>Payment Date</u>	<u>The 2018 Bonds</u>		<u>Period Total</u>	<u>Fiscal Total</u>
	<u>Principal*</u>	<u>Interest</u>		
[June 15, 2018	\$ 0.00	\$	\$	
December 15, 2018]	0.00			
June 15, 2019	0.00			
December 15, 2019	0.00			
June 15, 2020	0.00			
December 15, 2020	0.00			
June 15, 2021	0.00			
December 15, 2021	0.00			
June 15, 2022	0.00			
December 15, 2022	0.00			
June 15, 2023	0.00			
December 15, 2023	0.00			
June 15, 2024	0.00			
December 15, 2024	0.00			
June 15, 2025	0.00			
December 15, 2025	0.00			
June 15, 2026	0.00			
December 15, 2026	0.00			
June 15, 2027	0.00			
December 15, 2027	0.00			
June 15, 2028	0.00			
December 15, 2028	0.00			
June 15, 2029	0.00			
December 15, 2029	0.00			
June 15, 2030	0.00			
December 15, 2030	0.00			
June 15, 2031	0.00			
December 15, 2031	0.00			
June 15, 2032	0.00			
December 15, 2032	0.00			
June 15, 2033	0.00			
December 15, 2033	0.00			
June 15, 2034	0.00			
December 15, 2034	0.00			
June 15, 2035	0.00			
December 15, 2035	0.00			
June 15, 2036	0.00			
December 15, 2036	0.00			
June 15, 2037	0.00			
December 15, 2037	0.00			
June 15, 2038	0.00			
December 15, 2038	0.00			
June 15, 2039	0.00			
December 15, 2039	0.00			
June 15, 2040	0.00			
December 15, 2040	0.00			
June 15, 2041	0.00			
December 15, 2041	0.00			
June 15, 2042	0.00			
December 15, 2042	0.00			

* Preliminary; subject to change.

Debt Service On The 2018 Bonds—continued

<u>Payment Date</u>	<u>The 2018 Bonds</u>		<u>Period Total</u>	<u>Fiscal Total</u>
	<u>Principal*</u>	<u>Interest</u>		
June 15, 2043.....	0.00			
December 15, 2043.....	0.00			
June 15, 2044.....	0.00			
December 15, 2044.....	0.00			
June 15, 2045.....	0.00			
December 15, 2045.....	0.00			
Totals.....	<u>[\$218,500,000.00]</u>	\$	\$	

* Preliminary; subject to change.

(Source: Municipal Advisor.)

Book—Entry System

DTC will act as securities depository for the 2018 Bonds. The 2018 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered 2018 Bond certificate will be issued for each maturity of the 2018 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC or a “fast agent” of DTC. See “APPENDIX E—BOOK—ENTRY SYSTEM” for a more detailed discussion of the book—entry system and DTC.

SECURITY FOR THE SUBORDINATE BONDS

The 2018 Bonds are special limited obligations of the Authority payable solely from the Pledged Revenues and certain moneys held under the Subordinate Indenture, subject to the prior lien on Pledged Revenues securing the Senior Bonds. Pledged Revenues include: (i) Sales and Use Taxes; (ii) interest earnings on certain funds held under the respective Indentures; (iii) certain interest subsidy payments from the Internal Revenue Service (“Direct Payments”); and (iv) all other Revenues (including but not limited to fare—box revenues, advertising revenues, fees, income, rents and receipts received or earned by the Authority from the operation of the System) after payment of Operation and Maintenance Expenses of the System. Pledged Revenues do not include federal and state grant moneys that are prohibited by law from being pledged. *Payment of the principal of and interest on the 2018 Bonds from Pledged Revenues is subject to the prior lien on Pledged Revenues securing the Senior Bonds, as described below under “Flow of Funds” below.*

The 2018 Bonds are not a general obligation or a pledge of the full faith and credit of the Authority, the State or any agency, instrumentality or political subdivision of the State. The issuance of the 2018 Bonds shall not directly, indirectly, or contingently obligate the Authority, the State or any agency, instrumentality or political subdivision of the State to levy any form of ad valorem taxation therefor. The Authority will not mortgage or grant any security interest in any of its physical assets to secure payment of the 2018 Bonds.

Flow Of Funds

Under the Senior Indenture and the Subordinate Indenture, all Revenues (except earnings from the investment of amounts on deposit in the funds and accounts established under the Senior Indenture and the Subordinate Indenture, which shall be allocated as provided in the Senior Indenture and the Subordinate Indenture, respectively) shall be deposited by the Authority to the credit of the Revenue Fund and the Authority shall account for Sales and Use Taxes separate and apart from all other Revenues. Under the In-

dentures, Sales and Use Taxes are applied as described in (a) and (b) below, prior to payment of Operation and Maintenance Expenses. Other Revenues are applied after payment of Operation and Maintenance Expenses, as described in paragraph (c).

(a) As a first lien and charge on the Sales and Use Taxes, the Authority is to transfer and deposit all available Sales and Use Taxes from the Revenue Fund into the following Funds or make payments therefrom (as applicable) pursuant to the Senior Indenture, in the following order of priority set forth below:

(i) amounts required to be deposited in the Bond Fund established under the Senior Indenture to pay debt service on the Senior Bonds and any security instrument repayment obligations with respect to the Senior Bonds, as provided in the Senior Indenture;

(ii) amounts required under the Senior Indenture to be deposited in the Reserve Instrument Fund or the Debt Service Reserve Fund established under the Senior Indenture; and

(iii) to provide for the payment of Financing Expenses (Security Instrument Costs, Reserve Instrument Costs, and arbitrage rebate with respect to the Senior Bonds) when and as the same become due.

(b) As a second charge and lien on the Sales and Use Taxes and after the above payments have been made pursuant to the Senior Indenture, the Authority is to make the following transfers or payments pursuant to the Subordinate Indenture, in the order of priority set forth below:

(i) amounts required to be deposited in the Bond Fund established under the Subordinate Indenture, to pay the debt service on the Subordinate Bonds and any security instrument repayment obligations with respect to the Subordinate Bonds, as provided in the Subordinate Indenture;

(ii) amounts required under the Subordinate Indenture to be deposited in the Reserve Instrument Fund or the Debt Service Reserve Fund established under the Subordinate Indenture;

(iii) to provide for the payment of Financing Expenses (Security Instrument Costs, Reserve Instrument Costs, and arbitrage rebate with respect to the Subordinate Bonds) when and as the same become due; and

(iv) as the next charge and lien on the Sales and Use Taxes, the Authority shall allocate or transfer and deposit to the appropriate fund any debt service payments, reserve fund payments, debt reserve instrument costs and similar payments which may be required pursuant to any obligations payable from Revenues on a basis subordinate to the Subordinate Indenture.

(c) The Operation and Maintenance Expenses shall be paid by the Authority from time to time as they become due and payable (i) at any time from the Revenues other than Sales and Use Taxes, Direct Payments and Senior Direct Payments and (ii) from the Revenues constituting Sales and Use Taxes, Direct Payments and Senior Direct Payments, but only after the charges on Sales and Use Taxes referenced above have been met.

(d) As necessary, after payment of unpaid Operation and Maintenance Expenses then due, the Authority will transfer and deposit any amounts in the Revenue Fund into the funds established under the Senior Indenture and the Subordinate Indenture, for the purposes and in the order of priority, set forth above. Subject to making the foregoing deposits, the Authority may use any moneys on deposit in the Revenue Fund for:

(i) redemption of Senior Bonds or Subordinate Bonds for cancellation prior to maturity;

(ii) refinancing, refunding, or advance refunding of any Senior Bonds or Subordinate Bonds;

(iii) application to, or accumulation of a reserve for, the purpose of applying toward, the costs of acquiring, constructing, equipping or furnishing additional facilities to the System or improving, replacing, restoring, equipping or furnishing any existing facilities;

(iv) payment of indebtedness having a lien on the Pledged Revenues subordinate to that of the Subordinate Bonds and the Repayment Obligations; or

(v) application for any other lawful purposes, as determined by the Authority.

See “APPENDIX B—EXTRACTS OF CERTAIN PROVISIONS OF THE SUBORDINATE INDENTURE—Special Funds And Accounts” for additional information regarding the provisions of the Indentures relating to the application of Revenues.

Sales And Use Taxes

Transit Sales Taxes. Under Section 2213 of the Sales and Use Tax Act, Title 59, Chapter 12 of the Utah Code (the “Sales Tax Act”), counties, cities and towns may, upon meeting the statutory requirements to do so, levy a sales and use tax of up to 0.30% on taxable retail sales of tangible personal property and services (excluding food and food ingredients and various other property and services for which the Sales Tax Act provides an exemption) (“Taxable Sales”) within its boundaries, to fund a public transportation system (the “Mass Transit Tax”). However, the maximum rate for the Mass Transit Tax is 0.25% for any county, city, or town in which the Mass Transit Fixed Guideway Tax (defined below) is also levied.

Under Section 2214 of the Sales Tax Act, any county, city or town may, upon approval of the voters of such entity at an election, levy an additional sales tax to fund a system for public transit or a project or service related to an airport facility of up to 0.25% on all Taxable Sales within its boundaries (less 20% of such taxes in the case of counties of the first class (i.e., Salt Lake County), which is allocated to fund highway and other improvements) (the “Additional Mass Transit Tax”).

Under Section 2216 of the Sales and Use Tax Act, counties that do not levy, and do not contain any municipalities that levy, the Additional Mass Transit Tax, may, upon approval of the voters of the county at an election, levy a sales and use tax of up to 0.30% of Taxable Sales for fixed guideway, public transit, and highway projects within the county (the “Mass Transit Fixed Guideway Tax”). Utah County is the only county in the Service Area that has levied the Mass Transit Fixed Guideway Tax (92% of which is dedicated to the Authority).

In addition, under Section 2217 of the Sales Tax Act, counties may, upon approval of the voters of the county at an election, levy a sales and use tax of up to 0.25% of Taxable Sales for corridor preservation, or congestion mitigation, or to expand capacity for regionally significant transportation facilities (less 25% of such taxes in the case of counties of the first or second class, which is allocated to highway projects) (the “County Option Transportation Tax”). Salt Lake County is the only county in the Service Area that has levied a County Option Transportation Tax that is dedicated to the Authority. Pursuant to the Sales Tax Act, county ordinance, and an interlocal agreement among the Utah Department of Transportation, the Authority, and Salt Lake County, 25% of Salt Lake County’s County Option Transportation Tax is dedicated to highway projects and is not available to the Authority. (Currently, Weber County levies a 0.25% County Option Transportation Tax, however, such tax revenues are not dedicated to the Authority, but to Weber County projects as directed by local county government.)

Pursuant to Section 2003 of the Sales Tax Act, the State levies a sales and use tax of up to 0.30% of Taxable Sales (the “Supplemental State Sales and Use Tax”) within any city, town or unincorporated area

within a county of the first or second class in the Service Area that does not levy either the maximum 0.30% Mass Transit Tax or the maximum 0.30% Mass Transit Fixed Guideway Tax, as applicable. The Supplemental State Sales and Use Tax rate to be levied by the State within such counties equals the difference between 0.30% and the Mass Transit Tax rate or Mass Transit Fixed Guideway Tax rate, as applicable, that is levied in such areas. Currently, the State is levying a 0.05% Supplemental State Sales and Use Tax in Weber and Davis Counties. Each of the other municipalities and unincorporated areas within counties of the first and second class in the Service Area (Salt Lake County and Utah County) levy the maximum Mass Transit Tax and/or Mass Transit Fixed Guideway Tax.

Pledge of Sales and Use Taxes. Sales and Use Taxes received by the Authority and pledged under the Subordinate Indenture consist of revenues received from the following transit sales taxes:

(i) a 0.30% Mass Transit Tax levied by Salt Lake County; by participating cities within Box Elder County (consisting of Brigham City, Willard City and Perry City); by participating cities within Tooele County (consisting of the cities of Tooele and Grantsville and the unincorporated areas known as Erda, Lakepoint, Lincoln and Stansbury Park) and a 0.25% Mass Transit Tax levied by Davis, Utah and Weber Counties and by the participating city in Juab County (consisting of Santaquin City (which city is located in Utah and Juab Counties)) (the counties and cities identified in this paragraph are collectively referred to herein as the “Participating Counties,” the “Participating Cities” or the “Participating Counties and Cities”);

(ii) a 0.25% Additional Mass Transit Tax levied by Weber, Davis and Salt Lake Counties (less 20% of such taxes, in the case of Salt Lake County, which is allocated to fund highway and other improvements) and by the Participating Cities in Box Elder County;

(iii) a 0.276% Mass Transit Fixed Guideway Tax levied by Utah County (92% of the 0.30% tax levy is dedicated to the Authority);

(iv) a 0.1875% (being 75% of 0.25%) County Option Transportation Tax levied by Salt Lake County;

(v) a 0.05% Supplemental State Sales and Use Tax that is levied by the State in Weber and Davis Counties; and

(vi) any other sales and use tax revenues legally available to the Authority that may be affirmatively pledged under the Subordinate Indenture in the future.

The following table shows the combined sales tax rates of each of the Participating Counties and Cities with respect to the portion of their transit taxes that is pledged under the Subordinate Indenture:

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Sales and Use Tax Rates

<u>Participating County/City</u>	<u>Total Transit Sales Tax Rate</u>
Participating Cities in Box Elder County (1).....	0.55 %
Davis County (2) (3).....	0.55
Participating City in Juab County (4).....	0.25
Salt Lake County (5).....	0.6875
Participating Cities in Tooele County (3) (6).....	0.30
Utah County (7).....	0.526
Weber County (2) (3).....	0.55

-
- (1) Consists of the Mass Transit Tax (0.30%) and Additional Mass Transit Tax (0.25%).
 - (2) Consists of the Mass Transit Tax (0.25%) the Supplemental State Sales and Use Tax (0.05%) and the Additional Mass Transit Tax (0.25%).
 - (3) ***Does not include revenues from the 0.1% sales tax received by Davis, Toole and Weber Counties pursuant to Section 59-12-2218 (the “Proposition 1 Tax”) as such revenues do not constitute Pledged Revenues. See “Proposition 1. Tax” below.***
 - (4) Consists of the Mass Transit Tax (0.25%).
 - (5) Consists of the Mass Transit Tax (0.30%), the Additional Mass Transit Tax (0.20%) (representing 80% of 0.25%; the other 20% is allocated to highway and other improvements) and the County Option Transportation Tax (0.1875%) (representing 0.25%, less 0.0625%, which is dedicated to highway projects pursuant to county ordinance).
 - (6) Consists of the Mass Transit Tax (0.30%).
 - (7) Consists of the Mass Transit Tax (0.25%) and the Mass Transit Fixed Guideway Tax (0.276% (92% of 0.30%)).

For a 10–year history of sales tax rates by county within the Authority’s Service Area see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2016–Statistical Section–Local Transit Sales Tax Rates By County–10 Years” (CAFR page 79).

Transit sales taxes are collected together with other sales and use taxes by the Utah State Tax Commission on a monthly basis for most sales tax payers. The Authority’s portion of the transit sales taxes is then remitted to the Authority by the Utah State Tax Commission on behalf of the Participating Counties and Cities or, with respect to certain Participating Counties and Cities that have not entered into Interlocal Agreements (defined below) with the Authority, by the Participating Counties and Cities themselves.

Interlocal Agreements. The Authority has entered into Interlocal Cooperation Agreements (the “Interlocal Agreements”) with Salt Lake County and Utah County, each of which extends at least to 2045. The Interlocal Agreements require such Participating Counties to allocate the Sales and Use Taxes levied by such entities to the Authority to the extent described above under “Pledge of Sales and Use Taxes.” The Interlocal Agreements authorize the Utah State Tax Commission to remit the Participating Counties’ respective Sales and Use Tax revenues directly to the Authority. The Authority is required to use the amounts allocated by the Participating Counties on System projects designated under the respective Interlocal Agreements.

Proposition 1 Tax. In 2015, the Legislature passed legislation allowing counties to place an additional local option sales tax for transportation purposes on their ballots in November 2015 (the “Proposition 1 Tax”). For counties served by the Authority, if Proposition 1 Tax was successful, revenue is to be allocated between the county, cities and the Authority to address transportation needs. Voters approved the Proposition 1 Tax in Davis, Weber, and Tooele Counties and the Authority will use those funds generated to improve its transit services in those specific counties. ***Sales tax revenues collected from the Proposition 1 Tax are not included in the sales taxes that constitute Pledged Revenues.***

Historical Sales Taxes. The following table shows the Authority’s Sales and Use Tax collections by county, totals and percentage change for the last 10–years. Also see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2016–Statistical Section–Local Contributions in the Form of Sales Tax by County–10 Years” (CAFR page 79).

For Fiscal Year 2016, approximately 62.5% of Pledged Revenues was collected within Salt Lake County; approximately 15.8% was collected in Utah County; approximately 11.3% was collected in Davis County; approximately 9% was collected in Weber County; approximately 0.7% was collected in Tooele County; and approximately 0.7% was collected in Box Elder County.

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Historical Sales and Use Tax Collections

Fiscal Year Ended December 31	Salt Lake County		Utah County (1)		Davis County		Weber County		Tooele County (2)		Box Elder County (3)		All Counties	
	Amount	% change from prior year	Amount	% change from prior year	Amount	% change from prior year	Amount	% change from prior year	Amount	% change from prior year	Amount	% change from prior year	Amount (4)	% change from prior year
2016.....	\$ 153,201,907	4.3	\$ 38,601,427	6.6	\$ 27,606,440	19.1	\$ 22,009,320	19.9	\$ 1,798,971	18.3	\$ 1,790,352	15.3	\$ 245,008,417	7.6
2015.....	146,866,479	5.5	36,221,930	7.3	23,178,724	8.0	18,362,502	5.1	1,521,097	9.9	1,552,291	9.4	227,703,023	6.1
2014.....	139,199,088	4.9	33,752,513	5.8	21,459,683	7.2	17,469,093	6.0	1,384,631	2.6	1,418,268	9.0	214,683,276	5.3
2013.....	132,741,112	2.8	31,905,764	4.3	20,023,042	7.1	16,486,468	5.6	1,349,366	(1.1)	1,300,577	1.6	203,806,329	3.6
2012.....	129,169,357	7.6	30,576,235	10.2	18,692,038	4.5	15,611,940	4.5	1,364,179	13.0	1,279,794	4.3	196,693,543	7.4
2011.....	120,094,110	6.9	27,743,162	9.2	17,880,017	5.4	14,939,966	1.9	1,207,539	(1.6)	1,226,730	(3.4)	183,091,524	6.5
2010.....	112,379,366	0.3	25,397,367	2.7	16,964,089	(0.7)	14,656,323	(2.5)	1,227,109	7.9	1,269,478	(2.2)	171,893,732	0.3
2009 (5).....	112,076,511	(10.8)	24,725,132	(9.8)	17,091,892	(4.3)	15,029,137	(1.3)	1,136,816	(6.9)	1,297,586	12.3	171,357,074	(9.1)
2008 (6).....	125,688,483	0.9	27,401,909	(1.8)	17,857,247	(10.6)	15,222,426	(11.6)	1,221,602	1.8	1,155,713	36.9	188,547,380	(1.6)
2007 (7).....	124,548,526	42.5	27,916,622	85.3	19,967,595	9.5	17,211,585	7.5	1,200,289	10.8	843,922	16.8	191,688,539	38.4

- (1) Effective October 1, 2011 all unincorporated areas of Utah County and the Participating City in Juab County began levying the Mass Transit Tax. Prior to October 2011, the Participating Cities included Alpine, American Fork, Cedar Hills, Eagle Mountain, Highland, Lehi, Lindon, Mapleton, Orem, Payson, Pleasant Grove, Provo, Salem, Saratoga Springs, Springville, and the unincorporated areas. Eagle Mountain and Saratoga Springs became Participating Cities effective April 1, 2009.
- (2) Consists of the Participating Cities of Tooele, Grantsville and the unincorporated areas known as Erda, Lakepoint, Stansbury Park and Lincoln.
- (3) Consists of the Participating Cities of Brigham, Perry and Willard.
- (4) Due to the timing of collections and the accrual of the Authority's revenues, these amounts may not match the audited financial statements of the Authority.
- (5) The amount for Utah County in 2009 has been adjusted from what the Authority reported in the current and historical Comprehensive Annual Financial Reports ("CAFR"). The total 2009 amount has been changed from \$171,854,169 to \$171,357,074 (Utah County was changed from \$25,222,227 to \$24,725,132 because of a calculation error).
- (6) Effective January 1, 2008, Utah County began levying the Mass Transit Fixed Guideway Tax. State-wide Legislation exempting "food and food ingredients" from Taxable Sales became effective on January 1, 2008. Legislation intended to mitigate the impact of the food exemption by permitting the Mass Transit Tax and the Mass Transit Fixed Guideway Tax to be increased from 0.25% to 0.30%, became effective January 1, 2008. Each of the Participating Cities within Box Elder and Tooele Counties and Salt Lake and Utah Counties (other than Eagle Mountain and Saratoga Springs, which became Participating Cities effective April 1, 2009) began levying this additional tax effective January 1, 2008. Beginning July 1, 2008, an additional 0.05% Supplemental State Sales and Use Tax was levied in Davis and Weber Counties. The Participating Cities in Box Elder County began levying the Additional Mass Transit Tax effective July 1, 2008.
- (7) Effective April 1, 2007, Salt Lake County began levying the County Option Transportation Tax. Effective July 1, 2007, the portion of Salt Lake County's Additional Mass Transit Tax that is allocable to the Authority increased from 75% to 80% pursuant to an amendment to the Sales Tax Act. See "Pledge of Sales and Use Taxes" above.

(Source: The Authority.)

Monthly Sales And Use Tax Collections

The following table shows the Authority's Sales and Use Tax collections for Fiscal Years 2012 through 2016 and the budgeted Sales and Use Tax For Fiscal Year 2017.

Period	Fiscal Year					2017		
	2012	2013	2014	2015	2016	Actual (1)	Budget	Difference
January.....	\$ 13,604,917	\$ 15,308,046	\$ 15,401,268	\$ 15,822,942	\$ 16,067,751	\$ 17,833,314	\$ 16,779,000	\$ 1,054,314
February.....	13,852,365	14,584,205	15,032,544	15,177,844	16,170,707	19,850,509	16,937,000	2,913,509
March.....	18,768,854	19,305,083	19,808,480	21,209,721	23,637,140	22,316,190	24,772,000	(2,455,810)
April.....	14,704,974	14,956,859	16,321,002	17,880,134	17,050,500	17,413,722	17,814,000	(400,278)
May.....	15,397,296	16,112,084	16,596,746	17,061,258	19,164,112	19,884,544	20,060,000	(175,456)
June.....	20,098,767	19,445,135	20,195,317	21,735,000	21,530,800	25,321,478	22,542,000	2,779,478
July.....	13,518,711	16,221,385	16,886,664	18,681,512	19,926,594	19,697,155	20,829,000	(1,131,845)
August.....	16,865,824	17,045,573	17,690,252	19,041,994	20,566,224	23,626,608	21,511,000	2,115,608
September.....	17,987,063	18,541,331	20,116,071	21,679,415	22,047,531	22,604,228	23,096,000	(491,772)
October.....	14,984,881	15,649,731	16,815,573	17,447,201	18,334,089	-	19,166,000	-
November.....	16,417,217	15,905,417	16,452,912	17,402,017	18,965,164	-	18,985,000	-
December.....	20,492,672	20,731,479	23,366,447	24,563,986	25,124,370	-	26,871,000	-
Totals.....	<u>\$ 196,693,541</u>	<u>\$ 203,806,328</u>	<u>\$ 214,683,276</u>	<u>\$ 227,703,024</u>	<u>\$ 238,584,982</u>	<u>\$ 188,547,748</u>	<u>\$ 249,362,000</u>	<u>\$ 4,207,748</u>

(1) Sales and Use Taxes are received by the Authority on or about the 20th day of the second month following the month in which such Sales and Use Taxes accrue.

(Source: The Authority.)

No Debt Service Reserve Fund For The 2018 Bonds

There is no Debt Service Reserve Fund with respect to the 2018 Bonds.

Subaccounts are established in the Debt Service Reserve Fund with respect to certain of the Authority's Outstanding Subordinate Bonds, but *the 2018 Bonds are not secured by any subaccount in the Debt Service Reserve Fund established with respect to another series of Subordinate Bonds*. The Debt Service Reserve fund for additional bonds, if any, equals the amount established under the supplemental indenture authorizing the related Series of Subordinate Bonds.

Issuance Of Additional Senior Bonds And Additional Subordinate Bonds

The Senior Indenture provides that Additional Senior Bonds may be issued upon satisfaction of certain requirements, including delivery by the Authority of a certificate to the effect that Adjusted Sales and Use Taxes are at least 200% of the maximum annual Aggregate Debt Service on all of the Senior Bonds to be outstanding upon the issuance of the Additional Senior Bonds.

Under the Subordinate Indenture no additional indebtedness, bonds or notes of the Authority payable on a priority ahead of the Subordinate Bonds or the Security Instrument Repayment Obligations with respect to the Subordinate Bonds out of Pledged Revenues shall be created or incurred, and no Additional Subordinate Bonds or other indebtedness of the Authority payable on a parity with the Subordinate Bonds or the Security Instrument Repayment Obligations out of Pledged Revenues shall be created or incurred unless certain requirements are satisfied, including delivery by the Authority of a certificate to the effect that Adjusted Sales and Use Taxes are at least 120% of the maximum Aggregate Debt Service for any Bond Fund Year on all of the Subordinate Bonds and Senior Bonds to be Outstanding upon the issuance of such additional bonds.

“Adjusted Sales and Use Taxes” means Sales and Use Taxes in any consecutive 12-month period within the 24 calendar months next preceding the issuance of the applicable series of Additional Bonds, adjusted to take into account any increases in the sales and use taxes allocated to the Authority, to the extent that such increased amounts have been included as “Sales and Use Taxes” and are pledged under the respective Indenture. The Senior Indenture may be amended and supplemented pursuant to its terms without the consent of the bondholders of the Subordinate Bonds.

See “DEBT STRUCTURE OF THE UTAH TRANSIT AUTHORITY—Future Issuance Of Debt” below.

HISTORICAL DEBT SERVICE COVERAGE

The following table shows the past five Fiscal Years of debt service requirements for the Outstanding Senior Bonds, the Outstanding Subordinate Bonds, the historical Sales and Use Tax Revenues and the debt service coverage amounts.

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Fiscal Year Ending December 31	Sales and Use Taxes	Senior Bonds		Subordinate Bonds		Total Bonds	
		Outstanding		Outstanding		Outstanding	
		Senior Bonds	Debt Service Cover- age (1)	Subordinate Bonds	Debt Service Cover- age (2)	Senior and Subordinate Bonds	Debt Service Cover- age (3)
Historical:							
2012.....	\$ 196,693,541	\$ 69,414,462	2.83	\$ 18,253,108	6.97	\$ 87,667,570	2.24
2013.....	203,806,328	68,924,181	2.96	32,565,180	4.14	101,489,361	2.01
2014.....	214,683,276	68,571,496	3.13	33,151,469	4.41	101,722,965	2.11
2015.....	227,703,023	58,997,559	3.86	37,310,652	4.52	96,308,211	2.36
2016.....	245,008,417	62,372,691	3.93	41,924,135	4.36	104,296,826	2.35

- (1) Includes actual interest payments on the 2009B Senior Bonds (Build America Bonds) and does not reflect any federal interest subsidy payments.
- (2) Multiple of Sales and Use Taxes to debt service on the Senior Bonds.
- (3) Includes actual interest payments on the 2010 Subordinate Bonds (Build America Bonds) and does not reflect any federal interest subsidy payments.
- (4) Multiple by which Sales and Use Taxes remaining after payment of debt service on the Senior Bonds is available to pay debt service on the Subordinate Bonds.
- (5) Multiple by which Sales and Use Taxes are available to pay aggregate debt service on the Senior Bonds and the Subordinate Bonds.

(Source: Municipal Advisor.)

For the Authority’s presentation of a 10–year history of debt service coverage see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2016—Statistical Section—Debt Service Coverage—10 Years” (CAFR page 81). The Authority’s presentation includes payments of federal interest subsidy payments on Build America Bonds.

PROJECTED DEBT SERVICE COVERAGE

Forward Looking Projected Information. The Authority does not as a matter of course make public projections as to future revenues, income or other results. However, the management of the Authority has prepared the prospective financial information set forth below in the table “Projected Debt Service Coverage,” to present actual Sales and Use Tax revenues of the Authority for Fiscal Year 2016. The accompanying prospective financial information was not prepared with a view toward public disclosure or with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of the Authority’s management, was prepared on a reasonable basis, reflects the best currently available estimates and judgments and presents, to the best of management’s knowledge and belief, the expected course of action and the expected future financial performance of the Authority, or was prepared by carrying forward historical information to future years. However, this information is not fact and should not be relied upon as necessarily indicative of future results, and readers of this OFFICIAL STATEMENT are cautioned not to place undue reliance on the prospective financial information.

Neither the Authority’s independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the prospective financial information contained

herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

The assumption and estimates underlying the prospective financial information are inherently uncertain and, although considered reasonable by the management of the Authority as of the date hereof, are subject to a wide variety of significant business, economic, and competitive risks and uncertainties, including execution by the Participating Counties and Cities of the Interlocal Agreements, that could cause actual results to differ materially from those contained in the prospective financial information. Accordingly, there can be no assurance that the prospective results are indicative of the future performance of the Authority or that the actual results will not differ materially from those presented in the prospective financial information. Inclusion of the prospective financial information in this OFFICIAL STATEMENT should not be regarded as a representation by any person that the results contained in the prospective financial information will be achieved.

Projected Sales and Use Taxes. Recent Developments. The Authority has budgeted Sales and Use Tax collections for Fiscal Year 2017 to be collected at \$249,362,000,000 (not including Proposition 1 Tax). See “SECURITY FOR THE SUBORDINATE BONDS—Monthly Sales And Use Tax Collections” above.

The Authority has received its Sales and Use Tax collections for January 2017 through September 2017. The January through September 2017 amount is approximately 7% higher (or approximately \$12,386,389) than Sales and Use Tax collections for the period from January 2016 through September 2016.

The following table shows the debt service requirements for the 2018 Bonds, the Outstanding Senior Bonds, the Outstanding Subordinate Bonds, projected debt service coverage based upon actual Fiscal Year 2016 Sales and Use Taxes, for all years during which the Senior Bonds and Subordinate Bonds are scheduled to be outstanding (including for the years during which the 2018 Bonds are scheduled to be outstanding).

For purposes of the following debt service coverage table, the amount of Sales and Use Taxes collected for Fiscal Year 2016 is shown for all years during which the Senior Bonds and Subordinate Bonds are scheduled to be outstanding.

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Projected Debt Service Coverage

Fiscal Year Ending December 31	Sales and Use Taxes (1)	Senior Bonds		Subordinate Bonds				Total Bonds	
		Outstanding Senior Bonds Total Debt Service (2)	Debt Service Cover- age (3)	2018 Bonds Debt Service	Outstanding Subordinate Bonds Total Debt Service (4)	Subordinate Bonds Total Debt Service	Debt Service Cover- age (5)	Outstanding Senior and Subordinate Bonds Total Debt Service (6)	Debt Service Cover- age (7)
2017.....	\$ 245,008,417	\$ 62,283,380	3.93	\$ 0	\$ 38,587,048	\$ 38,587,048	4.74	\$ 100,870,428	2.43
2018.....	245,008,417	62,283,968	3.93	0	43,056,875	43,056,875	4.24	105,340,843	2.33
2019.....	245,008,417	68,006,962	3.60	0	43,070,000	43,070,000	4.11	111,076,962	2.21
2020.....	245,008,417	74,082,630	3.31	0	45,878,250	45,878,250	3.73	119,960,880	2.04
2021.....	245,008,417	79,165,630	3.09	0	48,527,250	48,527,250	3.42	127,692,880	1.92
2022.....	245,008,417	83,441,687	2.94	0	51,193,750	51,193,750	3.16	134,635,437	1.82
2023.....	245,008,417	89,331,818	2.74	0	53,847,500	53,847,500	2.89	143,179,318	1.71
2024.....	245,008,417	89,336,593	2.74	0	53,838,750	53,838,750	2.89	143,175,343	1.71
2025.....	245,008,417	89,337,130	2.74	0	53,845,125	53,845,125	2.89	143,182,255	1.71
2026.....	245,008,417	89,340,305	2.74	0	53,849,250	53,849,250	2.89	143,189,555	1.71
2027.....	245,008,417	89,338,224	2.74	0	53,844,250	53,844,250	2.89	143,182,474	1.71
2028.....	245,008,417	89,338,449	2.74	0	53,847,875	53,847,875	2.89	143,186,324	1.71
2029.....	245,008,417	89,354,162	2.74	0	53,847,625	53,847,625	2.89	143,201,787	1.71
2030.....	245,008,417	89,447,356	2.74	0	53,846,125	53,846,125	2.89	143,293,481	1.71
2031.....	245,008,417	89,445,729	2.74	0	53,845,750	53,845,750	2.89	143,291,479	1.71
2032.....	245,008,417	89,443,164	2.74	0	53,835,875	53,835,875	2.89	143,279,039	1.71
2033.....	245,008,417	89,445,278	2.74	0	62,019,825	62,019,825	2.51	151,465,103	1.62
2034.....	245,008,417	89,442,373	2.74	0	62,022,775	62,022,775	2.51	151,465,148	1.62
2035.....	245,008,417	89,745,759	2.73	0	62,010,575	62,010,575	2.50	151,756,334	1.61
2036.....	245,008,417	89,756,692	2.73	0	62,026,675	62,026,675	2.50	151,783,367	1.61
2037.....	245,008,417	89,452,185	2.74	0	62,021,881	62,021,881	2.51	151,474,066	1.62
2038.....	245,008,417	89,440,752	2.74	0	63,964,763	63,964,763	2.43	153,405,515	1.60
2039.....	245,008,417	66,929,525	3.66	0	87,932,438	87,932,438	2.03	154,861,963	1.58
2040.....	245,008,417	-	-	0	154,332,131	154,332,131	1.59	154,332,131	1.59
2041.....	245,008,417	-	-	0	75,975,625	75,975,625	3.22	75,975,625	3.22
2042.....	245,008,417	-	-	0	73,912,750	73,912,750	3.31	73,912,750	3.31
Totals.....		<u>\$ 1,927,189,751</u>		<u>\$ 0</u>	<u>\$ 1,574,980,736</u>	<u>\$ 1,574,980,736</u>		<u>\$ 3,502,170,487</u>	

- (1) The Authority's Sales and Use Tax collections for Fiscal Year 2016 was \$245,008,417. Projected Sales and Use Taxes Revenues are held constant after Fiscal Year 2016. See "SECURITY FOR THE SUBORDINATE BONDS—Monthly Sales And Use Tax Collections" above.
- (2) Includes actual interest payments on the 2009B Senior Bonds (Build America Bonds) and does not reflect any federal interest subsidy payments the Authority expects to receive. These principal and interest payments reflect any mandatory sinking fund principal payments.
- (3) Multiple of Sales and Use Taxes to debt service on the Senior Bonds.
- (4) Assumes the _____ Subordinate Bonds and the 2014B Subordinate Bonds to be refunded by the 2018 Bonds have been refunded. Includes compound interest on the remaining June 15, 2032 maturity of \$8,070,000 (accrued value) 2007A Subordinate Bonds (capital appreciation). Includes actual interest payments on the 2010 Subordinate Bonds (Build America Bonds) and does not include any federal interest subsidy payments the Authority expects to receive. These principal and interest payments reflect mandatory sinking fund principal payments.
- (5) Multiple by which Sales and Use Taxes remaining after payment of debt service on the Senior Bonds are available to pay debt service on the Subordinate Bonds.
- (6) Debt service does not include any federal interest subsidy payments on Build America Bonds, see "DEBT STRUCTURE OF THE UTAH TRANSIT AUTHORITY—Debt Service Schedule Of Outstanding Sales Tax Revenue Bonds By Fiscal Year" above.
- (7) Multiple by which Sales and Use Taxes are available to pay aggregate debt service on the Senior Bonds and the Subordinate Bonds.

(Source: Compiled by the Municipal Advisor.)

See “DEBT STRUCTURE OF THE UTAH TRANSIT AUTHORITY—Outstanding Debt Of The Authority” below.

THE 2018 PROJECTS

[Discussion of the 2018 Projects]

THE UTAH TRANSIT AUTHORITY

General

The Authority, which was organized in 1970, operates and exists under the Transit Act. The Authority’s Service Area lies in the region commonly referred to as the Wasatch Front. The Service Area extends from the Wasatch Mountains on the east to the Great Salt Lake on the west, is approximately 100–miles long and 30–miles wide, and consists of an area of approximately 1,400 square miles that covers all or portions of six principal counties (Box Elder, Davis, Salt Lake, Tooele, Utah and Weber). The Service Area also includes a small portion of Juab County. The total population within the six principal counties is approximately 2,420,000, which represents approximately 79% of the State’s total population. A map of the Service Area may be found in “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2016” (CAFR page 21).

The Authority’s business office is located in Salt Lake City, Utah and maintains a Web site at <http://www.rideuta.com>. For the principle contact person at the Authority see “INTRODUCTION—Contact Persons” above.

There are three metropolitan statistical areas (“MSA”) contained in the Authority’s Service Area: the Salt Lake City MSA comprised of Salt Lake, Summit and Tooele Counties; the Provo–Orem MSA comprised of Utah and Juab Counties; and the Ogden–Clearfield MSA comprised of Davis, Morgan and Weber Counties.

Information regarding the Authority’s 10 year histories of demographic and economic statistics (CAFR page 81), principal employers (CAFR page 82) and trend statistics (CAFR page 83) are provided in “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2016—Statistical Section” and for additional demographic and economic information regarding the Service Area and counties within the Service Area see “APPENDIX F—CERTAIN INFORMATION REGARDING THE SERVICE AREA.”

Service Facilities

Service is currently provided from eight operations facilities located in Ogden City, Salt Lake City (two facilities, north and south), South Salt Lake City (three facilities), Midvale City, and Orem City. The Ogden City urbanized area bus fleet is served from the Mt. Ogden Division (Ogden, completed in 1986). The Salt Lake metropolitan area bus fleet is garaged and maintained in (i) the Central Division (Salt Lake City, renovated in 1987); (ii) the Meadowbrook Division (South Salt Lake City, completed in 1980); and (iii) the Riverside Division (South Salt Lake City, completed in 1997). The bus fleet servicing the Utah County area is serviced by the Mt. Timpanogos Facility (Orem City, completed in 1990). Light rail operations and maintenance is performed from a facility located near the Authority’s railroad right-of-way in Midvale City (completed in 1999) and the Jordan River Service Center located in South Salt Lake City (completed in 2011). Commuter rail operations and maintenance is performed from a facility located near the Authority’s railroad right-of-way in Salt Lake City (completed in 2008).

Integrated Bus, Light Rail And Commuter Rail Systems

Bus Service. As of Fiscal Year 2016, the Authority has a fleet of 567 buses and 129 paratransit buses/vans throughout the Service Area.

Approximately 19% of the overall fleet of buses is used for paratransit services. Approximately 53% of the fixed route fleet is assigned to the divisions in Salt Lake County, approximately 16% of the fixed route fleet is assigned to the Ogden division, and approximately 11% of the fixed route fleet is assigned to the Orem division. In 2009, the Authority completed a Bus Rapid Transit (“BRT”) line that runs in Salt Lake County (from the unincorporated Magna area through West Valley City) to South Salt Lake City.

For performance measures regarding the Authority’s bus service as compared to other transit agencies throughout the United States for service efficiency and cost effectiveness see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2016—Statistical Section—Performance Measures—Bus Service” (CAFR page 88).

TRAX System; Light Rail Service and Facilities. In 1999, the Authority began operating the TRAX System (as defined herein). As of Fiscal Year 2016 the Authority operated 146 light rail vehicles (“LRVs”) on approximately 45–miles of light rail lines located within the boundaries of Salt Lake County.

The TRAX System segments have been built and opened in the following sequence:

(1) the initial 15.8–mile rail line opened December 1999 and in 2008 this north/south line was extended from the downtown area to the Salt Lake Intermodal Hub;

(2) a four–mile line known as the University line opened December 2001 and in September 2003 the line was extended 1.5–miles to the Utah Medical Center;

(3) a 10.6–mile line known as the Mid–Jordan line opened August 2011 connecting South Jordan City to the initial north/south line in Murray City;

(4) a 5.1–mile line known as the West Valley line opened August 2011 connecting West Valley City to the initial north/south line in South Salt Lake City;

(5) a six–mile line known as the Airport line opened April 2013 connecting Salt Lake City International Airport to downtown Salt Lake City;

(6) a 3.8–mile line known as the Draper line opened in August 2013 and extends the north/south line from Sandy City to Draper City; and

(7) a two–mile line known as the S Line (the “S Line”) opened in December 2013 connecting the north/south line, east into an area in Salt Lake City known as “Sugarhouse” (collectively, all light rail lines are known as the “TRAX System”).

The railroad right–of–way upon which the Authority operates a portion of the TRAX System shares tracks with several short line railway carriers. The passenger and freight service is time–separated, with freight activities occurring only in the hours when the TRAX System is not operating.

TRAX System Line Configuration. The Blue line runs from Draper City in south Salt Lake County to the inter–modal hub in downtown Salt Lake City. The Red line runs from South Jordan City in the southwest part of Salt Lake County to the University of Utah and the University hospital on the east side of Salt Lake City. The Green line runs from West Valley City to the Salt Lake City International Airport.

The S Line runs from the Sugarhouse area in Salt Lake City to a point on the Blue/Red/Green line in South Salt Lake City.

FrontRunner System; Commuter Rail Service and Facilities. In 2008, the Authority began operating the FrontRunner System. The first project of the FrontRunner System was a 45-mile commuter rail line that extends from Pleasant View City (Weber County) to the Salt Lake Intermodal Center in downtown Salt Lake City (Salt Lake County) (the “FrontRunner North”). In December 2012, the Authority opened a 44-mile long south extension to the FrontRunner System running from downtown Salt Lake City (Salt Lake County) to Provo City (Utah County) (“FrontRunner South”). The FrontRunner South and the FrontRunner North rail lines are collectively, the “FrontRunner System.” As of Fiscal Year 2016 the Authority operates 81 commuter rail vehicles on its 88-mile, single-track commuter rail line. Commuter rail operations and maintenance is performed from a facility located near the Authority’s railroad right-of-way in Salt Lake City.

Completion of the FrontLines 2015 Project. After the passage of a 2006 voter referendum which increased sales tax dedicated to transit, the Authority began the construction of the “FrontLines 2015 Project,” which project was scheduled to be in operation by Fiscal Year 2015. The FrontLines 2015 Project included: the Jordan River Service Center (opened in August 2011); FrontRunner South line; and the Mid-Jordan, West Valley, Airport and Draper light rail TRAX lines. The FrontLines 2015 Project was completed on August 2013 and under budget. A map of the bus routes and rail alignments may be found in “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2016” (CAFR page 21).

For performance measures regarding the Authority’s commuter and light rail service as compared to other transit agencies throughout the United States for service efficiency and cost effectiveness see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2016—Statistical Section—Performance Measures—Commuter Rail and Performance Measures—Light Rail” (CAFR pages 91 and 94).

Other Information. Additional information regarding the Authority’s historical transit fares (CAFR page 80); operating indicators and capital assets (CAFR page 85); and 10-year trend statistics for ridership, revenue miles to total miles, revenue hours, average fare per passenger, cost per revenue mile, and system cost per passenger (CAFR pages 86 and 87) are provided in “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2016—Statistical Section.”

For performance measures regarding the Authority’s “demand response” as compared to other transit agencies throughout the United States for service efficiency and cost effectiveness see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2016—Statistical Section—Performance Measures—Demand Response” (CAFR pages 97).

Additional Capital Projects

[In September 2014, the Authority, on behalf of Utah County, initiated a grant application process with the Department of Transportation, Federal Transit Administration (the “FTA”), to request the FTA to fund 50% of a proposed \$150 million BRT system that would connect the Authority’s Orem Intermodal Hub to its Provo Intermodal Hub and to connect other points between the two hubs (the “Provo–Orem Bus–BRT Project”). Utah County and the Authority entered into an interlocal agreement in December 2014 with respect to the Provo–Orem BRT Project (the “BRT Interlocal Agreement”).

In order to provide for the initial funding for the Provo–Orem BRT Project, the BRT Interlocal Agreement provides for Utah County to issue \$65 million of Utah County bonds (the “County Bonds”) secured by certain sales tax revenues of Utah County (that are not pledged to the Authority as Pledged

Revenues). Under the BRT Interlocal Agreement, Utah County would initially own the project and the Authority would operate the project. Utah County would provide funding for operations and maintenance of the project until no later than December 31, 2028, and at that time the Authority would purchase the project from Utah County in an amount sufficient to retire the County Bonds and reimburse the county for tax revenues and other funds previously expended by Utah County for costs of issuance and principal and interest payments with respect to the County Bonds. The Provo–Orem BRT Project is scheduled to open in late summer of 2018.

Future capital projects include information and communications system upgrades and other information technology systems projects, minor and major light rail vehicle overhauls and periodic upgrades, and rail right-of-way capital projects.]

Management

The Authority is currently governed by a Board of Trustees (the “Board of Trustees”) consisting of 15 voting members (with only one Trustee to be an elected official from the municipality making the appointment) and one non-voting member (appointed by municipalities in unannexed county area).

The municipalities within Salt Lake County and the municipalities of Tooele and Grantsville in Tooele County appoint five members to the Board of Trustees; the municipalities within Utah County appoints two members to the Board of Trustees; Salt Lake County appoints one member from the unincorporated area of Salt Lake County to the Board of Trustees; Salt Lake City appoints one member to the Board of Trustees; the municipalities within Davis County appoint one member to the Board of Trustees; the municipalities within Weber County and the municipalities of Perry, Brigham City and Willard in Box Elder County, appoint one member; one member is appointed by the Utah Transportation Commission; one member is appointed by the speaker of the Legislature, House of Representatives; one member is appointed by the President of the Senate of the Legislature; and one member is appointed by the Utah State Governor; and one member (who is non-voting board member) is appointed from municipalities in a county in which all of the county is currently not within the Service Area of the Authority (which municipalities would be located in Tooele County and/or Box Elder County).

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As of the date of this OFFICIAL STATEMENT, the members of the Board of Trustees are as follows:

<u>Trustee/Appointed by</u>	<u>Years of Service</u>	<u>Expiration of Term (4)</u>
Robert McKinley, Chair municipalities within Salt Lake/Tooele Counties (1)	5	December 2017
Jeff Hawker, Co–Vice Chair municipalities within Salt Lake/Tooele Counties (2)	6	October 2020
Sherrie Hall Everett, Co–Vice Chairmunicipalities within Utah County	3	March 2020
Jeff Acerson.....municipalities within Utah County	3	November 2019
Cortland G. Ashton.....President of the Utah State Senate	2	November 2020
Gregory S. Bell..... Governor of the State of Utah	2	September 2020
Gina Chamness..... municipalities within Salt Lake/Tooele Counties (1)	1	March 2019
Necia Christensen..... municipalities within Salt Lake/Tooele Counties (1)	17	May 2019
Alex Cragun.....Salt Lake City	1	March 2019
Karen Cronin Unincorporated areas (3)	2	October 2020
Babs DeLayPresident of the Utah State House	3	January 2020
Charles G. Henderson..... Salt Lake County (unincorporated)	9	May 2020
Dannie R. McConkie Transportation Commission of Utah	5	May 2021
P. Bret Millburn..... municipalities within Davis County	9	August 2020
Brent Taylor..... municipalities within Weber/Box Elder Counties (2)	2	May 2019
Troy K. Walker..... municipalities within Salt Lake/Tooele Counties (1)	7	March 2020

- (1) All the municipalities in Salt Lake County and the municipalities of Tooele and Grantsville in Tooele County.
- (3) All the municipalities in Weber County and he municipalities of Brigham City, Perry City and Willard City in Box Elder County.
- (3) Municipalities and unincorporated area with the Service Area that is located within a county that is not annexed into the Authority.
- (4) A member of the Board of Trustees may serve past the expiration of their term until the appointment of a new member.

(Source: The Authority.)

As of the date of this OFFICIAL STATEMENT, the officers of the Authority include: the Chair, Robert McKinley of the Board of Trustees; the Vice Co–Chair, Jeff Hawker of the Board of Trustees; the Vice Co–Chair, Sherrie Hall Everett of the Board of Trustees; the President/Chief Executive Officer, Jerry R. Benson; General Counsel to the Board of Trustees, Jayme L. Blakesley; Secretary and Treasurer to the Board of Trustees and Vice President Finance, Robert K. Biles; and Comptroller, Troy Bingham.

The responsibility for the operations of the Authority is held by the President/Chief Executive Officer in accordance with the direction, goals and policies of the Authority’s Board of Trustees. The President/Chief Executive Officer has full charge of the acquisition, construction, maintenance, and operation of the facilities of the Authority and of the administration of the business affairs of the Authority. The President/Chief Executive Officer supervises the executive staff.

The administration of the Authority, as of the date of this OFFICIAL STATEMENT, is as follows:

<u>Office</u>	<u>Person</u>	<u>Years in Office</u>	<u>Years with Authority</u>
President/Chief Executive Officer.....	Jerry R. Benson	3	34
General Counsel	Jayme L. Blakesley	3	3
Chief of Internal Audit	Riana DeVillers	3	3
Vice President of External Affairs	Nichol Bourdeaux	2	2
Vice President Finance	Robert K. Biles	6	6
Vice President Operations, Capital & Assets	Todd Provost	3	19
Chief People Officer.....	Kim Ulibarri	2	2
Chief Safety, Security and Technology Officer ..	David Goeres	7	11

(Source: The Authority.)

Employee Workforce, Labor Relations, Retirement System, Other Post–Employment Benefits

Employee Workforce. As of Fiscal Year 2017, the Authority had 2,545 full–time equivalent employees [(1,220 in bus/paratransit service operations, 563 in rail operations and 587 in operations and administration support)]. For a 10–year history of full–time equivalent employees of the Authority see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2016–Statistical Section–Full–Time Equivalent Employees” (CAFR page 82).

Labor Relations. All of the Authority’s operators, mechanics, and parts clerks are represented by Local 382 of the Amalgamated Transit Union (the “Union”). The Authority and the Union are operating under a collective bargaining agreement which became effective on December 10, 2016 and expires on December 10, 2019.

Retirement System. The Authority participates in a defined benefit pension plan (the “Retirement Plan”) that covers all eligible employees and provides retirement benefits to plan members and their beneficiaries. The Retirement Plan also provides disability benefits to plan members. Contributions by the Authority to the retirement plan are made in amounts determined by the Authority’s Pension Advisory Committee and approved by the Board of Trustees. The Authority’s funding policy is to annually contribute 16% of payroll.

The most recent actuarial report for the Retirement Plan provides a valuation of the Retirement Plan as of January 1, 2017. As of January 1, 2017, the actuarial value of assets in the Retirement Plan was \$166,035,257, representing 57.6% of actuarially accrued liabilities of 288,419,992. [The contribution by the Authority to the Retirement Plan for Fiscal Year 2016 was \$19.6 million and approximately \$16.6 million was paid into the plan for Fiscal Year 2015. In October 2013 the Authority adopted a policy directed toward amortizing its unfunded liability over a closed–end 20–year period.] For additional information regarding the Retirement Plan see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2016–Notes to the Financial Statements–Note 7–Pension Plans” (CAFR page 54).

The Authority also offers a deferred compensation plan to its employees, see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2016–Notes to the Financial Statements–Note 7–Pension Plans; C. Defined Compensation Plan” (CAFR page 59).

Other Post–Employment Benefits. The Authority does not provide any post–employment benefits other than those provided under its Retirement Plan.

Risk Management

The Authority is self–insured for most property and casualty losses, including liability claims for personal injury and property damage, as well as worker’s compensation. The Utah Governmental Immunity Act, Title 63G, Chapter 7, Utah Code (the “Immunity Act”) limits liability of the Authority for damages for personal injury to \$717,000 for one person in any one occurrence, or \$2,455,900 for two or more persons in any one occurrence. The Immunity Act limits liability of the Authority for property damage to \$286,900.

In addition, the Transit Act provides that in the case of claims and judgments in excess of the Authority’s ability to pay, no operating assets or fund of the Authority can be attached. The Transit Act provides that a court of competent jurisdiction shall have the power to require the levy of a tax to discharge any lawful claim against the Authority.

The Authority has a loss reserve fund in a separate account at the Utah Public Treasurers Investment Fund in the amount of \$7,431,600 (as of December 31, 2016).

In addition to the self-insurance program and the protection of the Immunity Act, the Authority has also procured coverage under a corporate insurance program.

To protect itself against catastrophic property losses, the Authority has obtained an all-risk property policy with limits to \$256,206,795 and a deductible of \$100,000 with percentage of value deductibles for earth movement and wind/hail damage. The Authority also has premises liability coverage for most properties not associated with ongoing operations with primary and excess combined limits of \$5 million per occurrence and \$6 million aggregate.

For the Authority's Rideshare van pool vehicles there are primary and excess auto liability policies in place which provides coverage limits of \$4 million. While bus operations exposures fall under the Authority's self-insurance program, the rail exposures are covered by a Rail Liability insurance policy with primary and excess limits of \$100 million over a \$5 million self-insurance reserve.

The Authority also maintains an excess Workers Compensation policy which provides protection over the Authority's self-insured retention (\$1 million lifetime per claim with \$250,000 per accident per payment year) for statutory limits and \$2 million for employers' liability.

For trustees, officers and employees of the Authority, a Public Officials and Employment Practices Liability policy provides coverage limits of \$10 million.

Incidental coverages include fiduciary liability, notary bond, cyber and technology liability and Police Officer Professional Liability.

The insurance and self-insurance programs are both managed by the Claims and Insurance Manager in the office of General Counsel, loss prevention and safety and security are managed by the Chief Safety & Security Officer/Chief of Staff.

The estimated claims liability is reflected in the Authority's financial statements. See "APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2016—Notes to the Financial Statements—Note 2. Summary of Significant Accounting Policies—N. Risk Management" (CAFR page 44) and "—Note 6. Self-Insurance Claims Liability" (CAFR page 54).

Investment Of Funds

The State Money Management Act. The State Money Management Act governs and establishes criteria for the investment of all public funds held by public treasurers in the State. The Money Management Act provides a limited list of approved investments, including qualified in-state and permitted out-of-state financial institutions, obligations of the State and political subdivisions of the State, U.S. Treasury and approved federal government agency and instrumentality securities, certain investment agreements and repurchase agreements and investments in corporate securities meeting certain ratings requirements. A portion of Authority funds may be invested in the Utah Public Treasurers Investment Fund ("PTIF"), as discussed below. The Money Management Act establishes the State Money Management Council (the "Money Management Council") to exercise oversight of public deposits and investments. The Money Management Council is comprised of five members appointed by the Governor of the State for terms of four-years, after consultation with the State Treasurer and with the advice and consent of the State Senate.

The Authority is currently complying with all of the provisions of the Money Management Act for all Authority operating funds.

The Utah Public Treasurers' Investment Fund. The PTIF is a local government investment fund, established in 1981, and managed by the State Treasurer. All investments in the PTIF must comply with the Money Management Act and rules of the Money Management Council. The PTIF invests primarily in money market securities. Securities in the PTIF include certificates of deposit, commercial paper, short-term corporate notes, obligations of the U.S. Treasury and securities of certain agencies of the federal government. By policy, the maximum weighted average adjusted life of the portfolio is not to exceed 90 days and the maximum final maturity of any security purchased by the PTIF is limited to five-years. Safekeeping and audit controls for all investments owned by the PTIF must comply with the Money Management Act.

All securities purchased are delivered versus payment to the custody of the State Treasurer or the State Treasurer's safekeeping bank, assuring a perfected interest in the securities. Securities owned by the PTIF are completely segregated from securities owned by the State. The State has no claim on assets owned by the PTIF except for any investment of State moneys in the PTIF. Deposits are not insured or otherwise guaranteed by the State. Investment activity of the State Treasurer in the management of the PTIF is reviewed monthly by the Money Management Council and is audited by the State Auditor. The PTIF has no investment rating.

See "APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2016—Notes to the Financial Statements—Note 3. Cash, Cash Equivalents and Investments" (CAFR page 49).

As of December 31, 2016, approximately \$62 million was invested in the PTIF.

In March 2014, the Authority contracted with a private money manager to manage a shorter-term investment portfolio (maximum of three years). The total allocation to the private money manager is \$20 million as of December 31, 2016.

[Audits Of The Authority; Legislative Auditor Report]

The Authority, similar to other transit agencies, is audited periodically by various state and federal agencies. In particular, from time to time the Office of the Legislative Auditor of the State of Utah (the "Legislative Auditor") has conducted performance audits of the Authority. Most recently, in August 2014, the Legislative Auditor issued a report (the "Legislative Auditor Report") which included certain findings. In the Legislative Auditor Report, it was noted, among other things, that the Authority (i) needed to have better control and oversight of its development projects; (ii) the Authority should benchmark total compensation of its executives; and (iii) without additional funding sources for the Authority, financial constraints could limit upkeep of its fleet and expansion of its services and new projects in the future. The Board of Trustees has agreed with and adopted all of the recommendations made in the Legislative Auditor Report. In January 2016, the Legislative Auditor confirmed in its Annual Report to the Legislature that the Authority had implemented all the recommendations identified in the Legislative Auditor Report.

Beginning in March 2015, the Authority received federal grand jury subpoenas for documents related to issues raised in the Legislative Auditor Report as well as documents related to the Mid-Jordan (light rail TRAX line) Full Funding Grant Agreement. The Authority is cooperating fully with the document requests. The Authority is not aware of, and cannot reasonably foresee, any legal action that would materially impact its ability to operate its System or repay its obligations at the present time or in the future. However, the Authority cannot predict the ultimate outcome of the federal grand jury investigation.

The Authority's Service Area

General

The Authority's Service Area lies in the region referred to as the "Wasatch Front." A map of the Authority's Service Area can be found in "APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2016" (CAFR page 21).

Salt Lake County. Salt Lake County comprises an area of 764 square miles and accounts for approximately 46.3% of the population and approximately 58.6% of the nonfarm employment of the Service Area. Salt Lake City is the capital and largest city in the State. The principal cities include Salt Lake City, West Valley City, and Sandy City. Due to continuous economic and population growth, most of the cities in Salt Lake County have grown into a single large metropolitan area with Salt Lake City as its commercial center. The county's population increased approximately 8.9% from 2010 to 2016. The largest employment sectors are retail trade, health care and social assistance, manufacturing, and administration, support, waste management and remediation. *For Fiscal Year 2016, approximately 62.5% of total Pledged Revenues were collected within Salt Lake County boundaries.*

Utah County. Utah County comprises an area of 1,998 square miles and accounts for approximately 24.5% of the population and approximately 20.6% of the nonfarm employment of the Service Area. The principal cities include the City of Provo and Orem City. The county's population increased approximately 14.7% from 2010 to 2016. The largest employment sectors are retail trade, health care and social assistance, education services and construction. *For Fiscal Year 2016, approximately 15.8% of total Pledged Revenues were collected within Utah County boundaries.*

Davis County. Davis County comprises an area of 268 square miles and accounts for approximately 14.1% of the population and approximately 14% of the nonfarm employment of the Service Area. The principal cities include Bountiful, Clearfield, Clinton, Kaysville, Layton and Syracuse. The county's population increased approximately 11.7% from 2010 to 2016. The largest employment sectors are retail trade, federal government, state government and health care and social assistance. *For Fiscal Year 2016, approximately 11.3% of total Pledged Revenues were collected within Davis County boundaries.*

Weber County. Weber County comprises an area of 531 square miles and accounts for approximately 10.2% of the population and approximately 8.4% of the nonfarm employment of the Service Area. The principal city is Ogden City. The county's population increased approximately 7.1% from 2010 to 2016. The largest employment sectors are manufacturing, health care and social assistance, retail trade and local government. *For Fiscal Year 2016, approximately 9% of total Pledged Revenues were collected within Weber County boundaries.*

Tooele County. The portion of Tooele County served by the Authority includes the cities of Tooele and Grantsville and some unincorporated areas. *For purposes of this OFFICIAL STATEMENT certain information regarding Tooele County includes the entire county rather than the portion of Tooele County included in the Service Area.* Tooele County comprises an area of 6,923 square miles (the second largest county in the State) and accounts for approximately 2.7% of the population and approximately 1.2% of the nonfarm employment of the Service Area. The principal cities include Tooele City and Grantsville City. The county's population increased approximately 11.4% from 2010 to 2016. The largest employment sectors are local government, retail trade and transportation and warehousing. *For Fiscal Year 2016, approximately 0.7% of total Pledged Revenues were collected within Tooele County boundaries.*

Box Elder County. The portion of Box Elder County served by the Authority includes the cities of Brigham, Perry and Willard and some unincorporated areas. *For purposes of this OFFICIAL STATEMENT certain information regarding Box Elder County includes the entire county rather than the portion of Box Elder County included in the Service Area.* Box Elder County comprises an area of 5,627 square

miles (the fourth largest county in the State) and accounts for approximately 2.2% of the population and approximately 1.7% of the nonfarm employment of the Service Area. The principal city is Brigham City. The county's population increased approximately 6.3% from 2010 to 2016. The largest employment sectors are manufacturing, retail trade, and health care and social assistance. *For Fiscal Year 2016, approximately 0.7% of total Pledged Revenues were collected within Box Elder County boundaries.*

Juab County. Santaquin City boundaries are located in Utah County and Juab County. A small portion of Santaquin City's boundaries in Juab County are within the Service Area and the Authority collects any sale tax revenues in this area. However, the generated sales tax revenues are insignificant when compared to other Participating Cities within the Service Area of the Authority and for purposes of this OFFICIAL STATEMENT will not be separately identified.

Population

The 2016 population estimate of the Service Area, according to the U.S. Census Bureau, was approximately 2,420,000 people and accounts for 79.4% of the State's total population. Historical and current populations of the counties wholly or partly in the Service Area are shown below. *The population estimates include all of Box Elder and Tooele Counties although the Authority does not serve all of the area in those counties.*

Employment, Income, Construction and Sales Taxes

For certain industry and other data with respect to the Service Area and the counties that are in the Service Area, see "APPENDIX F—CERTAIN INFORMATION REGARDING THE SERVICE AREA."

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Population by County (1)

Year	Box Elder County		Davis County		Salt Lake County		Tooele County		Utah County		Weber County	
	Number	% change from prior period	Number	% change from prior period	Number	% change from prior period	Number	% change from prior period	Number	% change from prior period	Number	% change from prior period
2016 Estimate.....	53,139	6.3	342,281	11.7	1,121,354	8.9	64,833	11.4	592,299	14.7	247,560	7.1
2010 Census.....	49,975	16.9	306,479	28.2	1,029,655	14.6	58,218	42.9	516,564	40.2	231,236	17.7
2000 Census.....	42,745	17.2	238,994	27.2	898,387	23.8	40,735	53.1	368,536	39.8	196,533	24.1
1990 Census.....	36,485	9.8	187,941	28.3	725,956	17.3	26,601	2.2	263,590	20.9	158,330	9.5
1980 Census.....	33,222	18.1	146,540	48.0	619,066	35.0	26,033	20.8	218,106	58.3	144,616	14.5
1970 Census.....	28,129	12.2	99,028	52.9	458,607	19.7	21,545	20.6	137,776	28.8	126,278	14.0
1960 Census.....	25,061	27.0	64,760	109.8	383,035	39.3	17,868	22.1	106,991	30.6	110,744	32.9
1950 Census.....	19,734	4.8	30,867	95.6	274,895	29.9	14,636	60.3	81,912	42.7	83,319	46.9
1940 Census.....	18,832	-	15,784	-	211,623	-	9,133	-	57,382	-	56,714	-

Year	Totals For All Counties		State of Utah		Total Counties' Population as a % of State
	Amount	% change from prior period	Number	% change from prior period	
2016 Estimate.....	2,421,466	10.5	3,051,217	10.4	79.4
2010 Census.....	2,192,127	22.7	2,763,885	23.8	79.3
2000 Census.....	1,785,930	27.7	2,233,169	29.6	80.0
1990 Census.....	1,398,903	17.8	1,722,850	17.9	81.2
1980 Census.....	1,187,583	36.3	1,461,027	37.9	81.3
1970 Census.....	871,363	23.0	1,059,453	18.9	82.2
1960 Census.....	708,459	40.2	890,727	29.3	79.5
1950 Census.....	505,363	36.8	688,862	25.2	73.4
1940 Census.....	369,468	-	550,310	-	67.1

(1) The Authority serves only portions of Box Elder and Tooele Counties. The difference between the total population of the six counties served by the Authority and the population of the Service Area is estimated to be less than 1% (or approximately 22,400 people) of the counties' total population.

(Source: U.S. Bureau of the Census.)

DEBT STRUCTURE OF THE UTAH TRANSIT AUTHORITY

Outstanding Debt Of The Authority

Upon the issuance of the 2018 Bonds the Authority will have the following debt outstanding:

Series	Purpose	Original Prin- cipal Amount	Final Maturity Date	Current Principal Outstanding
Senior Debt (1):				
2015A	Refunding	\$668,655,000	June 15, 2038	\$ 668,655,000
2009B (2).....	System projects/BABs	261,450,000	June 15, 2039	261,450,000
2008A (3) (4)...	System projects	700,000,000	June 15, 2023 (9)	54,295,000
2006C (5).....	Refunding	134,650,000	June 15, 2032	112,845,000
2005A (5).....	Refunding	20,630,000	June 15, 2022	<u>8,635,000</u>
Subtotal.....				<u>1,105,880,000</u>
Subordinate Debt (6):				
2018 (a).....	System projects		<u>December 15, 20</u>	
2016	Refunding	145,691,498	December 15, 2032	145,691,498
2015A	Refunding	192,005,000	June 15, 2037	192,005,000
2012 (3).....	System projects/refunding	295,520,000	June 15, 2042	282,755,000
2010 (2).....	System projects/BABs	200,000,000	June 15, 2040	200,000,000
2007A (7) (8)...	Commuter rail/refunding	261,124,109	June 15, 2035 (10)	<u>126,352,069</u>
Subtotal.....				<u>946,803,567</u>
Total all debt.....				<u>\$2,052,683,567</u>

* Preliminary; subject to change.

(a) For purposes of this OFFICIAL STATEMENT the 2018 Bonds will be considered issued and outstanding. **Ratings have been applied for.**

(1) Unless otherwise indicated, the Senior Bonds are rated “AA” by Fitch Ratings Inc. (“Fitch”); “Aa2” by Moody’s Investors Service, Inc. (“Moody’s”); and “AAA” by S&P Global Ratings (“S&P”); as of the date of this OFFICIAL STATEMENT.

(2) Issued as federally taxable Build America Bonds.

(3) Portions of this bond were refunded by the 2015A Senior Bonds.

(4) The 2008A Senior Bonds maturing on June 15, 2019 are insured by Assured Guaranty Municipal.

(5) These bonds are insured by Assured Guaranty Municipal.

(6) Unless otherwise indicated, the Subordinate Bonds are rated “AA” by Fitch; “A1” by Moody’s; and “A+” by S&P; as of the date of this OFFICIAL STATEMENT.

(7) Portions of this bond were refunded by the 2015A Subordinate Bonds.

(8) These bonds are insured by National Public Finance Guarantee Corp. The principal due on the June 15, 2032 maturity is issued as a capital appreciation bond.

(9) Final maturity date after a portion of these bonds was refunded by the 2015A Senior Bonds.

(10) Final maturity date after a portion of these bonds was refunded by the 2015A Subordinate Bonds.

(Source: Municipal Advisor.)

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Debt Service Schedule Of Outstanding Sales Tax Revenue Bonds By Fiscal Year

Senior Debt

Fiscal Year Ending December 31	Series 2015A \$668,655,000		Series 2013 (2) \$14,005,000		Series 2009B \$261,450,000		Series 2008A \$700,000,000		Series 2006C \$134,650,000	
	Principal	Interest	Principal	Interest	Principal	Interest (4)	Principal	Interest	Principal	Interest
	2016.....	\$ 0	\$ 31,072,663	\$ 5,000	\$ 93,067 (2)	\$ 0	\$ 15,522,287	\$ 0	\$ 2,850,488	\$ 4,570,000
2017.....	0	31,072,663	—	—	0	15,522,287	0	2,850,488	4,825,000	6,051,019
2018.....	0	31,072,663	—	—	0	15,522,287	0	2,850,488 (5)	5,085,000	5,790,881
2019.....	0	31,072,663	—	—	0	15,522,287	5,885,000	2,696,006 (6)	5,350,000	5,516,963
2020.....	12,425,000	30,769,238	—	—	0	15,522,287	0	2,541,525 (5)	5,635,000	5,228,606
2021.....	18,235,000	30,029,138	—	—	0	15,522,287	0	2,541,525 (5)	5,950,000	4,924,500
2022.....	0	29,592,463	—	—	0	15,522,287	23,570,000	1,922,813	6,265,000	4,603,856
2023.....	8,030,000	29,416,463	—	—	0	15,522,287	24,840,000	652,050	6,605,000	4,266,019
2024.....	34,540,000	28,394,631	—	—	0	15,522,287	0	0 (5)	6,970,000 (7)	3,909,675
2025.....	36,285,000	26,660,675	—	—	0	15,522,287	0	0 (5)	7,335,000 (7)	3,534,169
2026.....	38,135,000	24,819,175	—	—	0	15,522,287	0	0 (5)	7,725,000 (8)	3,138,844
2027.....	40,090,000	22,863,550	—	—	0	15,522,287	0	0 (5)	8,140,000 (8)	2,722,388
2028.....	42,145,000	20,807,675	—	—	0	15,522,287	0	0 (5)	8,580,000 (9)	2,283,488
2029.....	44,315,000	18,646,175	—	—	0	15,522,287	0	0 (5)	9,050,000 (9)	1,820,700
2030.....	36,550,000	16,624,550	—	—	10,180,000 (3)	15,220,093	0	0 (5)	9,540,000 (10)	1,332,713
2031.....	38,420,000	14,750,300	—	—	10,825,000 (3)	14,596,560	0	0 (5)	10,035,000 (10)	818,869
2032.....	40,175,000	12,986,300	—	—	11,490,000 (3)	13,934,139	0	0 (5)	10,580,000 (10)	277,725
2033.....	41,805,000	11,346,700	—	—	23,395,000 (3)	12,898,578	0	0 (5)	—	—
2034.....	43,490,000	9,640,800	—	—	24,845,000 (3)	11,466,573	0	0 (5)	—	—
2035.....	45,560,000	7,859,800	—	—	26,380,000 (3)	9,945,959	0	0 (5)	—	—
2036.....	47,415,000	6,000,300	—	—	28,010,000 (3)	8,331,392	0	0 (5)	—	—
2037.....	49,270,000 (1)	3,820,250	—	—	29,745,000 (3)	6,616,935	0	0 (5)	—	—
2038.....	51,770,000 (1)	1,294,250	—	—	31,580,000 (3)	4,796,502	0	0 (5)	—	—
2039.....	—	—	—	—	65,000,000 (3)	1,929,525	—	—	—	—
Totals.....	<u>\$ 668,655,000</u>	<u>\$ 470,613,081</u>	<u>\$ 5,000</u>	<u>\$ 93,067</u>	<u>\$ 261,450,000</u>	<u>\$ 317,048,268</u>	<u>\$ 54,295,000</u>	<u>\$ 18,905,381</u>	<u>\$ 122,240,000</u>	<u>\$ 62,512,338</u>

Fiscal Year Ending December 31	Series 2005A \$20,630,000		Senior Bonds Total Debt Service		
	Principal	Interest	Total Principal	Total Interest (11)	Total Debt Service
	2016.....	\$ 1,400,000	\$ 567,263	\$ 5,975,000	\$ 56,397,691
2017.....	1,470,000	491,925	6,295,000	55,988,380	62,283,380
2018.....	1,550,000	412,650	6,635,000	55,648,968	62,283,968
2019.....	1,635,000	329,044	12,870,000	55,136,962	68,006,962
2020.....	1,720,000	240,975	19,780,000	54,302,630	74,082,630
2021.....	1,815,000	148,181	26,000,000	53,165,630	79,165,630
2022.....	1,915,000	50,269	31,750,000	51,691,687	83,441,687
2023.....	—	—	39,475,000	49,856,818	89,331,818
2024.....	—	—	41,510,000	47,826,593	89,336,593
2025.....	—	—	43,620,000	45,717,130	89,337,130
2026.....	—	—	45,860,000	43,480,305	89,340,305
2027.....	—	—	48,230,000	41,108,224	89,338,224
2028.....	—	—	50,725,000	38,613,449	89,338,449
2029.....	—	—	53,365,000	35,989,162	89,354,162
2030.....	—	—	56,270,000	33,177,356	89,447,356
2031.....	—	—	59,280,000	30,165,729	89,445,729
2032.....	—	—	62,245,000	27,198,164	89,443,164
2033.....	—	—	65,200,000	24,245,278	89,445,278
2034.....	—	—	68,335,000	21,107,373	89,442,373
2035.....	—	—	71,940,000	17,805,759	89,745,759
2036.....	—	—	75,425,000	14,331,692	89,756,692
2037.....	—	—	79,015,000	10,437,185	89,452,185
2038.....	—	—	83,350,000	6,090,752	89,440,752
2039.....	—	—	65,000,000	1,929,525	66,929,525
Totals.....	<u>\$ 11,505,000</u>	<u>\$ 2,240,306</u>	<u>\$ 1,118,150,000</u>	<u>\$ 871,412,441</u>	<u>\$ 1,989,562,441</u>

- (1) Mandatory sinking fund principal payments from a \$101,040,000 5.00% term bond due June 15, 2038.
- (2) This bond issue is included in this table because final principal and interest payments occurred in Fiscal Year 2016. The bond was called on August 25, 2016 from proceeds of the 2016 Subordinate Bonds.
- (3) Mandatory sinking fund principal payments from a \$261,450,000 5.937% term bond due June 15, 2039.
- (4) Includes actual interest payments on the 2009B Senior Bonds (Build America Bonds) and does not reflect any federal interest subsidy payments the Authority expects to receive.
- (5) Principal and interest was refunded by the 2015A Senior Bonds.
- (6) \$14,350,000 of the original maturity of \$20,235,000 was refunded by the 2015A Senior Bonds (leaving a maturity of \$5,885,000)
- (7) Mandatory sinking fund principal payments from a \$14,305,000 5.25% term bond due June 15, 2025.
- (8) Mandatory sinking fund principal payments from a \$15,865,000 5.25% term bond due June 15, 2027.
- (9) Mandatory sinking fund principal payments from a \$17,630,000 5.25% term bond due June 15, 2029.
- (10) Mandatory sinking fund principal payments from a \$30,155,000 5.25% term bond due June 15, 2032.
- (11) Does not include any federal interest subsidy payments on the 2009B Senior Bonds (Build America Bonds).

(Source: Zions Public Finance, Inc.)

Debt Service Schedule Of Outstanding Sales Tax Revenue Bonds By Fiscal Year—continued

Subordinate Debt

Fiscal Year Ending	Series 2018		Series 2016		Series 2015A		Series 2014B (b)		Series 2014A (b)	
	\$		\$145,691,497.50		\$192,005,000		\$62,000,000		\$80,370,000	
	Principal*	Interest (a)	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
December 31										
2016.....	\$ 0	\$ 0	\$ 0	\$ 1,419,043	\$ 0	\$ 572,595 (3)	\$ 0	\$ 496,000 (5)	\$ 0	\$ 542,498 (5)
2017.....	0	0	0	4,602,300	0	5,057,923 (4)	-	-	-	-
2018.....	0	0	0	4,602,300	0	9,543,250	-	-	-	-
2019.....	0	0	0	4,602,300	0	9,543,250	-	-	-	-
2020.....	0	0	0	4,602,300	2,850,000	9,500,500	-	-	-	-
2021.....	0	0	0	4,602,300	5,840,000	9,311,750	-	-	-	-
2022.....	0	0	0	4,602,300	8,875,000	8,943,875	-	-	-	-
2023.....	0	0	0	4,602,300	6,750,000	8,553,250	-	-	-	-
2024.....	0	0	0	4,602,300	7,100,000	8,207,000	-	-	-	-
2025.....	0	0	0	4,602,300	13,315,000	7,696,625	-	-	-	-
2026.....	0	0	0	4,602,300	7,995,000	7,163,875	-	-	-	-
2027.....	0	0	18,175,000	4,602,300	8,450,000	6,752,750	-	-	-	-
2028.....	0	0	18,715,000	4,057,050	8,890,000	6,319,250	-	-	-	-
2029.....	0	0	28,865,000	3,495,600	9,340,000	5,863,500	-	-	-	-
2030.....	0	0	29,915,000	2,441,000	9,830,000	5,384,250	-	-	-	-
2031.....	0	0	31,110,000	1,244,400	10,315,000	4,880,625	-	-	-	-
2032.....	0	0	18,911,498	13,443,503 (1)	10,830,000	4,352,000	-	-	-	-
2033.....	0	0	-	-	11,510,000	3,793,500	-	-	-	-
2034.....	0	0	-	-	12,105,000	3,203,125	-	-	-	-
2035.....	0	0	-	-	12,710,000	2,582,750	-	-	-	-
2036.....	0	0	-	-	31,155,000 (2)	1,486,125	-	-	-	-
2037.....	0	0	-	-	14,145,000 (2)	353,625	-	-	-	-
2038.....	0	0	-	-	-	-	-	-	-	-
2039.....	0	0	-	-	-	-	-	-	-	-
2040.....	0	0	-	-	-	-	-	-	-	-
2041.....	0	0	-	-	-	-	-	-	-	-
2042.....	0	0	-	-	-	-	-	-	-	-
Totals.....	\$ 0	\$ 0	\$ 145,691,498	\$ 76,725,895	\$ 192,005,000	\$ 129,065,393	\$ 0	\$ 496,000	\$ 0	\$ 542,498

**Subordinate Bonds
Total Debt Service**

Fiscal Year Ending	Series 2012		Series 2010		Series 2007A		Total Debt Service		
	\$295,520,000		\$200,000,000		\$261,124,108.55		Total	Total	Total Debt
	Principal	Interest	Principal	Interest (10)	Principal (11)	Interest (11)	Principal	Interest (12)	Service
December 31									
2016.....	\$ 5,275,000	\$ 13,507,250	\$ 0	\$ 11,410,000	\$ 2,320,000	\$ 6,381,750	\$ 7,595,000	\$ 34,329,135	\$ 41,924,135
2017.....	0 (6)	13,401,750	0	11,410,000	2,455,000	6,262,375	2,455,000	40,734,348	43,189,348
2018.....	0	13,401,750	0	11,410,000	2,565,000	6,136,875	2,565,000	45,094,175	47,659,175
2019.....	0	13,401,750	0	11,410,000	2,710,000	6,005,000	2,710,000	44,962,300	47,672,300
2020.....	0	13,401,750	0	11,410,000	2,850,000	5,866,000	5,700,000	44,780,550	50,480,550
2021.....	2,840,000	13,330,750	0	11,410,000	0	5,794,750	8,680,000	44,449,550	53,129,550
2022.....	2,985,000	13,185,125	0	11,410,000	0	5,794,750	11,860,000	43,936,050	55,796,050
2023.....	3,140,000	13,032,000	0	11,410,000	5,300,000	5,662,250	15,190,000	43,259,800	58,449,800
2024.....	3,300,000	12,871,000	0	11,410,000	5,560,000	5,390,750	15,960,000	42,481,050	58,441,050
2025.....	3,470,000	12,701,750	0	11,410,000	0	5,251,750	16,785,000	41,662,425	58,447,425
2026.....	3,545,000	12,526,375	0	11,410,000	6,110,000	5,099,000	17,650,000	40,801,550	58,451,550
2027.....	3,665,000	12,346,125	0	11,410,000	6,435,000	4,785,375	36,725,000	39,896,550	76,621,550
2028.....	3,850,000	12,158,250	0	11,410,000	6,765,000	4,455,375	38,220,000	38,399,925	76,619,925
2029.....	4,050,000	11,960,750	0	11,410,000	7,115,000	4,108,375	49,370,000	36,838,225	86,208,225
2030.....	4,255,000	11,753,125	0	11,410,000	7,470,000	3,743,750	51,470,000	34,732,125	86,202,125
2031.....	4,475,000	11,534,875	0	11,410,000	7,870,000	3,360,250	53,770,000	32,430,150	86,200,150
2032.....	4,705,000	11,305,375	0	11,410,000	2,332,069 (11)	8,901,431 (11)	36,778,566	49,412,309	86,190,875
2033.....	1,440,000 (7)	11,158,950	0	11,410,000	20,045,000	2,662,375	32,995,000	29,024,825	62,019,825
2034.....	1,500,000 (7)	11,100,150	0	11,410,000	21,070,000	1,634,500	34,675,000	27,347,775	62,022,775
2035.....	1,560,000 (7)	11,038,950	0	11,410,000	22,155,000	553,875	36,425,000	25,585,575	62,010,575
2036.....	7,110,000 (7)	10,865,550	0	11,410,000	-	-	38,265,000	23,761,675	62,026,675
2037.....	19,990,000 (7)	10,323,550	5,970,000 (9)	11,239,706	-	-	40,105,000	21,916,881	62,021,881
2038.....	20,325,000 (7)	9,517,250	23,730,000 (9)	10,392,513	-	-	44,055,000	19,909,763	63,964,763
2039.....	21,675,000 (7)	8,677,250	49,270,000 (9)	8,310,188	-	-	70,945,000	16,987,438	87,932,438
2040.....	22,160,000 (8)	7,689,750	121,030,000 (9)	3,452,381	-	-	143,190,000	11,142,131	154,332,131
2041.....	70,605,000 (8)	5,370,625	-	-	-	-	70,605,000	5,370,625	75,975,625
2042.....	72,110,000 (8)	1,802,750	-	-	-	-	72,110,000	1,802,750	73,912,750
Totals.....	\$ 288,030,000	\$ 303,364,525	\$ 200,000,000	\$ 273,004,788	\$ 131,127,069	\$ 97,850,556	\$ 956,853,566	\$ 881,049,654	\$ 1,837,903,220

* Preliminary; subject to change.

(a) Preliminary; subject to change. Interest has been estimated at an average interest rate of ____% per annum.

(b) This bond issue has been included in this table because final principal and interest payments occurred in Fiscal Year 2016.

(1) Capital Appreciation Bonds due on December 15, 2032 in the amount of \$32,355,000.

(2) Mandatory sinking fund principal payments from a \$45,300,000 5.00% term bond due June 15, 2037.

(3) Actual interest payment due is \$9,543,250.00. However, \$8,970,655.00 of interest is being paid from moneys held in an escrow account funded from proceeds of the 2015A Subordinate Bonds.

(4) Actual interest payment due is \$9,543,250.00. However, \$4,485,327.50 of interest is being paid from moneys held in an escrow account funded from proceeds of the 2015A Subordinate Bonds.

(5) This bond was called on August 24, 2016 from proceeds of the 2016 Subordinate Bonds.

(6) Principal and interest was refunded by the 2015A Senior Bonds.

(7) Mandatory sinking fund principal payments from a \$73,600,000 4.00% term bond due June 15, 2039.

(8) Mandatory sinking fund principal payments from a \$164,875,000 5.00% term bond due June 15, 2042.

(9) Mandatory sinking fund principal payments from a \$200,000,000 5.705% term bond due June 15, 2040.

(10) Includes actual interest payments on the 2010 Subordinate Bonds (Build America Bonds) and does not reflect any federal interest subsidy payments the Authority expects to receive.

(11) The capital appreciation bonds portion of the 2007A Subordinate Bonds were refunded by the 2015A Subordinate Bonds except \$8,070,000 of capital appreciation bonds due June 15, 2032 will remain outstanding (compound interest and principal from this maturity is included in the debt service payment).

(12) Includes actual interest payments on the 2010 Subordinate Bonds (Build America Bonds) and does not reflect any federal interest subsidy payments the Authority expects to receive.

(Source: Zions Public Finance, Inc.)

Debt Service Schedule Of Outstanding Sales Tax Revenue Bonds By Fiscal Year—continued

Fiscal Year Ending December 31	Total All Debt*		
	Senior and Subordinated Debt		
	Total Principal	Total Interest (1)	Total Debt Service (1)
2016.....	\$ 13,570,000	\$ 90,726,826	\$ 104,296,826
2017.....	8,750,000	96,722,728	105,472,728
2018.....	9,200,000	100,743,143	109,943,143
2019.....	15,580,000	100,099,262	115,679,262
2020.....	25,480,000	99,083,180	124,563,180
2021.....	34,680,000	97,615,180	132,295,180
2022.....	43,610,000	95,627,737	139,237,737
2023.....	54,665,000	93,116,618	147,781,618
2024.....	57,470,000	90,307,643	147,777,643
2025.....	60,405,000	87,379,555	147,784,555
2026.....	63,510,000	84,281,855	147,791,855
2027.....	84,955,000	81,004,774	165,959,774
2028.....	88,945,000	77,013,374	165,958,374
2029.....	102,735,000	72,827,387	175,562,387
2030.....	107,740,000	67,909,481	175,649,481
2031.....	113,050,000	62,595,879	175,645,879
2032.....	99,023,566	76,610,473	175,634,039
2033.....	98,195,000	53,270,103	151,465,103
2034.....	103,010,000	48,455,148	151,465,148
2035.....	108,365,000	43,391,334	151,756,334
2036.....	113,690,000	38,093,367	151,783,367
2037.....	119,120,000	32,354,066	151,474,066
2038.....	127,405,000	26,000,516	153,405,516
2039.....	135,945,000	18,916,963	154,861,963
2040.....	143,190,000	11,142,131	154,332,131
2041.....	70,605,000	5,370,625	75,975,625
2042.....	72,110,000	1,802,750	73,912,750
Totals.....	\$2,075,003,566	\$ 1,752,462,095	\$ 3,827,465,661

* Preliminary; subject to change.

- (1) Includes actual interest payments on the 2010 Subordinate Bonds (Build America Bonds) and the 2009B Senior Bonds (Build America Bonds) and does not reflect any federal interest subsidy payments the Authority expects to receive. Such subsidy payments equal up to \$9,426,300 per year, but are subject to federal sequestration reductions, including reductions at the current sequestration rate of 6.6% of the interest subsidy payments that, but for such reduction, would have been paid with respect to such bonds. Such reduction rate applies until the end of the federal government’s current fiscal year (September 30, 2018), at which time the sequestration rate is subject to change. The Authority cannot predict the amount of reduction in subsidy payments for subsequent years due to sequestration or the period of time that such subsidy payments will be reduced due to sequestration.

(Source: Zions Public Finance, Inc.)

No Defaulted Obligations

The Authority has never failed to pay principal of and interest on its financial obligations when due.

Future Issuance Of Debt

The Authority also plans to enter capital leases for approximately \$124.4 million to finance buses and rail vehicles during the next 10 years. In addition, the Authority may issue additional Senior Bonds or Subordinate Bonds or may enter into leases or other obligations during the next several years to finance additional System projects should the need arise or to refund other bonds.

Also see “THE UTAH TRANSIT AUTHORITY—Additional Capital Projects” above.

FINANCIAL INFORMATION REGARDING UTAH TRANSIT AUTHORITY

Fund Structure; Accounting Basis

The accounting policies of the Authority conform to accounting principles generally accepted in the United States as well as standards promulgated by the Governmental Accounting Standards Board pronouncements for governmental units.

The Authority has a single enterprise fund and uses the accrual method of accounting and the capital maintenance measurement focus. Under this method revenues are recognized when they are earned and expenses are recognized when they are incurred. See “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2016—Notes to the Financial Statements—Note 2. Summary of Significant Accounting Policies” (CAFR page 42).

Budget Process

For a general discussion of the Authority’s budgeting procedures and the Fiscal Year 2016 statement of actual revenues and expenses compared to the budget see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2016—Notes to the Financial Statements—Note 2. Summary of Significant Accounting Policies; Q. Budgetary and Accounting Controls” (CAFR pages 46 and 47).

Internal Accounting Controls

The Authority utilizes a computerized financial accounting system which includes a system of budgetary controls designed to insure that its assets are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived. The valuation of costs and benefits requires estimates and judgments by management.

Stabilization Funds

Stabilization Service Fund. In Fiscal Year 2008, the Authority established a stabilization (service) fund that is intended to be used to mitigate the impact on service rates or preserve service levels when the Authority faces a revenue shortfall or cost overrun due to extraordinary circumstances, such as an economic downturn or a rapid rise in fuel prices (the “Stabilization Service Fund”). Pursuant to the Board of Trustee’s policy, the Authority intends to maintain the Stabilization Service Fund balance to an amount

equal to approximately 5% of the Authority's annual operating expense budget (5% of the Authority's 2016 expense budget of \$260,309,154 is \$13,015,457). As of December 31, 2016, the amount on deposit in this fund was \$13,525,550. *Since the creation of the Stabilization Service Fund the Authority has not withdrawn any moneys from this fund for its intended purpose.*

Debt Service Reserve and Rate Stabilization Fund. In September 2012, the Authority established a debt service reserve and rate stabilization fund that is intended to be used for one or more of the following purposes: funding positive differences between actual variable interest expense and budgeted variable interest expense; payment of scheduled debt service, if necessary; retirement of debt prior to maturity; self-funding debt service reserves for new bond issues; and providing collateral for short-term bank lines of credit (the "Debt Service Reserve and Rate Stabilization Fund"). Pursuant to the Board of Trustee's policy, the Authority intends to fund this fund from: any savings derived during periods in which actual variable interest expense is less than budgeted variable interest expense (if any variable debt is outstanding); savings from interest expense on refunding bonds; budget contributions and certain other moneys. As of Fiscal Year 2016, the amount on deposit in the fund was \$14,858,258. The Authority contributed \$2,842,000 to the Debt Service Reserve and Rate Stabilization Fund for Fiscal Year 2017. *Since the creation of the Debt Service Reserve and Rate Stabilization Fund the Authority has not withdrawn any moneys from this fund for its intended purpose.*

Neither the Stabilization Service Fund nor the Debt Service Reserve and Rate Stabilization Fund are pledged as security for the 2018 Bonds and the Board of Trustees of the Authority may determine to modify its policies with respect to such funds from time to time.

Fuel Reserve Fund and Parts Reserve Fund. The Authority established a Fuel Reserve Fund and a Parts Reserve Fund in Fiscal Year 2015. As of Fiscal Year 2016, the amount on deposit in the Fuel Reserve Fund was \$1,915,000 and the amount in the Parts Reserve Fund is \$3 million. *Since the creation of the Fuel Reserve Fund and the Parts Reserve Fund the Authority has not withdrawn any moneys from these funds for its intended purpose.*

Five-Year Financial Summaries

The summaries contained herein were extracted from the Authority's audited financial statements for Fiscal Years 2012 through 2016. The summaries themselves are unaudited.

The Authority's audited financial statements for Fiscal Year 2017 must be completed under State law by June 30, 2018.

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Utah Transit Authority

Statement of Net Position

	As of December 31 (1)				
	2016	2015 (2)	2014 (3)	2013	2012 (4)
Assets					
Current assets:					
Cash and cash equivalents.....	\$ 103,689,945	\$ 123,456,952	\$ 146,671,159	\$ 165,733,868	\$ 265,674,541
Receivables:					
Contributions from other governments (sales tax).....	45,646,114	41,966,003	39,819,359	38,453,255	38,246,030
Other.....	20,837,335	8,450,195	8,646,633	16,328,498	16,151,313
Federal grants.....	13,611,438	8,292,008	12,310,186	29,461,101	30,475,671
Parts and supplies inventories.....	28,361,640	21,871,283	20,068,739	18,092,861	15,272,903
Prepaid expenses.....	2,627,731	2,735,237	2,737,708	2,500,460	2,120,711
Total current assets.....	<u>214,774,203</u>	<u>206,771,678</u>	<u>230,253,784</u>	<u>270,570,043</u>	<u>367,941,169</u>
Noncurrent assets:					
Property, facilities and equipment:					
Infrastructure.....	2,660,455,033	2,660,455,034	2,659,779,176	2,607,914,859	1,487,355,317
Revenue vehicles.....	768,632,495	778,085,676	763,036,847	750,584,733	594,517,517
Other property and equipment.....	420,530,145	420,778,076	411,580,491	435,801,836	299,810,418
Right-of-ways.....	314,026,833	314,026,833	314,026,833	268,388,463	214,710,700
Land and improvements.....	130,401,281	130,457,888	131,711,069	117,615,276	113,774,424
Construction in progress.....	98,584,168	52,277,886	55,473,714	165,902,871	1,528,411,781
Total property, facilities and equipment.....	4,392,629,955	4,356,081,393	4,335,608,130	4,346,208,038	4,238,580,157
Less accumulated depreciation and amortization.....	(1,288,032,621)	(1,145,923,364)	(992,308,692)	(894,207,981)	(739,861,867)
Net property, plant and equipment.....	<u>3,104,597,334</u>	<u>3,210,158,029</u>	<u>3,343,299,438</u>	<u>3,452,000,057</u>	<u>3,498,718,290</u>
Restricted assets (cash equivalents and investments):					
Bond funds.....	51,279,017	62,996,201	48,532,535	46,864,113	46,771,927
Self-insurance deposits.....	7,431,600	7,360,300	7,316,789	7,280,923	7,242,114
Interlocal agreements.....	5,663,895	6,476,298	4,206,099	3,125,000	-
Represented employee benefits.....	3,269,716	3,039,873	3,050,065	-	-
Escrow funds.....	34,837	81,091	80,827	80,565	80,352
Auto fee fund.....	-	-	-	-	3,798,964
Total restricted assets.....	<u>67,679,065</u>	<u>79,953,763</u>	<u>63,186,315</u>	<u>57,350,601</u>	<u>57,893,357</u>
Amount recoverable—interlocal agreement.....	<u>23,516,495</u>	<u>24,327,409</u>	<u>25,138,323</u>	<u>25,949,237</u>	<u>26,760,151</u>
Other assets:					
Stabilization reserves.....	-	-	-	11,504,111	10,286,376
Total other assets.....	-	-	-	11,504,111	10,286,376
Total noncurrent assets.....	<u>3,195,792,894</u>	<u>3,314,439,201</u>	<u>3,431,624,076</u>	<u>3,546,804,006</u>	<u>3,593,658,174</u>
Total assets.....	<u>3,410,567,097</u>	<u>3,521,210,879</u>	<u>3,661,877,860</u>	<u>3,817,374,049</u>	<u>3,961,599,343</u>
Deferred outflows of resources					
Advanced debt refunding.....	101,200,263	108,648,743	2,028,608	1,063,462	1,275,411
Assumptions changes related to pensions.....	15,577,900	16,351,455	-	-	-
Total deferred outflows of resources.....	<u>116,778,163</u>	<u>125,000,198</u>	<u>2,028,608</u>	<u>1,063,462</u>	<u>1,275,411</u>
Total assets and deferred outflows of resources.....	<u>\$ 3,527,345,260</u>	<u>\$ 3,646,211,077</u>	<u>\$ 3,663,906,468</u>	<u>\$ 3,818,437,511</u>	<u>\$ 3,962,874,754</u>
Liabilities					
Current liabilities:					
Accounts payable.....	\$ 26,979,344	\$ 18,445,210	\$ 26,123,239	\$ 29,852,910	\$ 77,759,821
Accrued liabilities, primarily payroll-related.....	19,533,949	18,980,139	20,771,440	30,150,767	26,590,072
Current portion of long-term debt.....	11,733,893	15,048,301	11,445,000	7,810,000	7,450,000
Unearned revenue.....	6,546,753	5,580,364	5,715,509	-	-
Accrued interest.....	4,226,445	4,162,032	4,198,562	3,861,138	4,564,503
Accrued self-insurance liability.....	2,336,975	2,284,463	2,321,555	4,062,802	4,815,203
Payable from restricted assets.....	263,096	1,889,650	325,691	-	-
Total current liabilities.....	<u>71,620,455</u>	<u>66,390,159</u>	<u>70,900,996</u>	<u>75,737,617</u>	<u>121,179,599</u>
Long-term liabilities:					
Long-term debt.....	2,269,803,569	2,272,615,756	2,101,221,208	2,116,604,960	2,127,740,247
Long-term net pension liability.....	112,925,121	117,437,871	-	-	-
Long-term self-insurance liability.....	2,758,839	1,230,095	1,250,068	-	-
Long-term accrued interest.....	1,603,827	1,203,331	57,976,113	48,990,031	40,445,076
Total long-term liabilities.....	<u>2,387,091,356</u>	<u>2,392,487,053</u>	<u>2,160,447,389</u>	<u>2,165,594,991</u>	<u>2,168,185,323</u>
Total liabilities.....	<u>2,458,711,811</u>	<u>2,458,877,212</u>	<u>2,231,348,385</u>	<u>2,241,332,608</u>	<u>2,289,364,922</u>
Deferred inflows of resources					
Changes to earnings on pension plan investments.....	5,489,735	1,659,974	-	-	-
Advanced collections.....	-	-	1,153,885	-	-
Total deferred inflows of resources.....	<u>5,489,735</u>	<u>1,659,974</u>	<u>1,153,885</u>	<u>-</u>	<u>-</u>
Net position					
Net investment in capital assets.....	924,260,135	1,031,142,715	1,230,633,230	1,327,585,097	1,364,803,454
Restricted for:					
Debt service.....	51,279,017	62,996,201	48,532,535	4,047,060	3,872,141
Self-insurance deposits.....	7,431,600	7,360,300	7,316,789	-	-
Interlocal agreements.....	5,400,799	4,586,648	3,880,408	3,125,000	-
Represented employee benefits.....	3,269,716	3,039,873	3,050,066	-	-
Escrow funds.....	34,837	81,091	80,827	80,565	80,352
Unrestricted.....	71,467,610	76,467,063	137,910,343	242,267,181	304,753,885
Total net position.....	<u>1,063,143,714</u>	<u>1,185,673,891</u>	<u>1,431,404,198</u>	<u>1,577,104,903</u>	<u>1,673,509,832</u>
Total liabilities, deferred inflows of resources and net position.....	<u>\$ 3,527,345,260</u>	<u>\$ 3,646,211,077</u>	<u>\$ 3,663,906,468</u>	<u>\$ 3,818,437,511</u>	<u>\$ 3,962,874,754</u>

(1) Information derived from the Authority's audited financial statements.

(2) Restated in Fiscal Year 2016 financial statements.

(3) Restated in Fiscal Year 2015 financial statements.

(4) The provisions of GASB Statement No. 65, Items Previously Reported as Assets and Liabilities (GASB 65), became effective for the Authority's Fiscal Year 2013. The provisions of GASB 65 were retroactively applied to Fiscal Year 2012.

(Source: Compiled by Zions Public Finance, Inc.)

Utah Transit Authority

Statement of Revenues, Expenses and Changes in Net Position

	Fiscal Year Ended December 31 (1)				
	2016	2015 (2)	2014 (3)	2013	2012 (4)
Operating revenues:					
Passenger fares.....	\$ 50,624,354	\$ 52,112,909	\$ 51,461,223	\$ 49,977,533	\$ 44,489,583
Advertising.....	2,266,667	2,233,333	2,300,000	2,066,667	1,933,333
Total operating revenues.....	<u>52,891,021</u>	<u>54,346,242</u>	<u>53,761,223</u>	<u>52,044,200</u>	<u>46,422,916</u>
Operating expense:					
Depreciation.....	153,573,216	161,043,323	163,476,373	162,366,852	124,353,893
Bus service.....	85,841,973	77,702,167	79,060,631	78,894,435	78,894,799
Rail service.....	84,165,069	74,266,265	70,365,953	61,086,101	46,049,338
Operation support.....	37,831,682	35,901,226	28,380,563	28,439,826	25,247,271
Administration.....	37,636,519	32,443,603	32,921,739	25,999,127	24,809,820
Paratransit service.....	19,341,116	18,573,738	18,748,699	18,202,211	17,516,117
Other service.....	2,949,643	2,971,534	3,183,892	701,656	596,583
Major investment studies.....	1,204,124	658,400	2,488,179	2,534,785	1,854,402
Total operating expense.....	<u>422,543,342</u>	<u>403,560,256</u>	<u>398,626,029</u>	<u>378,224,993</u>	<u>319,322,223</u>
Excess of operating expenses over operating revenues.....	<u>(369,652,321)</u>	<u>(349,214,014)</u>	<u>(344,864,806)</u>	<u>(326,180,793)</u>	<u>(272,899,307)</u>
Non-operating revenues (expenses):					
Contributions for other governments (sales tax).....	245,008,417	227,703,023	214,683,276	203,806,329	196,693,543
Federal preventative maintenance grants.....	59,772,235	49,452,677	47,760,737	47,986,240	46,719,891
Federal planning grants.....	3,562,534	2,547,335	2,994,139	3,868,252	1,985,766
Other.....	3,108,191	8,314,065	3,724,610	4,347,724	2,351,713
Interest income.....	1,732,939	2,831,406	5,803,226	1,455,039	1,892,549
Interest expense.....	(85,415,870)	(80,575,328)	(91,311,842)	(87,132,006)	(48,462,258)
Recoverable sales tax—interlocal agreement.....	(810,914)	(810,914)	(810,914)	(810,914)	(810,914)
Net non-operating revenues.....	<u>226,957,532</u>	<u>209,462,264</u>	<u>182,843,232</u>	<u>173,520,664</u>	<u>200,370,290</u>
Income (loss) before contributions.....	<u>(142,694,789)</u>	<u>(139,751,750)</u>	<u>(162,021,574)</u>	<u>(152,660,129)</u>	<u>(72,529,017)</u>
Capital contributions:					
Federal grants.....	17,054,298	7,819,096	8,025,628	48,669,408	85,168,542
Local.....	3,110,314	1,249,614	3,363,683	7,585,792	13,642,798
Total capital contributions.....	<u>20,164,612</u>	<u>9,068,710</u>	<u>11,389,311</u>	<u>56,255,200</u>	<u>98,811,340</u>
Changes in net position.....	<u>(122,530,177)</u>	<u>(130,683,040)</u>	<u>(150,632,263)</u>	<u>(96,404,929)</u>	<u>26,282,323</u>
Total net position, January 1 (as restated).....	<u>1,185,673,891</u>	<u>1,316,356,931</u>	<u>1,582,036,461</u>	<u>1,673,509,832</u>	<u>1,647,227,509</u>
Total net position, December 31.....	<u>\$ 1,063,143,714</u>	<u>\$ 1,185,673,891</u>	<u>\$ 1,431,404,198</u>	<u>\$ 1,577,104,903</u>	<u>\$ 1,673,509,832</u>

(1) Information derived from the Authority's audited financial statements.

(2) Restated in Fiscal Year 2016 financial statements.

(3) Restated in Fiscal Year 2015 financial statements.

(4) The provisions of GASB Statement No. 65, Items Previously Reported as Assets and Liabilities (GASB 65), became effective for the Authority's Fiscal Year 2013. The provisions of GASB 65 were retroactively applied to Fiscal Year 2012.

(Source: Compiled by Zions Public Finance, Inc.)

For information regarding the Authority’s 10–year revenue history of net position and changes in net position see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2016” (CAFR page 77).

Other Financial Information

Additional financial information regarding the Authority’s 10–year revenue history by source and expense history by function see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2016” (CAFR pages 78 and 79).

Federal Grants

Federal grants for various public transit purposes historically have been authorized by Congress under multiple–year authorizing legislation. On December 4, 2015, the Fixing America’s Surface Transportation Act (the “FAST Act”) was signed into law, replacing the previous federal funding authorization legislation known as Moving Ahead for Progress in the 21st Century (“MAP–21”) at levels slightly increased from the federal fiscal year 2015 levels. The FAST Act authorizes \$61.11 billion over the five federal fiscal years 2016 through 2020 for programs administered by the FTA. The law authorizes \$11.79 billion for public transit programs in federal fiscal year 2016, and increases the total authorization to \$12.6 billion in federal fiscal year 2020, an increase of 17.7% over the federal fiscal year 2015 level. The FAST Act largely follows the programs and administration laid out in MAP–21, and reintroduced discretionary funds for buses and bus facilities. For the years shown, the Authority has received federal formula grants that include funds for preventative maintenance and planning pursuant to MAP–21, and the FAST Act, as applicable, in the following amounts:

<u>Fiscal Year Ended</u> <u>December 31</u>	<u>Preventative Main-</u> <u>tenance Grants</u>	<u>Planning Grants</u>
2016	\$59,772,235	\$ 3,562,534
2015	49,452,677	2,547,335
2014	47,760,737	2,994,139
2013	47,986,240	3,868,252
2012	46,719,891	1,985,766

(Source: The Authority’s historical Comprehensive Annual Financial Reports (“CAFR”); compiled by the Municipal Advisor.)

In addition, the Authority receives capital fund grants from the FTA under two programs. The Section 5307 Urbanized Area Formula Program (“Section 5307”) provides for federal grants for planning and capital assistance. Planning assistance funds are used for planning expenses such as staff payroll, contractors, environmental studies, and investment studies. Capital assistance funds are used for bus and rail preventative maintenance (including labor, parts, shop supplies, and needed maintenance division facilities repair), bus and rail security (used to purchase and install mobile security equipment, security equipment for facilities and transit police, and purchase support vehicles for the security department), Americans with Disabilities Act operating assistance, and transit enhancements. The FAST Act continues to authorize the Section 5307 in much of its same form that existed under MAP–21 and the SAFETEA–LU program (which expired on September 30, 2012) and provides for 80% of project costs, with 20% local participation. The Section 5309 Fixed Guideway Capital Investment program (“Section 5309”) (which formerly funded rail modernization, new starts rail and bus and bus facilities) is now for starts rail (new and small) with a limited BRT component. Proposed projects of less than \$75 million in federal assistance and with less than \$250 million in net capital costs are classified as a small start project. Under the FAST Act, Section 5309 grants provide for up to 60% of project costs, with 40% local participation on “new starts” projects. For “small starts” projects, up to 80% of project costs can be federal funding, with 20% local participation.

The Section 5337 State of Good Repair grant program (“Section 5337”) included in the FAST Act is program to maintain public transportation systems in a state of good repair that was once part of the former Section 5309 Program. The program authorizes \$2.507 billion in federal fiscal year 2016, which grows to \$2.684 billion in federal fiscal year 2020. Of these funds appropriated to Section 5337 by Congress, 97.15% is apportioned among urbanized areas with fixed–guideway systems, and 2.85% is apportioned among urbanized areas with high–intensity motorbus systems. Fifty percent of the high intensity fixed guideway funds are allocated based on the revenue miles and route miles reported to the National Transit Database (the “NTD”). The other 50% of the apportionment is determined by using the current fixed guideway definition in the calculation of what the urbanized areas would have received in federal fiscal year 2011. The high intensity motorbus funds are allocated based on the revenue miles and route miles reported to the NTD. Section 5337 grants provide for 80% of project costs, with 20% local participation.

Section 5339 Bus and Bus Facilities Capital Program grants now also exist separately from the Section 5309 grants in the FAST Act. This program includes: \$213 million in federal fiscal year 2016 growing to \$289 million in federal fiscal year 2020 for discretionary opportunities for buses or bus facilities; \$55 million annually in discretionary funds from federal fiscal years 2016 through 2020 for low or no emission bus deployment program; and \$427.80 million in federal fiscal year 2016 growing to \$464.61 million in federal fiscal year 2020 for formula funds for buses and bus facilities. For the formula funds, \$90.5 million will be allocated each year among all States and territories, with each state receiving \$1.75 million and each territory (including D.C. and Puerto Rico) receiving \$500,000, with the remainder of the formula funds apportioned based on population and service factors using the Section 5307 apportionment formula.

The Authority has received capital grants under the Section 5307 and Section 5309 (SAFETEA–LU) programs pursuant to contracts with the FTA, including Full Funding Grant Agreements (“FFGA”) that the Authority entered into with respect to the Commuter Rail North Project in June 2006, the FFGA for the Mid–Jordan light rail TRAX project in January 2009 and the FFGA for the Draper light rail TRAX project in December 2011. See “UTAH TRANSIT AUTHORITY—Integrated Bus, Light Rail And Commuter Rail Systems” above. [A Small Starts Grant Agreement for the Provo–Orem BRT Project is also expected by the end of Fiscal Year 2016.] See “UTAH TRANSIT AUTHORITY—Additional Capital Projects” above.

In 2009 the Authority received two Recovery Act grants: (i) \$90,890,000 as an advance payment against the Mid–Jordan FFGA; and (ii) \$48,333,398 (\$24,845,064 for the construction of a light rail maintenance facility, \$8,005,000 for the purchase of bus rolling stock, \$15,000,000 million for preventive maintenance, and \$483,334 for other transit related projects).

In July 2016, the Authority was awarded a \$20 million (for what is known as a TIGER grant) by the FTA for the “First/Last Mile Connections,” a program to improve all forms of transportation access in local communities. In April 2011, the Authority was awarded a grant know as TIGER II for \$26 million for the design and construction of the S Line.

The following table shows the federal capital grants received by the Authority for the years shown. Amounts vary from year to year according to a variety of factors, including System needs for capital and availability of federal moneys.

Fiscal Year Ended December 31	Rail/ TRAX System	Other Capital	Total Capital Grants
2016	\$ 0	\$17,054,298	\$17,054,298
2015	0	7,819,096	7,819,096
2014	1,433,656	6,591,972	8,025,628
2013	35,833,537	12,835,871	48,669,408
2012	81,345,379	3,823,163	85,168,542

(Source: The Authority’s historical CAFR’s; compiled by the Municipal Advisor.)

Also see “RISK FACTORS AFFECTING UTAH TRANSIT AUTHORITY AND THE 2018 BONDS—Federal Funding” above.

No Pledge of Grant Moneys. None of the federal grant moneys described under this section constitutes Revenues or Pledged Revenues for purposes of the Senior Indenture or the Subordinate Indenture, to the extent that such moneys are prohibited by law from being pledged. However, the Senior Indenture requires the Authority to use such moneys for System operation and maintenance expenses to the extent received for that purpose. See “SECURITY FOR THE SUBORDINATE BONDS” above.

LEGAL MATTERS

Absence Of Litigation Concerning The 2018 Bonds

Jayme L. Blakesley, General Counsel to the Authority, has officially advised that, to his knowledge, there is no pending or threatened litigation that would legally stop, enjoin, or prohibit the issuance, sale or delivery of the 2018 Bonds.

Ongoing Litigation To Which The Authority Is A Party

Because of the magnitude of the Authority’s bus and rail operations, the Authority is routinely a party in personal injury, wrongful death, property disputes and other tort litigation. As of the date of this OFFICIAL STATEMENT, the Authority is a defendant in several such lawsuits, and has received notices of claim with respect to other matters for which litigation has not yet commenced. Such lawsuits and notices of claim are at various stages in the litigation/claims process and seek damages in varied amounts.

The Authority is self-insured with respect to its day-to-day operations. The self-insurance program maintained by the Authority applies to liability claims for death and personal injuries, vehicle property damage and workers’ compensation. The procurement of insurance from third-party carriers is generally limited to major construction projects, such as insurance programs the Authority procures with respect to construction of light rail projects, and to discrete programs of the Authority, such as the Authority’s vanpool leasing program. The Authority funds its self-insurance reserves in an amount determined by annual actuarial studies. The self-insurance reserves, in the amount of \$7,431,600 (as of Fiscal Year 2016), are held in a separate account with the PTIF. The Authority has allocated a portion of the reserve account to cover its anticipated liability exposure (as determined by the Authority’s Risk Management Department) in each of the tort matters currently pending or threatened against the Authority. The amounts allocated to cover its perceived liability exposure are premised upon the continued applicability of the liability limits imposed by the Immunity Act. The applicability of the Immunity Act and its limits to the Authority has been affirmed by the Utah Supreme Court.

The Authority is also routinely involved in contract-related disputes. This contract litigation or threatened litigation generally involves either the construction contracts related to the Authority’s large

capital projects or collective bargaining negotiations with the Union. These matters are not subject to the liability limits imposed by the Immunity Act. The Authority has allocated a portion of the reserve account to cover the anticipated liability exposure (as determined by the Authority’s Risk Management Department) stemming from contract-related disputes pending or threatened as of the date of this OFFICIAL STATEMENT.

Also see “THE UTAH TRANSIT AUTHORITY—Audits Of The Authority; Legislative Auditor Report above and “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2016—Notes to the Financial Statements—Note 9. Commitments and Contingencies” (CAFR page 71).

General

Certain legal matters incident to the authorization and issuance of the 2018 Bonds are subject to the approving opinion of Gilmore & Bell, P.C., Bond Counsel to the Authority. The approving opinion of Bond Counsel will be delivered with the 2018 Bonds. Copies of the opinion of Bond Counsel in substantially the form set forth in “APPENDIX C—PROPOSED FORM OF OPINION OF BOND COUNSEL” will be made available upon request from any of the contact persons identified under “INTRODUCTION—Contact Persons” above. Certain legal matters will be passed upon for the Authority by Jayme L. Blakesley, General Counsel to the Authority. Certain legal matters regarding this OFFICIAL STATEMENT will be passed on for the Underwriters by Chapman and Cutler LLP.

The various legal opinions to be delivered concurrently with the delivery of the 2018 Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX MATTERS

The following is a summary of the material federal and State of Utah income tax consequences of holding and disposing of the 2018 Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the 2018 Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Utah, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the 2018 Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the 2018 Bonds.

Opinion Of Bond Counsel

In the opinion of Gilmore & Bell, P.C., Bond Counsel, under the law currently existing as of the issue date of the 2018 Bonds:

Federal Tax Exemption. The interest on the 2018 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes.

Alternative Minimum Tax. Interest on the 2018 Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations.

Bond counsel's opinions are provided as of the date of the original issue of the 2018 Bonds, subject to the condition that the Authority comply with all requirements of the Code that must be satisfied subsequent to the issuance of the 2018 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Authority has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the 2018 Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the 2018 Bonds.

State of Utah Tax Exemption. The interest on the 2018 Bonds (including any original issue discount properly allocable to an owner thereof) is exempt from State of Utah individual income taxes.

Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the 2018 Bonds but has reviewed the discussion under this heading "TAX MATTERS."

Other Tax Consequences

Original Issue Discount. For federal income tax purposes, original issue discount ("OID") is the excess of the stated redemption price at maturity of a 2018 Bond over its issue price. The issue price of a 2018 Bond is the first price at which a substantial amount of the 2018 Bonds of that maturity have been sold (ignoring sales to bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers). Under Section 1288 of the Code, OID on tax-exempt bonds accrues on a compound basis. The amount of OID that accrues to an owner of a 2018 Bond during any accrual period generally equals (1) the issue price of the 2018 Bond, plus the amount of OID accrued in all prior accrual periods, multiplied by (2) the yield to maturity on the 2018 Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on the 2018 Bond during that accrual period. The amount of OID accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner's tax basis in that 2018 Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of OID.

Original Issue Premium. If a 2018 Bond is issued at a price that exceeds the stated redemption price at maturity of the 2018 Bond, the excess of the purchase price over the stated redemption price at maturity constitutes "premium" on that 2018 Bond. Under Section 171 of the Code, the purchaser of that 2018 Bond must amortize the premium over the term of the 2018 Bond using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the 2018 Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner. This will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the 2018 Bond prior to its maturity. Even though the owner's basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.

Sale, Exchange or Retirement of Bonds. Upon the sale, exchange or retirement (including redemption) of a 2018 Bond, an owner of the 2018 Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the 2018 Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the 2018 Bond. To the extent a 2018 Bond is held as a capital asset,

such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the 2018 Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the 2018 Bonds, and to the proceeds paid on the sale of the 2018 Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the 2018 Bonds should be aware that ownership of the 2018 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the 2018 Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of 2018 Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the 2018 Bonds, including the possible application of state, local, foreign and other tax laws.

MISCELLANEOUS

Bond Ratings

As of the date of this OFFICIAL STATEMENT, Fitch, Moody's and S&P have assigned their municipal bond ratings of "[AA]", "[A1]", and "[A+]", respectively, to the 2018 Bonds.

The Authority has furnished to each rating agency rating the 2018 Bonds information, including information not included in this OFFICIAL STATEMENT, about the Authority and the 2018 Bonds. Generally, rating agencies base their ratings on that information and on independent investigations, studies and assumptions made by each rating agency. There can be no assurance that ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by a rating agency if, in the judgment of that rating agency, circumstances warrant the revision or withdrawal of the ratings. Those circumstances may include, among other things, changes in, or unavailability of, information relating to the Authority or the 2018 Bonds. Any downward revision or withdrawal of a rating may have an adverse effect on the market price of the 2018 Bonds.

Trustee

The obligations and duties of the Trustee under the Indentures are described in the Indentures, and the Trustee has undertaken only those obligations and duties that are expressly set out in the Indentures. The Trustee has not independently passed upon the validity of the 2018 Bonds, the security therefor, the adequacy of the provisions for payment thereof or the inclusion in gross income for federal tax purposes of the interest on the 2018 Bonds. The Trustee may resign or be removed or replaced as provided in the Indenture.

Underwriters

The Underwriters have reviewed the information in this OFFICIAL STATEMENT in accordance with, and as a part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The Underwriters have agreed, subject to certain conditions, to purchase all of the 2018 Bonds from the Authority. The Underwriters are obligated to accept delivery and pay for all of the 2018 Bonds, if any are delivered, at an aggregate price of \$_____, being an amount equal to the par amount of the 2018 Bonds, plus an original issue premium of \$_____, less an original issue discount of \$_____, and less an Underwriter's fee of \$_____. The Underwriters may resell the 2018 Bonds to the public at prices which may be higher or lower than the prices set forth on the inside cover page of this OFFICIAL STATEMENT.

The Underwriters and their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, investment management, principal investment, hedging, financing and brokerage activities.

In the ordinary course of their various business activities, the Underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own accounts and for the accounts of their customers and may at any time hold long and/or short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Authority.

[Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Products Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934. Wells Fargo Bank, National Association, acting through its Municipal Products Group ("WFBNA"), has entered an agreement (the "WFA Distribution Agreement") with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name "Wells Fargo Advisors") ("WFA"), for the distribution of certain municipal securities offerings, including the 2018 Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the 2018 Bonds with WFA. WFBNA has also entered an agreement (the "WFSLLC Distribution Agreement") with its affiliate Wells Fargo Securities, LLC ("WFSLLC"), for the distribution of municipal securities offerings, including the 2018 Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

Morgan Stanley, parent company of Morgan Stanley & Co. LLC, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC will compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the 2018 Bonds.]

Municipal Advisor

The Authority has entered into an agreement with the Municipal Advisor where under the Municipal Advisor provides financial recommendations and guidance to the Authority with respect to preparation for sale of the 2018 Bonds, timing of sale, tax-exempt bond market conditions, costs of issuance and other factors related to the sale of the 2018 Bonds. The Municipal Advisor has read and participated in the drafting of certain portions of this OFFICIAL STATEMENT and has supervised the completion and editing thereof. The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in the OFFICIAL STATEMENT, or any other related information available to the Authority, with respect to accuracy and completeness of disclosure of such information, and the Municipal Advisor makes no guaranty, warranty or other representation respecting accuracy and completeness of the OFFICIAL STATEMENT or any other matter related to the OFFICIAL STATEMENT.

Independent Auditors

The financial statements of the Authority as of December 31, 2016 and for the year then ended, included in this OFFICIAL STATEMENT, have been audited by Keddington & Christensen LLC, Certified Public Accountants, Salt Lake City, Utah (“Keddington”), as stated in their report in “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2015” (CAFR page 23). Keddington has not been engaged to perform and has not performed, since the date of their report included in the Fiscal Year 2016 CAFR, any procedures on the financial statements addressed in the Fiscal Year 2016 CAFR.

Keddington has not participated in the preparation or review of this OFFICIAL STATEMENT. Based upon their non-participation, they have not consented to the use of their name in this OFFICIAL STATEMENT.

Additional Information

All quotations contained herein from and summaries and explanations of the State Constitution, statutes, programs, laws of the State, court decisions, and the Indentures, do not purport to be complete, and reference is made to the State constitution, statutes, programs, laws of the State, court decisions, and the Indentures for full and complete statements of their respective provisions.

Any statements in this OFFICIAL STATEMENT involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact.

The appendices attached hereto are an integral part of this OFFICIAL STATEMENT and should be read in conjunction with the foregoing material.

This PRELIMINARY OFFICIAL STATEMENT is in a form deemed final for purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission.

This OFFICIAL STATEMENT and its distribution and use have been duly authorized by the Authority.

Utah Transit Authority

APPENDIX A

COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2016

The CAFR of the Authority for Fiscal Year 2016 is contained herein. Copies of current and prior financial reports will be made available upon request from the contact person as indicated under “INTRODUCTION—Contact Persons” above.

The Authority’s annual financial reports for Fiscal Year 2017 must be completed under State law by June 30, 2018.

Government Finance Officers Association; Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (“GFOA”) have awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its CAFR for the 23rd consecutive year, beginning with Fiscal Year 1993 through Fiscal Year 2015.

[The Authority has submitted its Fiscal Year 2016 CAFR to GFOA to determine its eligibility for a Certificate of Achievement. The State believes that its Fiscal Year 2016 CAFR continues to meet the Certificate of Achievement program requirements.]

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one-year only.

Government Finance Officers Association; Distinguished Budget Presentation Award

GFOA has presented a Distinguished Budget Presentation Award to the Authority for its annual budget for the 18th consecutive year, beginning with Fiscal Year 2000 through Fiscal Year 2017.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device. The award is valid for a period of one-year only.

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**Here
to
Serve**

Comprehensive Annual Financial Report

For Fiscal Year Ended December 31, 2016 and 2015



UTAH TRANSIT AUTHORITY



UTA Mission Statement

Utah Transit Authority
strengthens and connects communities
thereby enabling individuals to pursue a fuller life
with greater ease and convenience
by leading through partnering, planning and wise investments
of physical, economic and human resources.

Comprehensive Annual Financial Report

For Fiscal Years Ended
December 31, 2016 and 2015

Finance Department

Robert K. Biles

Vice President, Finance

Bryan Steele

Comptroller (Interim)



UTAH TRANSIT AUTHORITY

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Introductory



UTAH TRANSIT AUTHORITY



669 West 200 South
Salt Lake City, Utah 84101
1-888-RIDE-UTA
www.rideuta.com

June 22, 2017

To the Board of Trustees
Utah Transit Authority and
Citizens within the UTA Service Area

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Utah Transit Authority (the Authority) for the fiscal years ended December 31, 2016 and 2015. This document has been prepared by the Authority's Finance Department using the guidelines recommended by the Government Finance Officers Association of the United States and Canada and conforms to accounting principles generally accepted in the United States of America and promulgated by the Governmental Accounting Standards Board.

This report contains financial statements and statistical data which provide full disclosure of all the material financial operations of the Authority. The financial statement and statistical information are the representation of the Authority's management which bears the responsibility for their accuracy, completeness and fairness.

The financial statements have been prepared on the accrual basis of accounting in conformance with generally accepted accounting principles. The Authority is accounted for as a single enterprise fund. This CAFR is indicative of the Authority's commitment to provide accurate, concise and high-quality financial information to the residents of its service area and to all other interested parties.

The Authority

The Utah Transit Authority was incorporated on March 3, 1970 under authority of the Utah Public Transit District Act of 1969 for the purpose of providing a public mass transportation system for Utah communities. The Authority is governed by a 16 member board of trustees which is the legislative body of the Authority and determines all questions of Authority policy. Twelve members of the Board of Trustees (one non-voting) are appointed by each county, municipality or combination of municipalities which have been annexed to the Authority. The Board also includes one member who is appointed by the State Transportation Commission who acts as a liaison between the Authority and the Transportation Commission, one member of the board is appointed by the Governor, one member is appointed by the Speaker of the Utah State House of Representatives and one member is appointed by the President of the State Senate.

All fifteen voting members have an equal vote as the Board of Trustees passes resolutions and ordinances and sets policies for the Authority.

The responsibility for the operation of the Authority is held by the President/CEO in accordance with the direction, goals and policies of the Authority's Board of Trustees. The President/CEO has full charge of the acquisition, construction, maintenance, and operation of the facilities of the Authority and of the administration of the business affairs of the Authority. The President/CEO supervises the executive staff which includes the Vice President of Operations, Vice President of External Affairs, Vice President of Finance, Chief Safety, Security, and Technology Officer, and Chief People Officer.

The Chief Executive Officer, General Counsel and the Internal Auditor for the Authority report to the Board of Trustees. An organizational chart which illustrates the reporting relationships follows in the introductory section.

The Regional General Managers and the General Manager of Rail Operations report to the Vice President of Operations. The executive staff meets weekly to coordinate management of the affairs of the organization. The executive staff and various other department officials meet as needed in a policy forum to review management policies and strategic direction and objectives for the organization. The Authority serves the largest segment of population in the State of Utah known as the Wasatch Front. Its service area includes Salt Lake, Davis, Utah, and Weber Counties, the cities of Tooele and Grantsville in Tooele County and that part of Tooele County comprising the unincorporated areas of Erda, Lakepoint, Stansbury Park and Lincoln, and the cities of Brigham City, Perry and Willard in Box Elder County.

According to the U.S. Census Bureau population estimates of July 1, 2016, the population of the Authority's service area is 2,372,914 and represents 77.8% of the state's total population.



Current Year Review

During the last year, UTA built upon its strong legacy of providing service, continuous achievement, and transit leadership. The information below provides a glimpse of the year’s accomplishments.

Transit Service – UTA took advantage of multiple opportunities to improve service in 2016. Most notable were the changes made possible by the adoption of Proposition One in Davis, Weber, and Tooele Counties. These funds allowed UTA to implement two new bus routes and provide seven others with more early, late, and weekend service. In addition, UTA worked aggressively on improving bus stops by using Proposition One funds to add shelters and benches and improve access to stops for mobility-disadvantaged customers.

In August UTA was able to leverage federal grant money to add Saturday service to six flex routes, improving access to multiple destinations in Ogden and southwest Salt Lake County.



UTA Flex Route Vehicle

In December UTA completed an overhaul of ski service that improved frequency on key corridors and added 35% more trips up Big and Little Cottonwood Canyons. This was a large effort that required cooperation among numerous internal and external stakeholders.

While increasing the amount of transit service is important, just as important to transit riders is that the bus or train arrives on time. UTA’s on-time reliability results by mode are shown below. They are near the highest results within the transit industry.

On-Time Reliability	2016	2015
Bus	91.07%	92.19%
TRAX	94.49%	93.98%
FrontRunner	89.96%	86.63%
Paratransit	97.85%	97.92%
Streetcar	99.50%	98.68%

System Enhancements - Keeping the transit system in a state of good repair is a high priority. During the year, UTA replaced 23 buses, 56 paratransit vans, and 55 rideshare vans, continued the light rail vehicles overhaul program, inspected all rail bridges, installed 4 miles of new fiber cable for the positive train control project, replaced worn train station tactile areas, and upgraded several rail grade crossings. In conjunction with local government, private partnerships, and transit rider input, over 100 bus stops were upgraded with shelters and other amenities. As part of the first/last mile connection initiative, bicycle storage was increased on buses and trains.

Ridership and Passenger Revenues - System ridership declined from 46.6 million in 2015 to 45.6 million in 2016. Passenger revenues declined by \$1.6 million to \$50.5 million, a 3.2% decrease from 2015 passenger revenues.

Current Year Review (continued)

Transit-Oriented Development – In 2016, transit-oriented development (TOD) centered on three locations located in Sandy, South Jordan, and West Jordan cities.

At the Jordan Valley TOD (located at the Jordan Valley TRAX station), construction was completed and leasing began on 270 residential units.

At the Sandy TOD (located at the Sandy Civic Center TRAX station), Construction was completed and leasing began on 272 residential units at the Sandy East Village TOD. A fourth residential building went under construction as well as a 150,000 square-foot office building.

At the South Jordan TOD (located at the South Jordan FrontRunner station), work commenced on the first of two 180,000 square-foot office buildings, as well as a full-service hotel.

Financial Stewardship - In August, UTA refunded \$156 million of short-term debt through a \$146 million long-term debt issue. As part of the refunding, the final maturity was set in 2032, three years earlier than previous plans and reducing budgeted debt service by \$8.6 million.

For the year, operating expenses were 5.8% below budget with lower than budgeted diesel fuel prices contributing almost 70% of the total \$14.8 million operating savings. Personnel cost savings from transitional position vacancies and additional parts warranty recoveries comprised the rest of the favorable budget variance.



UTA Reforms - Throughout 2016, UTA built upon its 2014 foundational reforms by focusing on overhaul of policies, procedures, and personnel. In August, the Board appointed Jerry Benson, a 32-year employee of UTA, to be the President/CEO.

In November, the President/CEO restructured the organization to reduce the number of executives. Three Vice Presidents (Operations, External Affairs, and Finance), two Chief Officers (Safety, Security & Technology and People), the General Counsel, and the Chief Internal Officer now comprise the executive team. Department reporting relationships were better aligned to match the executives' responsibilities. To meet evolving needs for customer and community service, several departmental positions were reassigned to new departments.

Jerry Benson, UTA President/CEO

For a more complete review of the Authority's current year financial activities, please refer to section two which contains the Auditor's Report, Management's Discussion and Analysis, the Financial Statements and accompanying notes.

Future Plans

UTA will continue its partnerships with federal, state, and local governments and stakeholders to identify and provide innovative, cost-effective, and successful transit solutions for the Wasatch Front community. Future plans include the following:

Provo-Orem Transportation Improvement Project. Construction began in 2016 on the combination bus rapid transit (BRT) and road project which is the result of a partnership between Utah County, the State of Utah, and UTA. UTA received a Federal Transit Administration Small Starts Grant in December of 2016. The BRT will connect the Orem

Future Plans(continued)

FrontRunner station, Utah Valley University, Brigham Young University, and the Provo FrontRunner station with 10-minute service. Completion of the \$192 million improvement project is expected in mid-2018.

Transit Oriented Development (TOD) projects. As noted in the Current Year section, there are three active TODs with phases completed or under construction. Additional projects and development phases in Sandy, West Jordan, South Jordan, South Salt Lake, and Provo are in various stages of planning and approvals. UTA will continue to work on these and other TOD projects to ensure that UTA's transit oriented development goals and standards are met.

State of Good Repair (SOGR). Recent transportation infrastructure failures in various parts of the United States increased the emphasis to ensure that future long-term infrastructure maintenance and replacement needs were identified, funded, and completed in a timely manner. In the next year, UTA will continue to refine its long-term SOGR work plan with an emphasis on development and approval of a detailed five-year work plan.

Anticipated Capital Projects.

- UTA received a TIGER grant for \$20 million to provide first and last mile infrastructure improvements such as trails, bike lanes and sidewalks to improve access to transit. Environmental work is underway with construction expected to start in the fall of 2017 and continue through 2022.
- UTA is currently working to meet the federally mandated Positive Train Control deadline of December 2018. Approximately 40% of the \$30 million capital project was completed at the end of 2016. Work will continue throughout 2017 with final acceptance planned for 2018. UTA's positive train control improvements will be in place well before the deadline.
- Part of the \$1.8 billion Salt Lake International Airport improvement project includes moving the terminus of UTA's light rail green line, the Airport Line Project, to a more central, transit-friendly location by 2020. Anticipated cost of the Airport Line Project is approximately \$66 million. The project is currently in design with construction scheduled to start in the first quarter of 2018.
- Completion of the CNG fueling facility last December was the first step in establishing the Depot District Service Center for bus maintenance. Once completed, the Depot District Service Center, which serves Salt Lake City and surrounding areas, will be a state-of-the-art maintenance facility which can maintain a 200-bus service fleet. Design work is completed with the initial phase of construction planned for 2018.



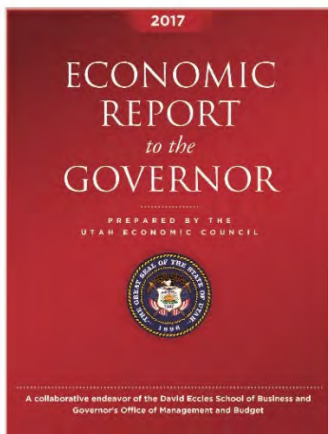
TRAX Airport Station

Over the next few years, UTA will seek to build upon its reputation as a successful and innovative transit organization by increasing service reliability, strategically adding cost-effective service, and improving passenger amenities while maintaining strong financial management. Just as important, UTA's Board and staff will be working to earn the public's trust through increased accountability and transparency initiatives.



The Economic Condition and Outlook

The Utah Governor's Office of Management and Budget in collaboration with the David Eccles School of Business at the University of Utah, prepared the 2017 Economic Report to the Governor. The Economic Report focuses on an estimated summary of the previous year and a forecast for the forthcoming year. The primary goal of the report is to improve the reader's understanding of the Utah economy. The report is a collaborative effort of both public and private entities which devote a significant amount of time to this report ensuring that it contains the latest economic and demographic information. Below are several excerpts from the Economic Report. For more detailed information, the entire report is available on the Gardner Policy Institute's website at <http://gardner.utah.edu>.



Overview of the Economy - Utah's strong overall economic growth in 2016 was coupled with excellent labor market outcomes.

Labor force, the measure of individuals holding or actively seeking a job, increased 3.0 percent over 2015, driven by in-migration to the state and strong opportunities in the majority of economic sectors. The state's growing reputation as an optimal location to find economic opportunity and high quality of life, along with increasing wages, are the most likely drivers of labor force growth. It is important, however, to note the differences in labor force growth across the age groups, which is a lasting effect of the Great Recession. Compared to 2007, only the 55-64 year olds in Utah participated in the labor force at a higher rate in 2016. The 20-24 year olds participated at roughly the same rate. All other age groups still show participation rates lower than 2007, including those in

their prime working age. Individuals in the 16-19 age group lagged the farthest behind at 2.9 percentage points lower than 2007.

2016 ended with the state experiencing an average unemployment rate of 3.4 percent. The year began with a seasonally adjusted count of unemployed equaling 49,500. As is sometimes the case with strong economies, the number grew over time, reaching a peak of 59,200 in the summer as individuals realized the opportunities for employment and jumped into the labor market to begin or renew a job search. From the summer peak, as people found jobs, unemployment declined, ending the year below 47,000.

Utah employers created roughly 49,500 jobs in 2016. This is essentially the same number created in 2015 which is surprising to most local economists who were expecting a slight slow-down anticipating capacity constraints from tightening labor markets. New labor force entrants and population in-migration loosened the constraints, allowing employers to continue adding jobs to the Utah labor market in response to healthy demand for their products and services.

Every industry but Mining, Oil, and Gas added jobs in 2016. Despite 2015 predictions, the effects of oil prices continued to cause job shedding in the first half of the year, then some gains occurred in the latter half, netting the industry essentially zero change overall. In contrast, significant gains were experienced in industries such as Construction, which grew by 6.8 percent, Leisure and Hospitality, which grew at 6.1 percent, and Professional and Business Services, growing at 5.4 percent. This mix of fastest growing industries exemplifies the robust economic conditions of the state, with incomes increasing, housing in high demand, and the tech sector blossoming.



Mount Olympus, Wasatch Front Mountains

The Economic Condition and Outlook (continued)

Wages tell an even stronger story than was the case in past years. Average annual pay increased by 3.5 percent over the year, marking the third year in a row of accelerating wage gains.

Utah's total personal income in 2016 was an estimated \$124.5 billion, a 5.7 percent increase from \$117.8 billion in 2015. Utah's estimated 2016 per capita income was \$40,864, up 4.0 percent from the 2015 level of \$39,308. This 2016 growth rate is slightly higher than the average annual state growth rates of 5.5 percent for total personal income, and 3.9 percent for per capita income during the 2012 to 2015 period. In the last two years, Utah's growth in per capita personal income has been significantly higher than that of the U.S. economy as a whole.

Utah total taxable sales continued to grow in 2016. Growth was steady, increasing by approximately 4.4 percent to an estimated \$56.3 billion. A strong labor market and consumer spending were among the primary drivers of growth. Historically low interest rates, a strong tourism industry, and low motor fuel prices were also drivers of growth. Growth in 2016 retail sales and taxable services is estimated at 5.0 percent and 4.7 percent, respectively, while business investment purchases are estimated to decline by 1.9 percent.

Outlook 2017 – Utah managed to avoid the chokehold of tight labor markets in 2016 and current momentum indicates 2017 could share in that advantage as well. No current signals at the state level indicate Utah will veer off its current expansionary path. Labor shortages will naturally plague some employers of high-skilled, specialized work, but continued in-migration and a primed education pipeline should help to ease those pinches.

With a new national administration poised to take the helm at the beginning of 2017, the potential for change leaves forecasters somewhat muddled as to what may create head- or tailwinds at the federal level. Key economic indicators that will likely play a role in shaping the 2017 economy include inflation, interest rates, and the value of the dollar. Kept in balance, these indicators will only play out in the background of our thriving Utah economy. However, if balance isn't achieved, a sharp run for any of those measures could hinder business investment and hiring by Utah employers.

Utah total personal income in 2016 is estimated to have grown 5.7 percent. This represents a vibrancy that far surpasses income growth at the national level. Per capita personal income is estimated to have grown at a 4.0 percent rate in 2016, which is nearly double the estimated national per capita income growth rate of 2.4 percent, but slightly slower than last year's Utah per capita income growth rate of 4.4 percent. Utah's personal income is expected to continue to grow strongly in the next few years, albeit somewhat more slowly than the robust growth of the last couple years. Utah personal income growth is also expected to continue to surpass the growth of US personal income. Utah's vibrant and growing economy will continue to produce an environment with strong employment growth and low unemployment, which will continue to create upward pressure on Utah's personal income growth.



Given the strong state of the Utah economy, the trend of steady growth is forecasted to continue in 2017. Total taxable sales are expected to increase by 5.0 percent. Higher forecasted growth in total taxable sales in 2017 can be partially attributed to a forecasted rebound in business investment purchases. After two straight years of decline, 2017 business investment purchases are forecasted to increase by 4.8 percent as declines in the oil and gas and mining industries level out. In 2017 retail sales are projected to grow by 5.1 percent and taxable services are projected to increase by 4.9 percent. Forecasted growth can be attributed to healthy economic fundamentals. High consumer confidence and moderately strong growth in employment, total wages, and consumer expenditures are all contributing factors to increasing taxable sales.

Debt Administration

The Authority has sold Sales Tax Revenue Bonds to partially finance the purchase and construction of various capital assets, and to refund other outstanding bond issues. Payment of debt service on the outstanding bonds is secured by a pledge of sales tax revenues and other revenues of the Authority.

During 2016, the Authority issued a sales tax revenue bond for the purpose of refunding previously-issued debt.

- The Series 2016 Subordinated Sales Tax Revenue Refunding Bonds were issued in the amount of \$145,691,497 to refund \$13,990,000 of the Series 2013 Sales Tax Revenue Bonds, \$80,370,000 of the Series 2014A Sales Tax Revenue Bonds, and \$62,000,000 of the Series 2014B Sales Tax Revenue Bonds. These bonds represented all of the Authority's variable rate debt.

For a more complete review of the Authority's financing activities please refer to the Financial Section of this report which contains the Auditors Report, Management's Discussion and Analysis, the Financial Statements and accompanying notes.

Independent Audit

State law requires that the Authority cause an independent audit to be performed on an annual basis. The Authority's independent auditors, Keddington and Christensen, LLC, have rendered an unmodified audit report on the Authority's financial statements. The auditor's report on the financial statements with accompanying notes is included in the Financial Section of the Comprehensive Annual Financial Report.



Bus route at the Utah State Capital

The Authority also has a single audit of all federally funded programs administered by this agency as a requirement for continued funding eligibility.

The Single Audit is mandatory for most local governments including the Utah Transit Authority.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Utah Transit Authority for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2015.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both general accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of the Comprehensive Annual Financial Report on a timely basis requires dedicated extra efforts of the staff of several departments.

I wish to express my appreciation to all department staff and managers who contributed to this report with special recognition to Teri Black, Executive Assistant; Bryan Steele, Comptroller (Interim); the staff of the Accounting Department; Blair Lewis, Graphic Artist; and Eric Vance, Photographer.

Sincerely,



Robert K. Biles
Vice President, Finance
Utah Transit Authority





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

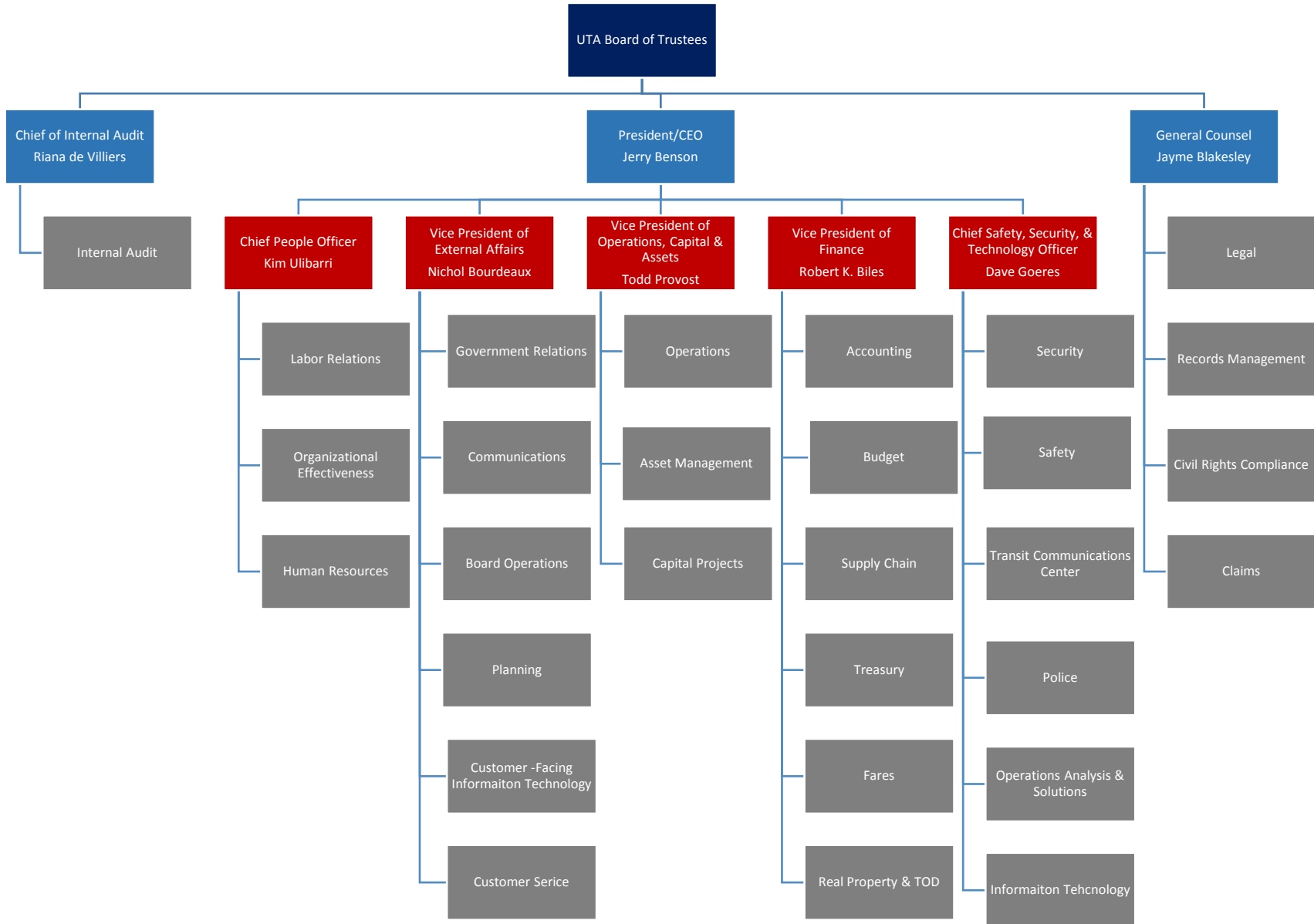
Utah Transit Authority

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

Organizational Chart



Utah Transit Authority Board of Trustees May 2017



Robert McKinley
Board Chair



Board Vice Co-Chair
Jeff Hawker



Board Vice Co-Chair
Sherrie Hall Everett



Jeff Acerson



Cortland G. Ashton



Gregory S. Bell



Necia Christensen



Karen Cronin



Babs DeLay



Charles G. Henderson



Dannie R. McConkie



P. Bret Milburn



Michael Romero



Brent Taylor



Troy Walker

Board of Trustees Appointments

Appointed By	Current Member	Term Ending	# Terms Served
Governor of the State of Utah	Greg Bell	September, 2020	1
Speaker of the House	Babs De Lay	January, 2020	1
The Municipalities within Salt Lake County and the municipalities of Grantsville and Tooele in Tooele County	Robert McKinley	December, 2017	1
Municipalities with Utah County	Jeff Acerson	November, 2019	1
President of the Senate	Cort Ashton	November, 2020	1
Salt Lake City	Pending Appointment	TBD	0
Municipalities within Weber County and Brigham City, Perry and Willard in Box Elder County	Brent Taylor	February, 2021	1
Municipalities with Salt Lake County and the municipalities of Grantsville and Tooele in Tooele County	Necia Christensen	May, 2019	5
Utah County	Sherrie Hall Everett	March, 2020	1
Municipalities within Salt Lake County and the municipalities of Grantsville and Tooele in Tooele County	Jeff Hawker	October, 2020	2
Unincorporated Salt Lake County	Charles G. Henderson	May, 2020	3
Utah Transportation Commission	Dannie R. McConkie	May, 2017	1
The municipalities with Davis County	P. Bret Millburn	August, 2020	3
The municipalities with Salt Lake County and the municipalities of Grantsville and Tooele in Tooele County	Pending Appointment	TBD	0
Municipalities with Salt Lake County and the municipalities of Grantsville and Tooele in Tooele County	Troy Walker	March, 2020	2
Municipalities and unincorporated areas within the district that are located within a county that is not annexed into the UTA district	Karen Cronin	October, 2020	1

Board of Trustees and Administration

Board of Trustees as of May 31, 2017

BOARD CHAIR	Robert W. McKinley
VICE CO-CHAIR	Jeff Hawker
VICE CO-CHAIR	Sherrie Hall Everett
TRUSTEE	Jeff Acerson
TRUSTEE	Cortland G. Ashton
TRUSTEE	Gregory S. Bell
TRUSTEE	Necia Christensen
TRUSTEE	Karen Cronin
TRUSTEE	Babs DeLay
TRUSTEE	Charles G. Henderson
TRUSTEE	Dannie R. McConkie
TRUSTEE	P. Bret Millburn
TRUSTEE	Michael E. Romero
TRUSTEE	Brent Taylor
TRUSTEE	Troy K. Walker

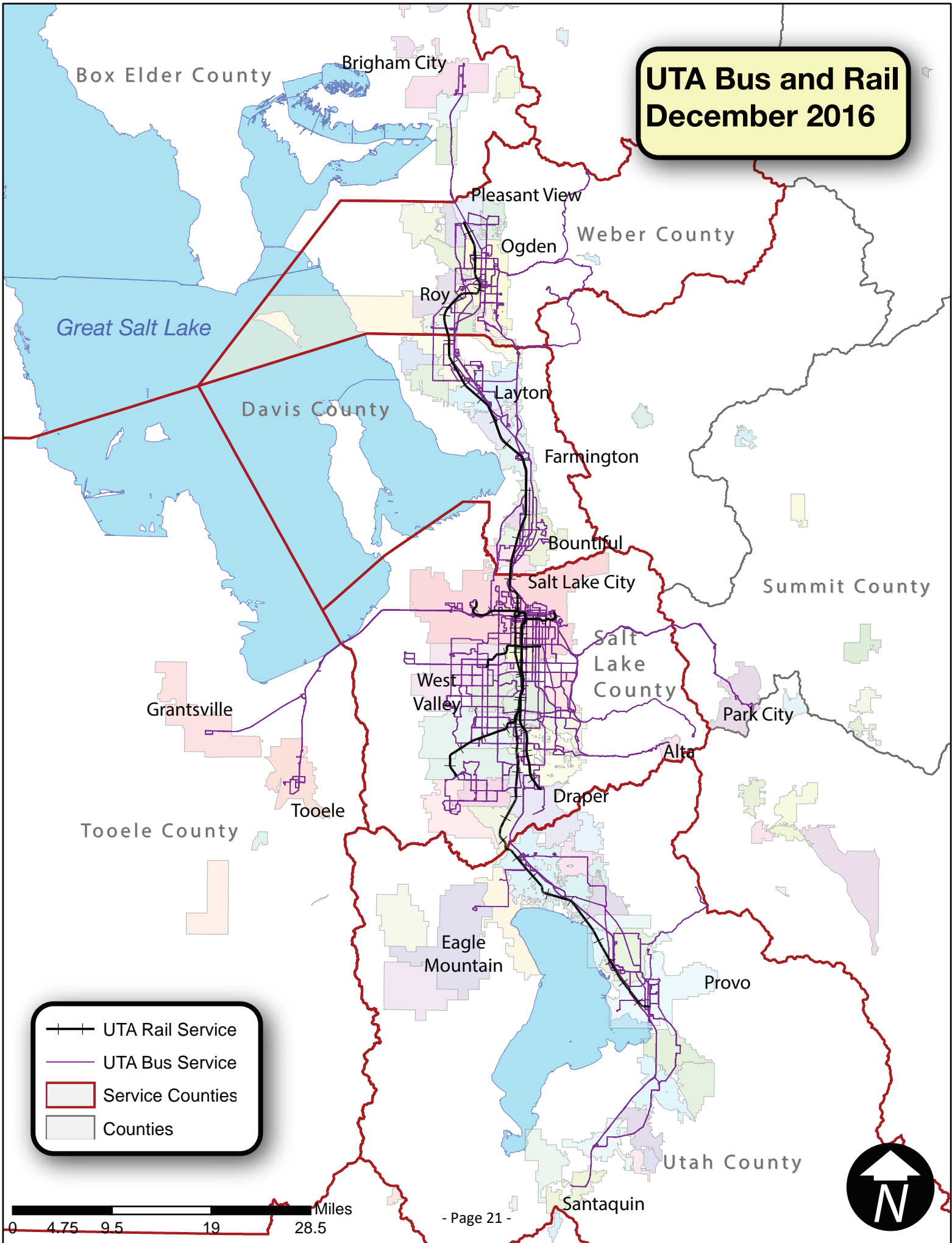
Officers of the Authority

BOARD CHAIR	Robert W. McKinley
VICE CO-CHAIR	Jeff Hawker
VICE CO-CHAIR	Sherrie Hall Everett
PRESIDENT/CHIEF EXECUTIVE OFFICER	Jerry Benson
GENERAL COUNSEL	Jayne L. Blakesley
SECRETARY/TREASURER and VICE PRESIDENT FINANCE	Robert K. Biles
COMPTROLLER	Bryan R. Steele (Interim)

Administration of the Authority

PRESIDENT/CHIEF EXECUTIVE OFFICER	Jerry Benson
GENERAL COUNSEL	Jayne L. Blakesley
CHIEF OF INTERNAL AUDIT	Riana de Villiers
VICE PRESIDENT OF EXTERNAL AFFAIRS	Nichol Bourdeaux
VICE PRESIDENT FINANCE	Robert K. Biles
VICE PRESIDENT OPERATIONS, CAPITAL & ASSETS	Todd Provost
CHIEF PEOPLE OFFICER	Kim Ulibarri
CHIEF SAFETY, SECURITY AND TECHNOLOGY OFFICER	Dave Goeres

UTA Bus and Rail December 2016





Financial



UTAH TRANSIT AUTHORITY

For Fiscal Year Ended December 31, 2016 and 2015



INDEPENDENT AUDITOR’S REPORT

To the Board of Trustees,
Utah Transit Authority
Salt Lake City, Utah

We have audited the accompanying financial statements of Utah Transit Authority (the “Authority”) as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Utah Transit Authority, as of December 31, 2016 and 2015, and the respective changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and certain disclosures relating to pensions as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Utah Transit Authority's basic financial statements. The introductory section and statistical sections listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2017, on our consideration of the Authority's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Keddington & Christensen, LLC

Keddington & Christensen, LLC
Salt Lake City
June 20, 2017

UTAH TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2016 and 2015

This section of Utah Transit Authority's (the Authority) annual financial report presents our discussion and analysis of the Authority's financial performance during the fiscal years ended on December 31, 2016 and December 31, 2015.

Following this Management Discussion and Analysis are the basic financial statements of the Authority, together with the notes thereto, which are essential to a full understanding of the information contained in the financial statements.

FINANCIAL STATEMENTS

The Authority's financial statements are prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America (GAAP), promulgated by the Governmental Accounting Standards Board. The Authority reports as a single enterprise fund. Revenues are recognized when earned and expenses are recognized in the period in which they are incurred. See the notes to the financial statements for a summary of the Authority's significant accounting policies.

FINANCIAL HIGHLIGHTS

In November 2015, voters in three (3) of the counties within the Authority's service area approved a transportation initiative (Prop 1) which increased sales tax by a quarter of one percent (.25%). Forty percent (40%) of this revenue is dedicated to support transit service and enhancements within those specific counties. The tax became effective in Davis and Weber counties on April 1, 2016 and in Tooele County on July 1, 2016.

On August 16, 2016, the Authority sold \$145.7 million of Subordinated Sales Tax Revenue Refunding Bonds. The purpose of these bonds was to eliminate interest-rate risk by reducing the Authority's exposure to short-term debt. This issuance was viewed favorably by the rating agencies and resulted in a rating upgrade for the Authority.

The Authority continues to recognize the importance of reserves. Reserves have been established for debt service, service stabilization, capital improvement, fuel and parts. These reserves were increased by \$7.15 million during the year and stood at \$58.54 million at the end of the year. Refunding savings of \$4.3 million were included in that increase and added to the Debt Rate Service Stabilization reserve bringing its December 31, 2016 balance to \$14.86 million.

In December 2016, the Authority was awarded federal funding in the amount of \$70.98 million dollars by the U.S. Department of Transportation and Federal Transit Administration for the design, right-of-way acquisition, and construction of a 10.52 mile bi-directional Bus Rapid Transit (BRT) line located in Utah County. The project begins at the Orem Intermodal Center and ends at the Provo Intermodal Center and includes a total of 18 stations and the purchase of 25 vehicles. The project also includes an aerial bridge replacement with BRT guideway, bicycle, trail and pedestrian access site improvements, and construction of an expanded bus maintenance facility.



Downtown Salt Lake City – Clean Air Initiative

UTAH TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2016 and 2015

CONDENSED STATEMENTS OF NET POSITION

	<u>2016</u>	<u>2015</u>	<i>Difference</i>	<i>Percent difference</i>	<u>2014</u>
Assets					
Current and other assets	\$ 238,290,698	\$ 231,099,087	\$ 7,191,611	3%	\$ 255,392,107
Restricted assets	67,679,065	79,953,763	(12,274,698)	-15%	63,186,315
Capital assets	<u>3,104,597,334</u>	<u>3,210,158,029</u>	<u>(105,560,695)</u>	-3%	<u>3,329,090,423</u>
Total assets	<u>3,410,567,097</u>	<u>3,521,210,879</u>	<u>(110,643,782)</u>	-3%	<u>3,647,668,845</u>
Deferred outflows of resources	<u>116,778,163</u>	<u>125,000,198</u>	<u>(8,222,035)</u>	-7%	<u>2,028,608</u>
Liabilities					
Current liabilities	71,620,455	66,390,159	5,230,296	8%	70,900,996
Long-term liabilities	<u>2,387,091,356</u>	<u>2,392,487,053</u>	<u>(5,395,697)</u>	0%	<u>2,160,447,389</u>
Total liabilities	<u>2,458,711,811</u>	<u>2,458,877,212</u>	<u>(165,401)</u>	0%	<u>2,231,348,385</u>
Deferred inflows of resources	<u>5,489,735</u>	<u>1,659,974</u>	<u>3,829,761</u>	231%	<u>1,153,885</u>
Net position					
Net investment in capital assets	924,260,135	1,031,142,715	(106,882,580)	-10%	1,217,298,938
Restricted	67,415,969	78,064,113	(10,648,144)	-14%	62,860,625
Unrestricted	<u>71,467,610</u>	<u>76,467,063</u>	<u>(4,999,453)</u>	-7%	<u>137,035,620</u>
Total net position	<u>\$ 1,063,143,714</u>	<u>\$ 1,185,673,891</u>	<u>\$ (122,530,177)</u>	-10%	<u>\$ 1,417,195,183</u>

2016 Results

In 2016, the Authority was awarded \$70.98 million in the form of a federal grant for the construction of the Provo-Orem Bus Rapid Transit system. This grant represented 50% of the cost of the project, with the remaining 50% funded by Utah County. This project increased receivables at year end by over \$17.7 million, and increased construction in progress by \$20 million.

In August 2016, the Utah Transit Authority sold its \$145,691,497 Subordinated Sales Tax Revenue Refunding Bonds, Series 2016 (the "Series 2016 Bonds"). This bond transaction was issued for a total par amount of \$145,691,497 and generated \$12,932,675 of Reoffering Premium, and refunded the Authority's bond issues for Series 2013 (Senior Bonds), Series 2014A (Subordinate Bonds), and Series 2014B (Subordinate Bonds) in full. This issuance represented a refunding of all of the Authority's variable rate short-term bond debt and reduced the Authority's interest rate exposure. The Series 2016 Bonds and the Series 2015 Bonds allowed the Authority to consolidate its restricted reserve requirements.

The Series 2015 bond issuance included \$20 million restricted for the payment of a portion of the outstanding principal and interest of the refunded bonds through 2017. This cash flow strategy is referred to as a crossover refunding. This restricted account contributed approximately \$8.5 million towards outstanding principal and interest in 2016 which explains the reduction of restricted assets from 2015 to 2016.

Capital assets decreased by \$105.5 million primarily due to depreciation expense of \$153.6 million exceeding capital asset additions of \$48.1 million. In addition, the Authority performed a comprehensive multi-year review of construction in progress reported under capital assets. This review identified many projects that no longer met the requirements for asset recognition and required restatement as expense. Restatement was applied beginning in 2014 for those projects under this criteria. The net effect was a reduction of capital assets in the amount of \$14.2 million in 2014 and \$9.5 million in 2015.

UTAH TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2016 and 2015

CONDENSED STATEMENTS OF NET POSITION (continued)

2016 Results (continued)

As the second year reporting the *Governmental Accounting Standards Board (GASB) Statement No. 68 Accounting and Financial Reporting for Pensions – an Amendment to GASB Statement No. 27*, the Authority recorded a net pension liability decrease of \$4.5 million (3.8%) as a result of the Authority's continued dedication to contributing 16% of wages to the pension plan.

The Authority's Board remained steadfast in its dedication to building reserves for the stabilization of services and debt management. In 2016, the Board authorized an increase of almost \$7.2 million to these reserves. At year end, these reserves equaled \$58.5 million of cash and cash equivalents.

An increase in net position over time may serve as a useful indicator of a government entity's financial position. As of December 31, 2016, the Authority's net position decreased to \$1.06 billion from \$1.19 billion as of December 31, 2015. The majority of this change (96%) is directly attributed to the decrease in the net investment in capital assets due to depreciation and restatement, and the consolidation of the debt service reserve requirements.

2015 Results

In 2015, the Authority implemented the *Governmental Accounting Standards Board (GASB) Statement No. 68 Accounting and Financial Reporting for Pensions – an Amendment to GASB Statement No. 27*. The effect of this Statement is the recording of the Authority's net pension liability as of December 31, 2015 which increased deferred outflows of resources by \$16.3 million, increased long-term liabilities by \$117.4 million, and increased deferred inflows of resources by \$1.7 million.

On January 26, 2015, Utah Transit Authority sold its \$668,655,000 Sales Tax Revenue Refunding Bonds, Series 2015A (the "2015A Senior Bonds") and \$192,005,000 Subordinated Sales Tax Revenue Refunding Bonds, Series 2015A (the "2015A Subordinate Bonds"). These two bond issues together are referred to as the "2015A Bonds". This major bond transaction was issued for a total par amount of \$860,660,000 and generated \$156,955,532 of Original Issue Premium, and involved the refunding of parts of four UTA bond issues, namely the 2008A (Senior Bonds), 2009A (Senior Bonds), 2007A (Subordinate Bonds), and the 2012 (Subordinate Bonds).

The primary purpose for issuing the 2015A Bonds, was for overall debt service savings. It should be noted that the True Interest Cost of the 2015A Bonds was 3.209%. This compares to the TIC for each of the refunded bond issues of 5.008%, 3.972%, 4.701%, and 4.048%, for the 2008A, 2009A, 2007A, and 2012 bonds, respectively.

This refunding resulted in total interest savings of \$85,201,883, with net present value savings of \$77,660,118, or 9.023% net savings of refunded principal. This represents average annual cash flow savings of \$3,550,078. The transaction closed on February 25, 2015.

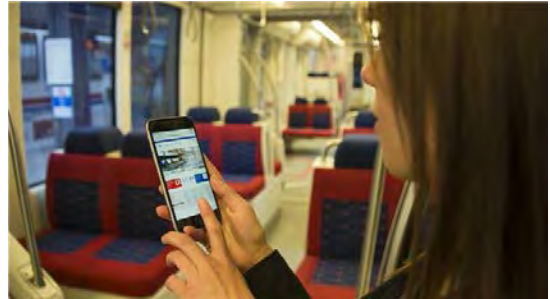
UTAH TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2016 and 2015

CONDENSED STATEMENTS OF NET POSITION (continued)

2015 Results (continued)

Additional benefits to UTA as a result of this refunding are the following;

1. Elimination of Capital Appreciation Bonds.
2. A Rating upgrade on UTA's Subordinate Debt Portfolio by Standard & Poors, from A to A+.
3. A reaffirmation of all other prior bond ratings, as rated by Standard & Poors, Moody's, and Fitch.
4. A reshaping of the debt service schedule by smoothing out of the steep increase in debt service beginning in 2017.
5. Elimination of Bond specific Debt Service Reserve Fund for all Senior Debt.
6. This transaction also allowed us to make several changes to the Bond Indenture, adding important items to generate flexibility benefiting the overall bond program.



Rider using the UTA mobile app

The Authority's Board remained steadfast in its dedication to building reserves for the stabilization of services and debt management. In 2015, the Board authorized an increase of almost \$8.0 million to these reserves. At year end, these reserves equaled \$51.4 million of cash and cash equivalents.

Capital assets decreased by \$118.9 million primarily due to depreciation expense of \$161.0 million exceeding capital asset additions of \$48.6 million.

An increase in net position over time may serve as a useful indicator of a government entity's financial position. As of December 31, 2015, the Authority's net position decreased to \$1.21 billion from \$1.43 billion as of December 31, 2014 due to the increase in long-term liabilities from the implementation of the *GASB Statement No. 68 Accounting and Financial Reporting for Pensions - an amendment of GASB Statement 27* which resulted in an increased long-term liability of \$117m, and the issuance of the Series 2015 bonds.

CONDENSED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	<u>2016</u>	<u>2015</u>	<i>Difference</i>	<i>Percent difference</i>	<u>2014</u>
Operating revenues	\$ 52,891,021	\$ 54,346,242	\$ (1,455,221)	-2.7%	\$ 53,761,223
Operating expenses	422,543,342	403,560,254	18,983,088	4.7%	412,835,043
Excess of operating expenses over operating revenues	(369,652,321)	(349,214,012)	(20,438,309)	-5.9%	(359,073,820)
Non-operating revenues	313,184,316	290,848,506	22,335,810	7.7%	274,965,988
Non-operating expenses	86,226,784	81,386,242	4,840,542	5.9%	92,122,756
Income (loss) before contributions	(142,694,789)	(139,751,748)	(2,943,041)	-2.1%	(176,230,588)
Capital contributions	20,164,612	9,068,708	11,095,904	122.4%	11,389,311
Change in net position	<u>\$ (122,530,177)</u>	<u>\$ (130,683,040)</u>	<u>\$ 8,152,863</u>	6.2%	<u>\$ (164,841,277)</u>
Total net position, January 1	\$ 1,185,673,891	\$ 1,417,195,183			\$ 1,577,104,903
Prior period adjustment		(100,838,252) ¹			4,931,557 ²
Total net position, December 31	\$ 1,063,143,714	\$ 1,185,673,891			\$ 1,417,195,183

¹ Effect of GASB Statement No. 68 implementation, net pension liability as of January 1, 2015.

² Recognition of represented employees trust in the amount of \$3.26m, restatement of \$1.67m of current liabilities to equity.

UTAH TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2016 and 2015

SUMMARY OF REVENUES FOR THE YEAR ENDED DECEMBER 31

	<u>2016</u>	<u>2015</u>	<i>Difference</i>	<i>Percent difference</i>	<u>2014</u>
Operating					
Passenger revenue	\$ 50,624,354	\$ 52,112,909	\$(1,488,555)	-2.9%	\$ 51,461,223
Advertising	2,266,667	2,233,333	33,334	1.5%	2,300,000
Total operating revenue	52,891,021	54,346,242	(1,455,221)	-2.7%	53,761,223
Non-operating					
Contributions from other gov'ts (sales tax)	245,008,417	227,703,023	17,305,394	7.6%	214,683,276
Federal noncapital assistance	63,334,769	52,000,012	11,334,757	21.8%	50,754,876
Interest income	1,732,939	2,831,406	(1,098,467)	-38.8%	5,803,226
Other	3,108,191	8,314,065	(5,205,874)	-62.6%	3,724,610
Total non-operating revenue	313,184,316	290,848,506	22,335,810	7.7%	274,965,988
Capital contributions	20,164,612	9,068,708	11,095,904	122.4%	11,389,311
Total revenues	<u>\$ 386,239,949</u>	<u>\$ 354,263,456</u>	<u>\$31,976,493</u>	9.0%	<u>\$ 340,116,522</u>

2016 Results

Passenger revenue showed a slight decrease of \$1.5 million (2.9%) in 2016. This can be attributed to the low price of fuel and milder weather patterns. In addition, the Authority extended its FarePay discount fare program as a continued support of the conversion campaign from 2015.

Since the Authority does not have the ability to tax, it relies on contributions dedicated by other governments for the purpose of mass transit in the form of sales tax as supplementary income to operations and development. As Utah's economy continues to improve and unemployment rates continue to decrease, this sales tax amount continues to increase. In 2016, the Authority recognized \$17.3 million (6.2%) in increased contributions of sales tax. Of that increase, \$6.4 million (37%) came from the quarter-cent sales tax of Prop 1.

Federal noncapital support increased by \$11.3 million (22%) in 2016. This funding is distributed by the Federal Transit Administration (FTA) to transit agencies based on the age and use of their systems. As much of the Authority's rail system reaches the threshold of eligibility for federal preventive maintenance support, it is expected this funding will increase as demand for maintenance increases.

Capital contributions increased by over \$11 million due to the federal and local participation in the construction of the Provo-Orem BRT line.

2015 Results

Passenger revenue showed a slight increase of \$585,000 (1.3%) in 2015. This year, the Authority began to focus on electronic fare media (FarePay) through increased consumer education campaigns and fare incentives for conversion. This conversion campaign has seen significant success in converting cash customers to FarePay, however, the incentives have had an impact on passenger revenue growth.



Riders board TRAX at University of Utah

UTAH TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2016 and 2015

SUMMARY OF REVENUES FOR THE YEAR ENDED DECEMBER 31 (continued)

2015 Results (continued)

Since the Authority does not have the ability to tax, it relies on contributions dedicated by other governments for the purpose of mass transit in the form of sales tax as supplementary income to operations and development. As Utah's economy continues to improve and unemployment rates continue to decrease, this sales tax amount continues to increase. In 2015, the Authority recognized \$13.0 million (6.2%) in increased contributions of sales tax.

In 2015, the investment market did not provide the same opportunities for short-term investments as 2014. With a decreased number of investment transactions, interest income decreased in 2015 by almost \$3.0 million.

With the completion of the major rail lines, the Authority has begun to assess property and liquidate land no longer needed to support the Authority's purpose. In 2015, the Authority sold approximately 37.5 acres of land which contributed approximately \$5.6m in other revenue.

SUMMARY OF EXPENSES FOR THE YEAR ENDED DECEMBER 31

	<u>2016</u>	<u>2015</u>	<i>Difference</i>	<i>Percent difference</i>	<u>2014</u>
Operating expenses					
Bus service	\$ 85,841,973	\$ 77,702,167	\$ 8,139,806	10.5%	\$ 79,141,904
Rail service	84,165,069	74,266,265	9,898,804	13.3%	83,558,762
Paratransit service	19,341,116	18,573,738	767,378	4.1%	18,748,699
Other services	2,949,643	2,971,534	(21,891)	-0.7%	3,183,892
Operations support	37,831,682	35,901,226	1,930,456	5.4%	28,949,480
Administration	37,636,519	32,443,603	5,192,916	16.0%	33,287,754
Major investment studies	1,204,124	658,400	545,724	82.9%	2,488,179
Depreciation	153,573,216	161,043,323	(7,470,107)	-4.6%	163,476,373
Total operating expenses	<u>\$ 422,543,342</u>	<u>\$ 403,560,256</u>	<u>\$ 18,983,086</u>	4.7%	<u>\$ 412,835,043</u>

2016 Results

Personnel cost for the Authority in 2016 was 66.2% of total operating expense less depreciation. Overall, personnel cost rose by \$11.5 million (7.0%) in 2016.

The operational cost for all direct service increased in 2016 by \$20.7 million as a result of increased system maintenance costs. These costs included the light rail vehicle mid-life overhaul project, pedestrian crossing upgrades, grade crossing replacements, tactile replacements, and other technology improvements to enhance the passenger experience.

Operating expense less personnel cost increased by \$11.6 million (19.6%), all of which is the result of increased system maintenance costs.



Warehouse parts clerk

Within operating expense, administration expense increased by \$5.1 million (16%), due to increased personnel and maintenance of the information systems infrastructure and increased risk management expense.

UTAH TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2016 and 2015

SUMMARY OF EXPENSES FOR THE YEAR ENDED DECEMBER 31 (continued)

2015 Results

Personnel cost for the Authority in 2015 was 68.7% of total operating expense less depreciation. Overall, personnel cost rose by \$7.1 million (4.4%) in 2015.

With this increase as a reference, the operational cost for all direct service decreased in 2015 as a result of lower fuel costs as well as continued operational efficiencies and resource utilization adjustments.

Operating expense less personnel cost decreased by \$13.9 million (15.4%) due to the decreased cost of fuel and reduced planning and studies cost.

Within operating expense, operational support increased by almost \$7.0 million (24.0%) directly attributed to an increased cost for facility maintenance and public safety.

CAPITAL ASSET ACTIVITY

	<u>2016</u>	<u>2015</u>	<i>Difference</i>	<i>Percent difference</i>	<u>2014</u>
Land and right of ways	\$ 444,428,115	\$ 444,484,721	\$ (56,606)	0.0%	\$ 445,737,902
Infrastructure	2,660,455,033	2,660,455,033	-	0.0%	2,659,779,176
Revenue vehicles	768,632,495	778,085,676	(9,453,181)	-1.2%	763,036,847
Other	420,530,145	420,778,076	(247,931)	-0.1%	411,580,491
Construction in process	98,584,168	52,277,885	46,306,283	88.6%	41,264,699
Depreciation	(1,288,032,621)	(1,145,923,364)	(142,109,257)	12.4%	(992,308,692)
Total capital assets, net	<u>\$ 3,104,597,335</u>	<u>\$ 3,210,158,027</u>	<u>\$ (105,560,692)</u>	-3.3%	<u>\$ 3,329,090,423</u>

2016 Results

The Authority expended approximately \$47.1 million for capital assets in 2016. Approximately \$34.7 million was expended for major capital projects, with \$20.6 million spent on the construction of the Provo-Orem BRT line and \$11.6 million on the federally-mandated positive train control system. Additional projects include revenue vehicle replacement purchases, a fuel storage tank, and transit enhancements funded through Prop 1 sales tax.

2015 Results

The Authority expended approximately \$34.6 million for capital assets in 2015. Approximately \$18.9 million was expended for revenue vehicle replacements. This program included twenty-three (23) buses, fifty-five (55) RideShare vans, and fifty-six (56) paratransit vans.

In 2015, the Authority expended \$15.7 million on major strategic projects. This included the Depot District (fueling and maintenance facility to support bus operations), the continued development of several Bus Rapid Transit (BRT) routes, and several other projects designed to enhance the system and passenger experience.

Readers wanting additional information should refer to Note 4 in the notes to the financial statements.

UTAH TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2016 and 2015

DEBT ADMINISTRATION

Bond rating agencies have rated the Authority based on the types of bonds issued and an analysis of several financial conditions and influencing factors. The following chart summarizes those ratings by bond and agency:

A. Ratings Summary

Effective: August 2016

	<u>Standard & Poor's</u>	<u>Fitch</u>	<u>Moody's</u>
Senior Lien Bonds			
Current rating	AAA	AA	Aa2
Outlook	Stable	Stable	Stable
Subordinate Lien Fixed Rate Bonds			
Current rating	A+	AA	A1
Outlook	Stable	Stable	Stable

Effective: April 2015

	<u>Standard & Poor's</u>	<u>Fitch</u>	<u>Moody's</u>
Senior Lien Bonds			
Current rating	AAA	AA	Aa2
Outlook	Stable	Stable	Stable
Subordinate Lien Fixed Rate Bonds			
Current rating	A	A+	A1
Outlook	Stable	Stable	Stable

B. 2016 Debt Issuance

During 2016, the Authority issued the following subordinated lien bonds:

Subordinated Sales Tax Revenue Refunding Bonds, Series 2016: \$147,691,497

Proceeds from the Series 2016 Subordinated Lien bond issue were used to refund the variable rate short-term refundable maturities of the Series 2013 revenue bonds (\$13.9 million), Series 2014A revenue bonds (\$80.4 million), and 2014B revenue bonds (\$62.0 million).

C. 2015 Debt Issuance

During 2015, the Authority issued the following senior lien bonds:

2015 Series Senior Lien revenue bonds: \$668,655,000

Proceeds from the Series 2015 Senior Lien bond issue were used to refund the remaining refundable maturities of the Series 2008A revenue bonds (\$645.7 million), and \$44.55 million of the refundable maturities of the Series 2009A revenue bonds.

2015 Series Subordinate Lien revenue bonds: \$192,500,000

Proceeds from the Series 2015 Subordinate Lien bond issue were used to refund the majority of refundable maturities of the Series 2007A capital appreciation revenue bonds (\$132.3 million), and a small portion (\$4.3 million) of the refundable maturities of the Series 2012A revenue bonds.

UTAH TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
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DEBT ADMINISTRATION (continued)

D. Interest Expense

Interest expense increased to \$85.4 million in 2016 from \$80.6 million in 2015. The majority of this increase was the effect of the full year's interest burden of the Series 2015 bonds (\$3.0 million), with the remaining amount attributed to the Series 2016 bonds and restructuring of the Authority's debt.

Readers wanting additional information should refer to Note 8 in the notes to financial statements.

SIGNIFICANT ACTIVITIES

2016 Results

Transit Service - UTA took advantage of multiple opportunities to improve service in 2016. Most notable were the changes made possible by the adoption of Proposition One in Davis, Weber, and Tooele counties. These funds allowed UTA to implement two new bus routes and provide seven others with more early, late, and weekend service, an overall increase of 15% in annual bus service in Davis and Weber counties. In addition, UTA worked aggressively on improving 70 bus stops by using Proposition One funds to add shelters and benches and improve access to stops for mobility-disadvantaged customers. Over 500 hours of service was added in Tooele County.



Ski bus service

In August, UTA was able to leverage federal grant money to add Saturday service to six flex routes, improving access to multiple destinations in Ogden and southwest Salt Lake County.

In December, UTA completed an overhaul of ski service that improved frequency on key corridors and added 35% more trips up Big and Little Cottonwood Canyons. This was a large effort that required cooperation among numerous internal and external stakeholders.

On time performance for 2016 was 93.66%.

Transit-oriented Development (TOD) - Jordan Valley TOD construction was completed and lease-up began on 270 residential units. Construction was also completed and lease-up began on 272 residential units at the Sandy East Village TOD. A fourth residential building started construction as well as a 150,000 square foot office building. At the South Jordan TOD, work commenced on the first of two 180,000 square foot office buildings as well as a full-service hotel.

Customer Service - UTA's redesigned website was launched. Signage and maps at UTA's TRAX and FrontRunner platforms were updated as were destination maps at the Airport station. Wayfinding signage was implemented at eight key stations.

The authority provided special event support for the Warriors over the Wasatch Air Show and the Veterans Administration Wheelchair Games as well as Utah Jazz games, University of Utah and Brigham Young University events, LDS Church General Conferences, the Salt Lake City Marathon, and other special events.

UTAH TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2016 and 2015

SIGNIFICANT ACTIVITIES (continued)

2016 Results (continued)

Environment - Adding 24 CNG buses raised the percentage of clean fuel vehicles in UTA's fleet to 62%. FrontRunner service eliminated 63.7 million commuter mile emissions and vanpooling reduced greenhouse gas emissions by 35.2 million pounds.

Stewardship - The Authority was awarded several grants including \$71 million in small starts funds for the Provo-Orem bus rapid transit system, \$20 million in TIGER funds for first/last mile solutions, and \$2.4 million in discretionary funds. Taking advantage of historically low borrowing costs, the Authority replaced \$156 million in short-term notes with \$146 million in long-term, fixed-rated debt. Net savings from the component rebuild shop totaled \$1.3 million and CNG fuel savings from UTA's CNG fueling station topped \$400,000.



Sandy TOD – East Village Apartments

2015 Results

In conjunction with Utah County, the Utah Department of Transportation, the cities of Provo and Orem, and the Mountainland Association of Governments, the Authority continued the development of the Provo Orem Transportation Improvement Project (TRIP) which includes a bus rapid transit system.

Two new transit-oriented development (TOD) groundbreakings occurred in 2015 for Phases 2 and 3 of the Sandy TOD site. Phase 2 includes a 60,000 square foot office building preleased to the Utah State Division of Child and Family Services. Phase 3 includes construction of 67 apartment units.

Transit access improvements included increasing capacity for safe bicycle storage on trains and buses as well as providing bus amenities at 104 bus stops. In addition, the Authority launched several mobility management programs including a shared and donated vehicle program, RidePilot scheduling and dispatch software, and the first phase of the One-Click transportation and referral system.

The Authority hosted the 2015 American Public Transit Association Rail Conference and International Rail Rodeo.

Voters approved Proposition 1 in Weber, Davis, and Tooele counties. The Proposition adds a one-tenth cent transit sales tax with the tax becoming effective in 2016. Through extensive pre-election public outreach efforts, the Authority discussed potential service changes with over 8,000 citizens.

Continuous improvement initiatives included launching and facilitating the Community Transit Advisory Committee and starting the Light Rail Benchmarking Group in conjunction with the Imperial College of London. Another continuous improvement project increased the miles per gallon for all transit modes resulting in annual savings of over \$600,000.

In August, the Authority added service to twelve bus routes, TRAX, and the S-line. Changes included increased frequency and extended hours of service.

The Authority continued design and construction of the federally-mandated positive train control system and completed construction of the Depot District CNG fueling facility.

UTAH TRANSIT AUTHORITY
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 Years Ended December 31, 2016 and 2015

RIDERSHIP COMPARISON

The following information provides an annual comparison of ridership by service for years 2016, 2015, and 2014.

Reported as passenger boardings in thousands

	<u>2016</u>	<u>2015</u>	<i>Difference</i>	<i>Percent difference</i>	<u>2014</u>
Bus service	20,495	20,377	118	0.6%	20,487
Light rail service	18,762	19,704	(942)	-4.8%	19,868
Commuter rail service	4,546	4,645	(99)	-2.1%	4,416
Paratransit service	424	427	(3)	-0.7%	427
Vanpools	1,346	1,424	(78)	-5.5%	1,401
Total ridership	<u>45,573</u>	<u>46,577</u>	<u>(1,004)</u>	-2.2%	<u>46,599</u>

2016 Results

In 2016, the Authority realized a 2.2% decrease in overall ridership from 2015. Bus service increased in 2016 as the Authority continued to evaluate the demand for service, including service to the ski resorts during the season and additional service enhancements funded through Prop 1 sales tax revenue. Light rail experienced a decrease in ridership which can be attributed to low fuel costs which directly affect ridership. Other services experience little change.

2015 Results

In 2015, the Authority realized no change in overall ridership from 2014. However, commuter rail's attraction to the business commuter community resulted in a 5.2% increase in ridership. Light rail and bus operations reduced ridership slightly.



UTAH TRANSIT AUTHORITY
 FINANCIAL STATEMENTS (Unaudited)
 Years Ended December 31, 2016 and 2015

COMPARATIVE STATEMENTS OF NET POSITION

	<u>2016</u>	<u>2015</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 103,689,945	\$ 123,456,952
Receivables		
Contributions from other governments (sales tax)	45,646,114	41,966,003
Federal grants	13,611,438	8,292,008
Other	20,837,335	8,450,195
Parts and supplies inventories	28,361,640	21,871,283
Prepaid expenses	2,627,731	2,735,237
Total Current Assets	<u>214,774,203</u>	<u>206,771,678</u>
Noncurrent Assets:		
Amount recoverable - interlocal agreement	23,516,495	24,327,409
Restricted assets (Cash equivalents and investments)		
Bonds funds	51,279,017	62,996,201
Interlocal agreements	5,663,895	6,476,298
Represented employee benefits	3,269,716	3,039,873
Escrow funds	34,837	81,091
Self-insurance deposits	7,431,600	7,360,300
Total restricted assets	<u>67,679,065</u>	<u>79,953,763</u>
Property, facilities and equipment:		
Land and improvements	130,401,281	130,457,888
Rights of way	314,026,833	314,026,833
Infrastructure	2,660,455,033	2,660,455,034
Revenue vehicles	768,632,495	778,085,676
Other property and equipment	420,530,145	420,778,076
Construction in progress	98,584,168	52,277,886
Total property, facilities and equipment	<u>4,392,629,955</u>	<u>4,356,081,393</u>
Less accumulated depreciation and amortization	<u>(1,288,032,621)</u>	<u>(1,145,923,364)</u>
Total Noncurrent Assets	<u>3,195,792,894</u>	<u>3,314,439,201</u>
TOTAL ASSETS	<u>3,410,567,097</u>	<u>3,521,210,879</u>
DEFERRED OUTFLOWS OF RESOURCES		
Advanced debt refunding	101,200,263	108,648,743
Assumptions changes related to pensions	15,577,900	16,351,455
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 116,778,163</u>	<u>\$ 125,000,198</u>

See accompanying notes to the financial statements.

UTAH TRANSIT AUTHORITY
 FINANCIAL STATEMENTS (Unaudited)
 Years Ended December 31, 2016 and 2015

COMPARATIVE STATEMENTS OF NET POSITION (continued)

	<u>2016</u>	<u>2015</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	\$ 26,979,344	\$ 18,445,210
Accrued liabilities, primarily payroll-related	19,533,949	18,980,139
Accrued interest	4,226,445	4,162,032
Accrued self-insurance liability	2,336,975	2,284,463
Current portion of long-term debt	11,733,893	15,048,301
Payable from restricted assets	263,096	1,889,650
Unearned revenue	6,546,753	5,580,364
Total Current Liabilities	<u>71,620,455</u>	<u>66,390,159</u>
Long-Term Liabilities:		
Long-term debt	2,269,803,569	2,272,615,756
Long-term accrued interest	1,603,827	1,203,331
Long-term self-insurance liability	2,758,839	1,230,095
Long-term net pension liability	112,925,121	117,437,871
Total Long-term Liabilities	<u>2,387,091,356</u>	<u>2,392,487,053</u>
TOTAL LIABILITIES	<u>2,458,711,811</u>	<u>2,458,877,212</u>
DEFERRED INFLOWS OF RESOURCES		
Changes to earnings on pension plan investments	5,489,735	1,659,974
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>5,489,735</u>	<u>1,659,974</u>
NET POSITION		
Net investment in capital assets	924,260,135	1,031,142,715
Restricted for:		
Debt service	51,279,017	62,996,201
Interlocal agreements	5,400,799	4,586,648
Represented employee benefits	3,269,716	3,039,873
Escrow funds	34,837	81,091
Self-insurance deposits	7,431,600	7,360,300
Unrestricted	71,467,610	76,467,063
TOTAL NET POSITION	<u>\$ 1,063,143,714</u>	<u>\$ 1,185,673,891</u>

See accompanying notes to the financial statements.

UTAH TRANSIT AUTHORITY
 FINANCIAL STATEMENTS (Unaudited)
 Years Ended December 31, 2016 and 2015

COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	<u>2016</u>	<u>2015</u>
OPERATING REVENUES		
Passenger fares	\$ 50,624,354	\$ 52,112,909
Advertising	2,266,667	2,233,333
Total operating revenues	<u>52,891,021</u>	<u>54,346,242</u>
OPERATING EXPENSES		
Bus service	85,841,973	77,702,167
Rail service	84,165,069	74,266,265
Paratransit service	19,341,116	18,573,738
Other service	2,949,643	2,971,534
Operations support	37,831,682	35,901,226
Administration	37,636,519	32,443,603
Major investment studies	1,204,124	658,400
Depreciation	153,573,216	161,043,323
Total operating expenses	<u>422,543,342</u>	<u>403,560,256</u>
Excess of operating expenses over operating revenues	<u>(369,652,321)</u>	<u>(349,214,014)</u>
NON-OPERATING REVENUES (EXPENSES)		
Contributions from other governments (sales tax)	245,008,417	227,703,023
Federal preventative maintenance grants	59,772,235	49,452,677
Federal planning grants	3,562,534	2,547,335
Investment income	1,732,939	2,831,406
Other	3,108,191	8,314,065
Interest expense	(85,415,870)	(80,575,328)
Recoverable sales tax - interlocal agreement	(810,914)	(810,914)
Net non-operating revenues	<u>226,957,532</u>	<u>209,462,264</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	<u>(142,694,789)</u>	<u>(139,751,750)</u>
Capital contributions:		
Federal grants	17,054,298	7,819,096
Local	3,110,314	1,249,614
Total capital contributions	<u>20,164,612</u>	<u>9,068,710</u>
Change in Net Position	(122,530,177)	(130,683,040)
Total Net Position, January 1 (as restated)	1,185,673,891	1,316,356,931
TOTAL NET POSITION, DECEMBER 31	<u>\$ 1,063,143,714</u>	<u>\$ 1,185,673,891</u>

See accompanying notes to the financial statements.

UTAH TRANSIT AUTHORITY
 FINANCIAL STATEMENTS (Unaudited)
 Years Ended December 31, 2016 and 2015

COMPARATIVE STATEMENTS OF CASH FLOWS

	2016	2015
Cash flows from operating activities:		
Passenger receipts	\$ 52,415,749	\$ 51,764,499
Advertising receipts	2,350,000	2,050,000
Payments to vendors	(89,435,633)	(82,746,969)
Payments to employees	(120,050,277)	(115,194,297)
Employee benefits paid	(57,292,584)	(52,988,743)
Other receipts (payments)	2,387,103	3,444,927
Net cash used in operating activities	(209,625,642)	(193,670,583)
Cash flows from noncapital financing activities:		
Contributions from other governments (sales tax)	241,328,306	225,556,379
Federal preventative maintenance grants	62,709,565	48,690,739
Federal planning assistance grants	3,562,534	2,547,335
Other receipts (payments)	(11,974,847)	-
Net cash provided by noncapital financing activities	295,625,558	276,794,453
Cash flows from capital and related financing activities:		
Contributions for capital projects		
Federal	8,797,538	12,599,212
Local	2,629,071	273,373
Proceeds from the sale of revenue bonds	181,796,975	1,028,019,422
Deposit into escrow for refunding bonds	(156,360,000)	(1,000,196,793)
Payment of bond principal	(15,416,104)	(12,054,502)
Interest paid on revenue bonds	(93,649,947)	(85,928,937)
Purchases of property, facilities, and equipment	(48,012,521)	(46,053,156)
Proceeds from the sale of property	477,031	10,975,741
Net cash used in capital and related financing activities	(119,737,957)	(92,365,640)
Cash flows from investing activities:		
Purchases of investments	(37,567,565)	(109,429,557)
Proceeds from the sales of investments	38,248,601	81,120,723
Interest on investments	694,709	1,965,924
Net cash provided by investing activities	1,375,743	(26,342,910)
Net increase in cash and cash equivalents	(32,362,298)	(35,584,680)
Cash and cash equivalents at beginning of year	174,272,793	209,857,474
Cash and cash equivalents at end of year	<u>\$ 141,910,495</u>	<u>\$ 174,272,793</u>

See accompanying notes to the financial statements.

COMPARATIVE STATEMENTS OF CASH FLOWS (continued)

	<u>2016</u>	<u>2015</u>
Reconciliation of cash to the Statement of Net Position:		
Cash and cash equivalents at year end from cash flows	\$ 141,910,495	\$ 174,272,793
Investments	29,458,515	29,137,922
Total cash and cash equivalents and investments	<u>171,369,010</u>	<u>203,410,715</u>
Cash and investments as reported on the Statement of Net Position		
Cash and cash equivalents	103,689,945	123,456,952
Restricted assets (Cash equivalents and investments)		
Bonds funds	51,279,017	62,996,201
Interlocal agreements	5,663,895	6,476,298
Represented employee benefits	3,269,716	3,039,873
Escrow funds	34,837	81,091
Self-insurance deposits	7,431,600	7,360,300
Total cash and cash equivalents and investments	<u>\$ 171,369,010</u>	<u>\$ 203,410,715</u>

	<u>2016</u>	<u>2015</u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (369,652,321)	\$ (349,214,012)
Adjustments to reconcile excess of operating expenses over operating revenues to net cash used in operating activities:		
Pension expense	90,566	1,908,135
Depreciation	153,573,216	161,043,323
Other revenues	2,631,160	1,280,554
Changes in assets and liabilities:		
Receivables	(375,690)	232,832
Parts and supplies inventories	(6,490,357)	(1,802,544)
Prepaid expenses	107,506	2,471
Accounts payable - trade and restricted	6,907,580	(6,114,070)
Accrued liabilities	2,135,064	(1,848,366)
Unearned revenue	1,447,634	841,094
Advanced collections	-	-
Net cash used in operating activities	<u><u>\$ (209,625,642)</u></u>	<u><u>\$ (193,670,583)</u></u>

See accompanying notes to the financial statements.



NOTE 1 – DESCRIPTION OF THE AUTHORITY OPERATIONS AND DEFINITION OF THE ENTITY

A. Organization

The Utah Transit Authority (Authority) was incorporated on March 3, 1970 under authority of the Utah Public Transit District Act of 1969 for the purpose of providing a public mass transportation system for Utah communities.

The Authority's service area lies in the region commonly referred to as the Wasatch Front. The service area extends from the Wasatch Mountains on the east to the Great Salt Lake on the west, is approximately 100 miles long and 30 miles wide, and consists of an area of approximately 1,400 square miles that covers all or portions of six (6) principal counties (Box Elder, Davis, Salt Lake, Tooele, Utah and Weber). The service area also includes a small portion of Juab County. The total population within the six principal counties is approximately 2,400,000 which represents approximately 82% of the state's total population.

The Authority's operations include commuter rail service from Ogden to Provo, light rail service in Salt Lake County, and bus service, paratransit service for the transit disabled, rideshare and van pool programs system wide.

The Authority is governed by a 16 member Board of Trustees, which is the legislative body of the Authority and determines Authority policy. Twelve members of the Board of Trustees are appointed by each county municipality or combination of municipalities annexed to the Authority. In addition, one trustee is appointed by the Governor of Utah, one is appointed by the President of the State Senate, one is appointed by the Speaker of the State House of Representatives, and one is appointed by the State Transportation Commission.

B. Reporting Entity

The Authority has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units - An Amendment of GASB Statement No. 14*. Accordingly, the accompanying financial statements include only the accounts and transactions of the Authority. Under the criteria specified in Statements No. 14 and No. 39, the Authority has no component units nor is it considered a component unit of any municipality or government. The Authority has, however, a slight connection with some municipalities by virtue of the fact that the Board of Trustees is appointed by the municipalities served by the Authority, and the municipalities serve as the taxing authority for sales tax contributed to support transit provided by the Authority.

These conclusions regarding the financial reporting entity are based on the concept of financial accountability. The Authority is not financially accountable for any other organizations nor are any municipalities financially accountable for the Authority. Additionally, the Authority has considered the provisions of GASB No. 39 which follows the concept of economic independence. The Authority does not raise or hold economic resources for the direct benefit of a governmental unit and other governmental units do not have the ability to access economic resources held by the Authority. This is evidenced by the fact that the Authority is a legally and fiscally separate and distinct organization under the provision of the Utah Code.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The Authority reports as a single enterprise fund and uses the accrual method of accounting and the economic resources measurement focus. Under this method, revenues are recognized when they are earned and expenses are recognized when they are incurred.

B. Standards for Reporting Purposes

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by GASB.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts or revenues and expenses during the reporting period. Actual results could differ from those estimates.

C. Federal Planning Assistance and Preventative Maintenance Grants

Federal planning assistance grants received from the Federal Transit Administration (FTA) and preventative maintenance grants are recognized as revenue and receivable during the period in which the related expenses are incurred and eligibility requirements are met. The FAST Act is a fully funded five-year authorization of surface transportation programs. This Act allows for the replacement and repair of aging infrastructure.

D. Federal Grants for Capital Expenditures

The U.S. Department of Transportation, through contracts between the Authority and the FTA, provides federal funds of 35% to 93% of the cost of property, facilities and equipment acquired by the Authority through federal grants. Grant funds for capital expenditures are earned and recorded as capital contribution revenue when the capital expenditures are made and eligibility requirements are met.

E. Classification of Revenues and Expenses

- *Operating revenues:* Operating revenues include activities that have the characteristics of exchange transactions such as passenger revenues and advertising revenues.
- *Operating expenses:* Operating expenses include payments to suppliers, employees, and third parties on behalf of employees and all payments that do not result from transactions defined as capital and related financing, non-capital financing, or investing activities.
- *Non-operating revenues:* Non-operating revenues include activities that have the characteristics of non-exchange transactions and other revenue sources that are defined as non-operating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement No. 34. Examples of non-operating revenues would be the contributions from other governments (sales tax), federal grants and investment income.
- *Non-operating expenses:* Non-operating expenses include payments from transactions defined as capital and related financing, non-capital financing or investing activities.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Contributions from Other Governments

The counties and municipalities who receive transit services from the Authority have agreed to contribute a portion of sales tax to the Authority in exchange for service. These contributions are received by the Authority approximately 60 days after the collection of the sales tax, and as such are recorded as an accrual to revenue and receivable during that period.

The following percentage of sales have been authorized as Local Option Sales Tax and dedicated to support transit:

Salt Lake County	0.6875%
Davis County	0.6500%
Weber County	0.6500%
Box Elder County	0.5500%
Utah County	0.5260%
Tooele County	0.4000%

G. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and amounts invested in a repurchase agreement, a certificate of deposit and the Utah Public Treasurers' Investments Fund, including restricted cash equivalents. The Authority considers short-term investments with an original maturity of three (3) months or less to be cash equivalents (Note 3).

H. Investments

Cash in excess of operating requirements is invested by the Authority. The Authority's investments comply with the Utah Money Management Act, and are stated at fair value, which is primarily determined based upon quoted market prices at year end (Note 3).

Investment policy: The Authority's investment policy is established and may be amended by the President/CEO within the parameters established by the Board of Trustees and the Utah Money Management Act.

I. Receivables

Receivables consist primarily of amounts due to the Authority from sales tax collections, federal grants, local government partners, pass sales and investment income. Management does not believe any credit risk exists related to these receivables.

J. Parts and Supplies Inventories

Parts and supplies inventories are stated at the lower of cost (using the moving average cost method) or market. Inventories generally consist of fuel, lube oil, antifreeze and repair parts held for consumption. Inventories are expensed as used.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Property, Facilities and Equipment

Property, facilities and equipment are stated at historical cost. Expenditures which substantially improve or extend the useful life of property are capitalized. Routine maintenance and repair costs are expensed as incurred. Property, facilities and equipment are capitalized if they have individual costs of at least \$5,000 and a useful life of over one year.

Except for sales of assets in which the unit fair market value is less than \$5,000 from the sale of property, proceeds from facilities and equipment purchased with funds provided by federal grants for capital expenditures are remitted to the FTA on the same percentage basis that such funds were provided by grant contracts with the FTA, or used for similar capital expenses.

Depreciation is calculated using the straight-line method over the established useful lives of individual assets as follows:

Land and Rights of Way	Not depreciated
Infrastructure and Land Improvements	10-50 years
Revenue Vehicles	5-25 years
Other Property and Equipment	3-10 years

L. Amount Recoverable – Interlocal Agreement

In 2008, the Authority entered into an agreement with the Utah Department of Transportation (UDOT) which required the Authority to pay UDOT \$15 million in 2008 and \$15 million in 2009 for the rights to Salt Lake County's 2% of the 0.25% part 17 sales tax through the years 2045.

The Authority records such payments made to other entities for rights to future revenues as Amount Recoverable – Interlocal Agreement. This amount is amortized over the life of the agreement.

M. Compensated Absences

Vacation pay is accrued and charged to compensation expense as earned. Sick pay benefits are accrued as vested by Authority employees.

N. Risk Management

The Authority is exposed to various risks of loss related to torts; theft, damage and destruction of assets; environmental matters; worker's compensation self-insurance; damage to property; and injuries to passengers and other individuals resulting from accidents, errors and omissions.

Under the Governmental Immunity Act, the maximum statutory liability in any one accident is \$2,407,700 for incidents occurring after July 1, 2014. The Authority is self-insured for amounts up to this limit. The Authority has Railroad Liability Coverage of \$100 million per annum with \$5 million of risk retention. The Authority is self-insured for worker's compensation up to the amount of \$1 million per incident and has excess insurance for claims over this amount. The Authority has insurance for errors and omissions and damage to property in excess of \$100,000 per annum.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Risk Management (continued)

The Authority has insurance or retains the risk depending on what is in the Authority's best interest for all other matters. There has been no significant reduction in insurance coverage or settlements in excess of insurance coverage during the last three years.

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable (Note 6).

O. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Transit Authority Employee Retirement Plan and Trust ("the Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

P. Net Position

The Authority's net position is classified as follows:

- *Net investment in capital assets:* This component of net position consists of the Authority's total investment in capital assets, net of accumulated depreciation, reduced by the outstanding debt obligations related to those assets. To the extent debt has been incurred, but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.
- *Restricted for debt service:* This component of net position consists of the amount restricted by bond covenants for debt service.
- *Restricted for interlocal agreement:* This component of net position consists of the amounts restricted by interlocal agreements with Mountain Accord and the municipalities of Willard, Perry and Brigham City in Box Elder County.
- *Restricted for represented employee benefits:* This component of net position consists of the amount restricted by the Utah Transit Authority Bargaining Unit Employees' Insurance Trust Account Agreement for the purpose of providing represented employee benefits.
- *Restricted for escrows:* This component of net position consists of the amount restricted by escrow agreement.
- *Unrestricted:* This component of net position consists of that portion of net position that does not meet the definition of restricted or net investment in capital assets. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. Budgetary and Accounting Controls

The Authority's annual budgets are approved by the Board of Trustees, as provided for by law. Operating and non-operating revenues and expenditures are budgeted on the accrual basis, except for depreciation. Capital expenditures and grant reimbursements are budgeted on a project basis. Multi-year projects are approved in whole, but are budgeted based on estimated annual expenses.

The Authority adopts its annual budget in December of the preceding year based on recommendations of staff and the Board Planning and Development Committee.

The first step in developing the Authority's budget is a review of the Transit Development Program and Long Range Financial Plan. This plan then acts as a focus for the development of programs and objectives. Concurrent with the development of programs and objectives, revenues for the coming year are estimated. The estimates of the coming year's revenues are then used as a guide for the Authority to determine the amount of change in service to be provided in the following year. Once the level of service for the coming year is determined, each manager develops a departmental budget.

The departmental budgets are then combined to form a preliminary budget request.

The Executive staff reviews the programs, objectives and requests to balance the total budget with the project revenues and service requirements and priorities. Once the preliminary budget is balanced, the Board Finance and Operations Committee reviews the budget request.

Within 30 days after the tentative budget is approved by the Board, and at least 30 days before the Board adopts its final budget, the Board sends a copy of the tentative budget, a signature sheet and notice of the time and place for a budget hearing to the chief administrative officers and legislative bodies of each municipality and unincorporated county area within the district of the Authority.

Within 30 days after it is approved by the Board and at least 30 days before the Board adopts its final budget, the Board sends a copy of the tentative budget to the Governor and the Legislature for examination and comment.

Before the first day of each fiscal year, the Board adopts the final budget by an affirmative vote of a majority of all the trustees. Copies of the final budget are filed in the office of the Authority. If for any reason the Board has not adopted the final budget on or before the first day of any fiscal year, the tentative budget for such year, if approved by formal action of the Board, is deemed to be in effect for such fiscal year until the final budget for such fiscal year is adopted.

The Board may, by an affirmative vote of a majority of all trustees, adopt an amended final budget when reasonable and necessary, subject to any contractual conditions or a requirement existing at the time the need for such amendment arises.

Individual department budgets are monitored for authorized expenditures on a department total rather than on a department line-item basis.

The Board must approve all increases or decreases to the net operating expense line, total capital budget line and total operating revenue line of the Authority's operating and capital budgets.

The Authority's budgetary process follows Title 17B, Chapter 1, Section 702 of the Utah Code Annotated, as amended. The annual budget is submitted to the State Auditors' Office within 30 days of adoption.

UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 Years Ended December 31, 2016 and 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. Budgetary and Accounting Controls (continued)

The following table shows actual revenues, operating expenses, and capital expenses for 2016 compared to budget. (Depreciation expense is not a budgeted item.)

	<u>2016 Budget</u>	<u>2016 Actual</u>	<u>Difference</u>
Revenues			
Contributions from other gov'ts, sales tax	\$ 241,979,732	\$ 245,008,417	\$ 3,028,685
Federal non-capital assistance	57,588,000	63,334,769	5,746,769
Passenger revenues	53,257,967	50,624,354	(2,633,613)
Advertising	2,283,000	2,266,667	(16,333)
Investment income	2,237,000	1,732,939	(504,061)
Other income	5,179,704	3,108,191	(2,071,513)
Total revenues	\$ 362,525,403	\$ 366,075,337	\$ 3,549,934
Operating Expenses			
Bus services	\$ 87,683,183	\$ 82,476,517	\$ 5,206,666
Rail services	75,669,773	68,933,765	6,736,008
Paratransit services	20,851,218	19,172,673	1,678,545
Other services	2,416,343	2,796,086	(379,743)
Operations support	39,317,298	36,248,482	3,068,816
Administration	28,952,339	32,311,210	(3,358,871)
Planning and development	4,569,000	3,040,969	1,528,031
Major investment studies	850,000	1,204,124	(354,124)
Total operating expenses	\$ 260,309,154	\$ 246,183,826	\$ 14,125,328
Non-Operating Expenses (Revenues)			
Series 2015 Refunding Reserve	\$ (8,970,655)	\$ -	\$ -
Interest expense	94,630,655	80,575,328	14,055,327
Amortized charges	-	810,914	(810,914)
Disposition of real estate	-	(5,642,129)	5,642,129
Total non-operating expenses (revenues)	\$ 94,630,655	\$ 75,744,113	\$ 18,886,542
Capital Expenses (Revenues)			
Federal and local grants	\$ (56,178,370)	\$ (17,054,298)	\$ (39,124,072)
Local contributions	(66,139,321)	(3,110,314)	(63,029,007)
Sale of assets	(2,000,000)	-	(2,000,000)
Capital lease	(10,408,239)	-	(10,408,239)
State of good repair capital projects	73,459,127	30,341,181	43,117,946
Provo-Orem BRT	106,000,000	16,750,597	89,249,403
Other capital projects	22,432,260	22,786,301	(354,041)
Total capital expenses (revenues)	\$ 67,165,457	\$ 49,713,467	\$ 17,451,990

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

R. Recent Accounting Pronouncements

GASB Statement 72
Fair Value Measurement and Application
Issued: February 2015

This statement addresses accounting and fair value reporting issues related to fair value measurements by clarifying the definition of fair value, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurements. This statement establishes a three-level hierarchy of inputs to valuation techniques used to measure fair value. This statement is effective for the Authority's fiscal year beginning January 1, 2016.

GASB Statement 71
Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68
Issued: November 2013

This statement addresses an issue regarding application of the transition provision of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This statement is effective for the Authority's fiscal year beginning January 1, 2015.

GASB Statement 68
Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27
Issued: June 2012

This statement replaces the requirements of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, and Statement No. 50, *Pension Disclosures*, as they relate to government entities that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria.

This statement requires entities providing defined benefit pension to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI). This statement is effective for the Authority's fiscal year beginning January 1, 2015.

UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 Years Ended December 31, 2016 and 2015

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS

The Authority maintains a cash, cash equivalents and investment pool of restricted, designated, and unrestricted amounts to be used to manage the daily cash requirements necessary to support the Authority. The Authority’s cash balance consisted of the following as of December 31, 2016 and 2015, respectively:

	<u>2016</u>	<u>2015</u>
Cash and cash equivalents		
Restricted	\$ 58,138,257	\$ 50,815,841
Designated	58,546,501	51,399,708
Unrestricted	45,957,595	72,057,244
Investments		
Restricted	<u>9,540,808</u>	<u>29,137,922</u>
Total cash, cash equivalents, and investments	<u>\$ 172,183,161</u>	<u>\$ 203,410,714</u>

While the Authority’s carrying amount of cash and cash equivalents on December 31, 2016 was \$162,642,353, the balance of the Authority’s bank accounts and cash on-hand was \$171,940,932 with the difference being outstanding checks and deposits in transit.

A. Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents are defined as funds restricted by legal requirement(s) outside of the Authority. The Authority is required to maintain certain accounts in connection with the issuance of bonds which are restricted per the bond covenants.

The Authority is currently acting as the trustee of funds for use by a consortium of other governments called the Mountain Accord. In addition, the Authority is acting as the trustee of funds for a represented employee benefits trust.

B. Designated Cash and Cash Equivalents

Designated cash and cash equivalents are considered designated through action by the Authority’s Board of Trustees and have no outside legal restrictions. Designations include funds to stabilize operations and debt service in the case of changing economic environments. The following amounts were considered designated by the Board of Trustees as of December 31 of the respective years:

	<u>2016</u>	<u>2015</u>
Early Debt Retirement	\$ 14,858,258	\$ 10,535,764
Fuel Reserve	1,915,000	1,915,000
Operating Reserve	25,247,693	23,405,698
Parts Reserve	3,000,000	3,000,000
Stabilization Reserve	<u>13,525,550</u>	<u>12,543,246</u>
Total designated cash and cash equivalents	<u>\$ 58,546,501</u>	<u>\$ 51,399,708</u>

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

B. Designated Cash and Cash Equivalents (continued)

- *Designated for early debt retirement reserves* - This component of net position consists of savings experienced in the amount of actual variable interest expense from budgeted variable interest expense for the same time period, one-time contributions as determined by the President/CEO, and any unused monies from debt service reserve funds established for specific bonds when no longer encumbered for the initially reserved debt. Permitted use of these reserves is defined in the *Executive Limitations Policy No. 2.4.6 Debt Service Reserve and Rate Stabilization Fund Created*.
- *Designated for fuel reserves* - This component of net position consists of the amount designated by the Board of Trustees to mitigate the financial impact of unexpected and rapidly rising fuel prices. (*Executive Limitations Policy No. 2.3.3 Budgeting*)
- *Designated for operating reserves* - This component of net position consists of 9.33% (one month expense, plus 1%) of the annual budgeted operating expense, and is required by the Board of Trustees. (*Executive Limitations Policy No. 2.3.3 Budgeting*)
- *Designated for parts reserves* - This component of net position consists of the amount designated by the Board of Trustees to be accumulate funds in anticipation of a State of Good Repairs requirement. (*Executive Limitations Policy No. 2.3.3 Budgeting*)
- *Designated for stabilization reserves* - This component of net position consists of 5% of the Authority's annual budget for the purpose of preserving service levels when the Authority is facing a revenue shortfall or cost overrun due to extraordinary circumstances, such as an economic downturn or rapid rise in fuel prices or any combination of such events. (*Executive Limitations Policy No. 2.1.8 Service Stabilization Reserve Fund*)

C. Deposits and Investments

Deposits and investments for the Authority are governed by the Utah Money Management Act (*Utah Code Annotated*, Title 51, Chapter 7, "the Act") and by rules of the Utah Money Management Council (the Council). Following are discussions of the Authority's exposure to various risks related to its cash management activities.

- *Custodial Credit Risk* - Custodial credit risk for deposits is the risk that in the event of a bank failure, the Authority's deposits may not be recovered. The Authority's policy for managing custodial credit risk is to adhere to the Act. The Act requires all deposits of the Authority to be in a *qualified depository*, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Council.

At December 31, 2016 and 2015, the balances in the Authority's bank demand deposit accounts and certificate of deposit accounts according to the bank statements totaled \$17,940,932 and \$15,564,520, respectively, of which \$ 286,388 and \$ 277,847 were covered by Federal depository insurance.

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

C. Deposits (continued)

- *Credit Risk* - Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The Authority’s policy for limiting the credit risk of investments is to comply with the Act. The Act requires investment transactions to be conducted only through qualified depositories, certified dealers, or directly with issuers of investment securities. Permitted investments include deposits of qualified depositories; repurchase agreements; commercial paper that is classified as “first-tier” by two nationally recognized statistical rating organizations, one of which must be Moody’s investor Service or Standard & Poor’s; bankers acceptances; obligations of the U.S. treasury and U.S. government sponsored enterprise; bonds and notes of political subdivision of the state of Utah; fixed rate corporate obligations and variable rated securities rated “A” or higher by two nationally recognized statistical rating services as defined in the Act.

The Authority is authorized to invest in the Utah Public Treasurers’ Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to the participants on an amortized cost basis. The income, gains and losses, net of administration fees of the PTIF are allocated based upon the participants’ average daily balances.

The following are the Authority’s investment as of December 31, 2016:

		Investment Maturity (in years)		
		Less than 1	1-5	TOTAL
U.S. Agencies	AAA	\$ -	\$ 35,640,796	\$ 35,640,796
Corporate Bonds	A+/A1/A+	-	14,457,636	14,457,636
MM - Cash		33,029,467	-	33,029,467
PTIF		62,062,374	-	62,062,374
Total investments		\$ 95,091,841	\$ 50,098,432	\$ 145,190,273

- *Interest Rate Risk* - Interest rate risk is the risk that changes in the interest rates will adversely affect the fair value of an investment. The Authority manages its exposure by strictly complying with its Investment Policy which complies with the Act. The Authority’s policy relating to specific investment-related risk is to adhere to the Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the fund to be invested. The maximum adjusted weighted average maturity of the portfolio is 432 days, or 1.18 years.



NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

C. Deposits (continued)

- *Fair Value of Investments* – The Authority measures and records investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:
 - Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities where the Authority has direct access. Since valuations are based on quoted prices readily and regularly available in an active market, valuation does not require any significant degree of judgement. Securities classified as Level 1 inputs include U.S. Government securities and certain other U.S. Agency and sovereign government obligations.
 - Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly. Securities classified as Level 2 include corporate and municipal bonds, and securitized certificates of deposit.
 - Level 3 – Valuations based on inputs that are unobservable and significant to overall fair value measurement.

The Authority invests with Zions Capital Advisors and the Utah Public Treasurers Investment Fund. Both of these organizations meet the requirements of the Utah Money Management Act. The following are the Authority’s investment as of December 31, 2016 by organization and by fair value measurement:

	12/31/2016	Fair Value Measurements		
		Level 1	Level 2	Level 3
Zions Capital Advisors				
Agency	\$ 35,640,796	\$ 35,640,796		
Corporate	14,457,636		14,457,636	
Currency	186,136	186,136		
Total Zions Capital Advisor investments	<u>50,284,568</u>	<u>35,826,932</u>	<u>14,457,636</u>	<u>-</u>
Zions Trustee Investments				
Money market	32,843,331	32,843,331		
Total Zions Trustee investments	<u>32,843,331</u>	<u>32,843,331</u>	<u>-</u>	<u>-</u>
Public Treasurers Investment Fund	62,062,374		62,062,374	
Total investments by fair value level	<u>\$145,190,273</u>	<u>\$ 68,670,263</u>	<u>\$ 76,520,010</u>	<u>\$ -</u>

UTAH TRANSIT AUTHORITY
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NOTE 4 – PROPERTY, FACILITIES, AND EQUIPMENT

Construction in progress of \$98,584,168 and \$52,277,885 December 31, 2016 and 2015, respectively, consists of costs incurred in connection with the Authority’s Provo/Orem Bus Rapid Transit (BRT) project, federally-mandated positive train control, and other bus and rail passenger enhancement projects. These costs consist of engineering, design, and construction.

	Balance 12/31/2015	Increases	Transfers	Decreases	Balance 12/31/2016
Capital assets not being depreciated					
Land	\$ 120,285,242	\$ -	\$ -	\$ (56,606)	\$ 120,228,636
Rights of way	314,026,833	-	-	-	314,026,833
Construction in process	52,277,885	47,091,778	(785,495)	-	98,584,168
Total capital assets not being depreciated	486,589,960	47,091,778	(785,495)	(56,606)	532,839,637
Capital assets being depreciated					
Infrastructure	2,660,455,034	-	-	-	2,660,455,034
Revenue vehicles	778,085,676	690,215	390,458	(10,533,854)	768,632,495
Other property and equipment	420,778,076	308,484	395,037	(951,452)	420,530,145
Land improvements	10,172,645	-	-	-	10,172,645
Total capital assets being depreciated	3,869,491,431	998,699	785,495	(11,485,306)	3,859,790,319
Less accumulated depreciation					
Infrastructure	(561,696,515)	(79,982,187)	-	-	(641,678,702)
Revenue Vehicles	(313,271,388)	(38,781,665)	-	10,528,218	(341,524,835)
Other property and equipment	(261,499,439)	(34,438,115)	-	951,452	(294,986,102)
Land improvements	(9,456,022)	(386,960)	-	-	(9,842,982)
Total accumulated depreciation	(1,145,923,364)	(153,588,927)	-	11,479,670	(1,288,032,621)
Capital assets being depreciated, net	2,723,568,067	(152,590,228)	785,495	(5,636)	2,571,757,698
Total capital assets, net	\$3,210,158,027	\$(105,498,450)	\$ -	\$ (62,242)	\$3,104,597,335
	Balance 12/31/2014	Increases	Transfers	Decreases	Balance 12/31/2015
Capital assets not being depreciated					
Land	\$ 121,638,389	\$ -	\$ 59,905	\$(1,413,052)	\$ 120,285,242
Rights of way	314,026,833	-	-	-	314,026,833
Construction in process	41,264,699	23,311,285	(11,187,229)	(1,110,870)	52,277,885
Total capital assets not being depreciated	476,929,921	23,311,285	(11,127,324)	(2,523,922)	486,589,960
Capital assets being depreciated					
Infrastructure	2,659,779,176	2,570,987	1,977,325	(3,872,454)	2,660,455,034
Revenue vehicles	763,036,847	18,903,834	482,413	(4,337,418)	778,085,676
Other property and equipment	411,580,491	3,769,441	8,567,621	(3,139,477)	420,778,076
Land improvements	10,072,680	-	99,965	-	10,172,645
Total capital assets being depreciated	3,844,469,194	25,244,262	11,127,324	(11,349,349)	3,869,491,431
Less accumulated depreciation					
Infrastructure	(481,956,454)	(79,740,968)	-	907	(561,696,515)
Revenue Vehicles	(278,895,209)	(38,642,743)	-	4,266,564	(313,271,388)
Other property and equipment	(222,568,671)	(42,091,947)	-	3,161,179	(261,499,439)
Land improvements	(8,888,358)	(567,664)	-	-	(9,456,022)
Total accumulated depreciation	(992,308,692)	(161,043,322)	-	7,428,650	(1,145,923,364)
Capital assets being depreciated, net	2,852,160,502	(135,799,060)	11,127,324	(3,920,699)	2,723,568,067
Total capital assets, net	\$3,329,090,423	\$(112,487,775)	\$ -	\$(6,444,621)	\$3,210,158,027

UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
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NOTE 5 – FEDERAL FINANCIAL ASSISTANCE

The Authority receives a portion of its funding from the through the U.S. Department of Transportation’s Federal Transit Administration (FTA) in the form of federal preventative maintenance, federal operating assistance, and federal capital assistance grants. The majority of these grants require the Authority to participate in the funding of the service and/or capital project. The FTA retains ownership in assets purchased with federal funds.

	2016	2015
Operating assistance		
Federal preventive maintenance grants	\$ 59,772,235	\$ 49,452,677
Federal operating assistance grants	3,562,534	2,547,335
	63,334,769	52,000,012
Capital projects		
Federal capital projects	17,054,298	7,819,096
	\$ 80,389,067	\$ 59,819,108

NOTE 6 – SELF-INSURANCE CLAIMS LIABILITY

Changes in the accrued claims liability in 2016 and 2015 were as follows:

	Beginning liability	Changes in estimates	Claim payments	Ending liability
2016	\$ 3,514,558	\$ 3,344,989	\$ (1,763,733)	\$ 5,095,814
2015	\$ 3,571,622	\$ 2,237,055	\$ (2,294,119)	\$ 3,514,558
2014	\$ 3,286,821	\$ 3,017,462	\$ (2,732,661)	\$ 3,571,662

NOTE 7 – PENSION PLANS

A. General Information about the Pension Plan

Plan description: The Utah Transit Authority Employee Retirement Plan (the “Plan”) is a single-employer defined benefit plan. The Plan’s provisions were adopted by a resolution of the Authority’s Board of Trustees, which appoints those who serve as trustees of the Plan. Any amendments to the Plan are adopted by a resolution of the Authority’s Board of Trustees.

Benefits provided: The Plan covers all eligible employees and provides retirement benefits to Plan members and their beneficiaries. The Plan also provides disability benefits to Plan members. Retirement benefits are as follows:

Final average salary	Years of service required	Age eligibility for benefit	Benefit percent per year
Highest 5 years	5 years	Must be age 55 or older	2% for every year of service. A year of service consists of 1,000 hours worked during a calendar year.

Participation: As of December 31, 2016, there were 1,973 active participants, 312 inactive participants, and 515 retirees and beneficiaries.

NOTE 7 – PENSION PLANS (continued)

A. General Information about the Pension Plan (continued)

- Contributions:* Through December 31, 2016, contributions to the Plan were recommended by an annual actuarial report and are approved by the Authority’s Board of Trustees. As of January 1, 2014, a contribution based on a percentage of payroll was approved by the Authority’s Board of Trustees. This percentage will be reviewed by the Board of Trustees annually as updated actuarial valuation reports become available. The Board of Trustees approved a contribution rate of 15% for 2015, and 16% for 2016 through 2034. This contribution rate is consistent with the Authority’s adopted Plan funding policy which is focused on restoring the Plan’s funding status to 100% within 20 years. Post 2034 contributions are assumed equal to the 8.2% of pay normal cost rate (including administrative expenses) from the 01/01/2015 plan funding valuation. The actual amount contributed by the employer during the 2016 fiscal year was \$19,603,952.



UTA Police Officer

- Reporting* - The Plan issues a publicly available financial report that includes financial statements and required supplementary information of that Plan. This report may be requested from the Authority’s Comptroller’s Office.

By mail: Utah Transit Authority
 Comptroller’s Office
 669 West 200 South
 Salt Lake City, UT 84101

By email: FEvans@rideuta.com

By phone: (801) 287-2523

B. Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

- Net pension liability* - At December 31, 2016, the Authority reported a net pension liability of \$112,925,121. The net pension liability was measured as of December 31, 2016, and was determined by an actuarial valuation as of January 1, 2016 and rolled-forward using generally accepted actuarial procedures.
- Deferred outflows of resources and deferred inflows of resources* - At December 31, 2016, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred inflows of resources	Deferred outflows of resources
Differences between expected and actual experience	\$ (2,133,382)	\$ -
Changes of assumptions	(3,356,353)	5,272,867
Net difference between projected and actual earnings	-	10,305,033
Contributions made subsequent to measurement date	-	-
Total	<u>\$ (5,489,735)</u>	<u>\$ 15,577,900</u>

NOTE 7 – PENSION PLANS (continued)

B. Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

- *Pension expense* - For the year ended December 31, 2016, the Authority recognized pension expense of \$3,365,259. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ended December 31	Deferred outflows (inflows) of resources
2017	\$ 3,365,259
2018	3,365,259
2019	3,365,259
2020	902,176
2021	(465,899)
Thereafter	(443,889)

- *Actuarial assumptions* - The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary Increases	5.40% per annum for the first five (5) years of employment; 3.40% per annum thereafter
Investment rate of return	7.25%, net of investment expenses
Mortality	RP-2014 Blue Collar Mortality Table, with MP-2014 Project Scale (Pre-retirement; Employee Table; Post-retirement Annuitant Table)
Bond Buyer General Obligation 20-Bond Municipal Bond Index	3.78%

The actuarial assumptions used in the January 1, 2016 valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2008.



NOTE 7 – PENSION PLANS (continued)

B. Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

- *Long-term rate of return:* The long-term rate of return is selected by the Plan’s Pension Committee after a review of expected inflation and long-term real returns, reflecting expected volatility and correlation. Best estimates of arithmetic real rates of return for each major asset class included in the Plan’s target asset allocations as of December 31, 2016, is summarized in the table below.

Asset Class	Target Asset Allocation	Long-term Expected Return
Global Equities	63%	6.7%
Fixed Income	22%	4.0%
Liquid Diversifiers	10%	5.1%
Real Assets	4%	6.1%
Cash & Equivalents	1%	2.8%
Total	100%	6.0%

The 7.25% assumed investment rate of return is comprised of an inflation rate of 2.3% and a real return of 4.90% net of investment expense.

- *Discount rate:* The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed contribution rates as recommended by the Authority’s Pension Committee and approved by the Board of Trustees. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive participants. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.



UTA Dispatch Center

The following sensitivity analysis assumes rate volatility of plus and minus one percent of the discount rate of 7.25%.

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Total pension liability	\$ 318,014,666	\$ 278,960,378	\$ 246,700,715
Fiduciary net position	166,035,257	166,035,257	166,035,257
Net pension liability	151,979,409	112,925,121	80,665,458

UTAH TRANSIT AUTHORITY
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NOTE 7 – PENSION PLANS (continued)

B. Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

- *Schedule of valuation change:* The following tables show the pension valuation change over the past five (5) years.

Actuarial valuation date	Actuarial value of assets	Actuarial liability (AAL) using entry age normal	Unfunded AAL (UAAL)	Funded ratio	Approximate covered payroll	UAAL as a % of covered payroll
	(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)
12/31/2016	\$ 166,035,257	\$ 278,960,378	\$ 112,925,121	59.52%	\$ 115,430,618	97.83%
12/31/2015	151,631,927	269,069,798	117,437,871	56.35%	110,727,134	106.06%
12/31/2014	146,854,399	247,692,651	100,838,252	59.29%	106,004,057	95.13%
1/1/2014	130,546,313	235,908,403	105,362,090	55.34%	106,590,548	98.85%
1/1/2013	118,878,693	222,734,287	103,855,594	53.37%	102,099,985	101.72%

- *Schedule of changes in total pension liability, plan fiduciary net position, and net pension liability:* The following table shows the change to the total pension liability, the plan fiduciary net position, and the net pension liability during the year.

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of December 31, 2015	\$ 269,069,798	\$ 151,631,927	\$ 117,437,871
Changes for the year:			
Service cost	7,711,706		7,711,706
Interest on total pension liability	19,604,345		19,604,345
Effect of member voluntary contributions	437,923		437,923
Effect of economic/demographic gains or losses	(927,077)		(927,077)
Effect of assumptions changes or inputs	(3,955,702)		(3,955,702)
Benefit payments	(12,980,615)	(12,980,615)	
Employer contributions		19,603,952	(19,603,952)
Member contributions		437,923	(437,923)
Net investment income		7,591,211	(7,591,211)
Administrative expenses		(249,141)	249,141
Balances as of December 31, 2016	\$ 278,960,378	\$ 166,035,257	\$ 112,925,121

NOTE 7 – PENSION PLANS (continued)

C. Defined Compensation Plan

The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all employees on a voluntary basis and permits them to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. As part of its fiduciary role, the Authority has an obligation of due care in selecting the third party administrators. In the opinion of management, the Authority has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan. The deferred compensation assets are held by third party plan administrators and are generally invested in money market funds, stock or bond mutual funds or guarantee funds as selected by the employee.



Facilities employee



UTAH TRANSIT AUTHORITY
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NOTE 8 – LONG TERM DEBT

The following provides detailed information about each of the Authority’s debt issuances along with a summary of the long-term debt activity for the year.

A. Series 2005A Revenue Bond

Purpose: Advanced refunding of the 1997 Series Revenue Bonds
 Interest rate: 3.25-5.25%
 Original amount: \$20,630,000

Debt service requirements to maturity, including interest:

Year ending December 31	Principal	Interest	Total
2017	\$ 1,470,000	\$ 491,925	\$ 1,961,925
2018	1,550,000	412,650	1,962,650
2019	1,635,000	329,044	1,964,044
2020	1,720,000	240,975	1,960,975
2021	1,815,000	148,181	1,963,181
2022	1,915,000	50,269	1,965,269
	<u>\$ 10,105,000</u>	<u>\$ 1,673,044</u>	<u>\$ 11,778,044</u>

Defeasance of Debt - On August 10, 2005, the Authority defeased certain 1997 Series revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Authority’s financial statements. The 1997 Series revenue bonds relating to this issuance were defeased on December 15, 2007.

B. Series 2006C Revenue Bond

Purpose: Advanced refunding of the 2002A Series revenue bonds
 Interest rates: 5.00-5.25%
 Original amount: \$134,650,000

Debt service requirements to maturity, including interest:

Year ending December 31	Principal	Interest	Total
2017	\$ 4,825,000	\$ 6,051,019	\$ 10,876,019
2018	5,085,000	5,790,881	10,875,881
2019	5,350,000	5,516,963	10,866,963
2020	5,635,000	5,228,606	10,863,606
2021	5,950,000	4,924,500	10,874,500
2022-2026	34,900,000	19,452,563	54,352,563
2027-2031	45,345,000	8,978,158	54,323,158
2032	10,580,000	277,725	10,857,725
	<u>\$ 117,670,000</u>	<u>\$ 56,220,415</u>	<u>\$ 173,890,415</u>

NOTE 8 – LONG TERM DEBT (continued)

B. Series 2006C Revenue Bond

Defeasence of Debt - On October 24, 2006, the Authority defeased certain 2002A Series revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Authority's financial statements. The 2002A Series revenue bonds relating to this issuance were defeased on December 15, 2012.

C. Series 2007A Capital Appreciation/Capitalized Interest Bond(s)

Purpose: Partial advanced refunding of the 2005B revenue bonds; construction and acquisition of improvements to the transit system.

Interest rates

Capital Appreciation Bonds: 4.55-5.05%
 Capital Interest Bonds: 5.00%

Original amount

Capital Appreciation Bonds: \$132,329,109
 Capital Interest Bonds: \$128,795,000

Debt service requirements to maturity, including interest:

Series 2007A Subordinate Lien Capital Appreciation Bond

Year ending December 31	Principal	Interest	Total
2017	\$ -	\$ 190,309	\$ 190,309
2018	-	200,002	200,002
2019	-	210,188	210,188
2020	-	220,894	220,894
2021	-	232,145	232,145
2022-2026	-	1,350,592	1,350,592
2027-2031	-	1,631,406	1,631,406
2032	2,332,069	197,982	2,530,051
	<u>\$ 2,332,069</u>	<u>\$ 4,233,518</u>	<u>\$ 6,565,587</u>

Series 2007A Subordinate Lien Capital Interest Bond

Year ending December 31	Principal	Interest	Total
2017	\$ 2,455,000	\$ 6,262,375	\$ 8,717,375
2018	2,565,000	6,136,875	8,701,875
2019	2,710,000	6,005,000	8,715,000
2020	2,850,000	5,866,000	8,716,000
2021	-	5,794,750	5,794,750
2022-2026	16,970,000	27,198,500	44,168,500
2027-2031	35,655,000	20,453,125	56,108,125
2032-2035	63,270,000	8,014,250	71,284,250
	<u>\$ 126,475,000</u>	<u>\$ 85,730,875</u>	<u>\$ 212,205,875</u>

Defeasence of Debt - On June 19, 2007, the Authority defeased certain 2005B Series revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Authority's financial statements. The 2005B Series revenue bonds relating to this issuance were defeased on December 15, 2015.

UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 Years Ended December 31, 2016 and 2015

NOTE 8 – LONG TERM DEBT (continued)

D. Series 2008A Revenue Bond

Purpose: Cost of acquisition and construction of certain improvements to the Authority's transit system.
 Interest rates: 4.75-5.25%
 Original amount: \$700,000,000

Debt service requirements to maturity, including interest:

Year ending December 31	Principal	Interest	Total
2017	\$ -	\$ 2,850,488	\$ 2,850,488
2018	-	2,850,488	2,850,488
2019	5,885,000	2,696,006	8,581,006
2020	-	2,541,525	2,541,525
2021	-	2,541,525	2,541,525
2022-2023	48,410,000	2,574,863	50,984,863
	<u>\$ 54,295,000</u>	<u>\$ 16,054,895</u>	<u>\$ 70,349,895</u>

E. Series 2009B Federally Taxable-Issuer Subsidy "Build America Bonds"

The Authority has elected to treat the 2009B bonds as "Build America Bonds" for the purposes of the American Recovery and Investment Act of 2009 (the Recovery Act) and to receive a cash subsidy from the United States Treasury in connection therewith. Pursuant to the Recovery Act, the Authority anticipated cash subsidy payments from the United States Treasury equal to 35% of the interest payable on the 2009B bonds. However due to federal sequestration, the Authority's subsidy payments for 2016 were discounted by 6.8%, or \$369,430. The Authority has projected a continued discount of this subsidy in 2017 of 6.9%, or \$374,863.

Purpose: Cost of acquisition and construction of certain improvements to the Authority's transit system.
 Interest rates: 5.937%
 Original amount: \$261,450,000

Debt service requirements to maturity, including interest:

Year ending December 31	Principal	Interest	Total	Scheduled Federal Subsidy Payment
2017	\$ -	\$ 15,522,287	\$ 15,522,287	\$ 5,057,937
2018	-	15,522,287	15,522,287	5,432,800
2019	-	15,522,286	15,522,286	5,432,800
2020	-	15,522,286	15,522,286	5,432,800
2021	-	15,522,286	15,522,286	5,432,800
2022-2026	-	77,611,433	77,611,433	27,164,002
2027-2031	21,005,000	76,383,512	97,388,512	26,734,229
2032-2036	114,120,000	56,576,642	170,696,642	19,801,825
2037-2039	126,325,000	13,342,962	139,667,962	4,670,037
	<u>\$ 261,450,000</u>	<u>\$ 301,525,981</u>	<u>\$ 562,975,981</u>	<u>\$ 105,164,663</u>

NOTE 8 – LONG TERM DEBT (continued)

F. Series 2010A Federally Taxable-Issuer Subsidy “Build America Bonds”

The Authority has elected to treat the 2010A bonds as “Build America Bonds” for the purposes of the American Recovery and Investment Act of 2009 (the Recovery Act) and to receive a cash subsidy from the United States Treasury in connection therewith. Pursuant to the Recovery Act, the Authority anticipated cash subsidy payments from the United States Treasury equal to 35% of the interest payable on the 2010A bonds. However due to federal sequestration, the Authority’s subsidy payments for 2016 were discounted by 6.8%, or \$271,558. The Authority has projected a continued discount of this subsidy in 2016 of 6.9%, or \$275,551.

Purpose: Cost of acquisition and construction of certain improvements to the Authority’s transit system.
 Interest rates: 5.705%
 Original amount: \$200,000,000

Debt service requirements to maturity, including interest:

Year ending December 31	Principal	Interest	Total	Scheduled Federal Subsidy Payment
2017	\$ -	\$ 11,410,000	\$ 11,410,000	\$ 3,717,949
2018	-	11,410,000	11,410,000	3,993,500
2019	-	11,410,000	11,410,000	3,993,500
2020	-	11,410,000	11,410,000	3,993,500
2021	-	11,410,000	11,410,000	3,993,500
2022-2026	-	57,050,000	57,050,000	19,967,500
2027-2031	-	57,050,000	57,050,000	19,967,500
2032-2036	-	57,050,000	57,050,000	19,967,500
2037-2040	200,000,000	33,394,788	233,394,788	11,688,176
	<u>\$ 200,000,000</u>	<u>\$ 261,594,788</u>	<u>\$ 461,594,788</u>	<u>\$ 91,282,624</u>



Passengers waiting to board FrontRunner



UTAH TRANSIT AUTHORITY
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 Years Ended December 31, 2016 and 2015

NOTE 8 – LONG TERM DEBT (continued)

G. Series 2012A Revenue Bond

Purpose: Refunding of \$32,020,000 of the 2006AB variable rate bonds; refunding of \$100,000,000 of the 2011AB variable rate bonds; and the cost of acquisition and construction of certain improvements to the Authority’s transit system.
 Interest rates: 4.00-5.00%
 Original amount: \$295,520,000

Debt service requirements to maturity, including interest:

Year ending December 31	Principal	Interest	Total
2017	\$ -	\$ 13,401,750	\$ 13,401,750
2018	-	13,401,750	13,401,750
2019	-	13,401,750	13,401,750
2020	-	13,401,750	13,401,750
2021	2,840,000	13,330,750	16,170,750
2022-2026	16,440,000	64,316,250	80,756,250
2027-2031	20,295,000	59,753,125	80,048,125
2032-2036	16,315,000	55,468,975	71,783,975
2037-2041	154,755,000	41,578,425	196,333,425
2042	72,110,000	1,802,750	73,912,750
	<u>\$ 282,755,000</u>	<u>\$ 289,857,275</u>	<u>\$ 572,612,275</u>

Defeasance of Debt - On November 28, 2012, the Authority defeased all of the 2011AB variable rate revenue bonds, and certain 2006AB Series variable rate revenue bonds. The 2006AB and 2011AB Series revenue bonds relating to this issuance were defeased on November 28, 2012.

H. Series 2015A Revenue Bonds

On February 25, 2015, the Authority issued \$668,655,000 in senior sales tax revenue bonds and \$192,005,000 in subordinate sales tax revenue bonds to provide resources to purchase qualifying open market securities that were placed in an irrevocable trust for the purpose of generating resources for the advanced refunding of certain 2008A revenue bonds, certain 2009A revenue bonds, certain 2007A capital appreciation revenue bonds, and certain 2012A revenue bonds. These resources are intended to provide all future debt payments of \$904,901,591 of senior and subordinate sales tax revenue bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the Authority’s financial statements. These advanced refundings were undertaken to reduce total debt service payments over the next 23 years by \$85,099,817, and resulted in an economic gain of \$77,660,118. As of December 31, 2016, no bonds have been defeased from the escrow fund.

The following represents the use of funds from this bond issuance:

Proceeds of refunding bonds	\$ 1,017,615,532
UTA contribution from existing debt service funds	5,805,640
Underwriters fees and other costs of issuance	(2,542,037)
Payment to refunded bond escrow agent	<u>\$ 1,020,879,135</u>

NOTE 8 – LONG TERM DEBT (continued)

H. Series 2015A Revenue Bonds (continued)

Series 2015A Senior Lien Revenue Bond

Purpose: Advanced refunding of \$645,705,000 of the 2008A revenue bonds and \$44,550,000 of the 2009A revenue bonds; debt service reserve
 Interest rates: 4.00-5.00%
 Original amount: \$668,655,000

Debt service requirements to maturity, including interest:

Year ending December 31	Principal	Interest	Total
2017	\$ -	\$ 31,072,663	\$ 31,072,663
2018	-	31,072,663	31,072,663
2019	-	31,072,663	31,072,663
2020	12,425,000	30,769,238	43,194,238
2021	18,235,000	30,029,138	48,264,138
2022-2026	116,990,000	138,883,404	255,873,404
2027-2031	201,520,000	93,692,250	295,212,250
2032-2036	218,445,000	47,833,900	266,278,900
2037-2038	101,040,000	5,114,500	106,154,500
	<u>\$ 668,655,000</u>	<u>\$ 439,540,419</u>	<u>\$ 1,108,195,419</u>

Series 2015A Subordinate Lien Revenue Bond

Purpose: Advanced refunding of \$129,997,040 of the 2007A capital appreciation revenue bonds and associated accreted interest of \$80,404,551, and \$4,245,000 of the 2012A revenue bonds; debt service reserve
 Interest rates: 3.00-5.00%
 Original amount: \$192,005,000

Debt service requirements to maturity, including interest:

Year ending December 31	Principal	Interest	Total
2017	\$ -	\$ 9,543,250	\$ 9,543,250
2018	-	9,543,250	9,543,250
2019	-	9,543,250	9,543,250
2020	2,850,000	9,500,500	12,350,500
2021	5,840,000	9,311,750	15,151,750
2022-2026	44,035,000	40,564,625	84,599,625
2027-2031	46,825,000	29,200,375	76,025,375
2032-2036	78,310,000	15,417,500	93,727,500
2037	14,145,000	353,625	14,498,625
	<u>\$ 192,005,000</u>	<u>\$ 132,978,125</u>	<u>\$ 324,983,125</u>

NOTE 8 – LONG TERM DEBT (continued)

I. Series 2016 Revenue Bonds

On August 24, 2016, the Authority issued \$145,691,497 in subordinate sales tax revenue bonds with a reoffering premium of \$12,932,675 to provide resources to purchase qualifying open market securities that were placed in an irrevocable trust for the purpose of generating resources for the advanced refunding of the 2013 revenue bonds and 2014AB revenue bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the Authority’s financial statements. These advanced refundings were undertaken to remove the Authority’s short-term debt which reduced total debt service payments by \$156,360,000 over the next three (3) years. This issuance resulted in an economic loss of \$8,045,006. As of December 31, 2016, no bonds have been defeased from the escrow fund.

The following represents the use of funds from this bond issuance:

Proceeds of refunding bonds	\$ 158,624,173
Underwriters fees and other costs of issuance	<u>(739,655)</u>
Payment to refunded bond escrow agent	<u>\$ 157,884,518</u>

Series 2016 Subordinate Lien Revenue Bond

Purpose: Refunding of \$13,990,000 of the 2013 short-term bonds, and refunding of \$142,370,000 of the 2014AB short-term bonds.
 Interest rates: 3.00-4.00%
 Original amount: \$145,691,498

Debt service requirements to maturity, including interest:

Year ending December 31	Principal	Interest	Total
2017	\$ -	\$ 4,602,300	\$ 4,602,300
2018	-	4,602,300	4,602,300
2019	-	4,602,300	4,602,300
2020	-	4,602,300	4,602,300
2021	-	4,602,300	4,602,300
2022-2026	-	23,011,500	23,011,500
2027-2031	126,780,000	15,840,350	142,620,350
	<u>\$ 126,780,000</u>	<u>\$ 61,863,350</u>	<u>\$ 188,643,350</u>



NOTE 8 – LONG TERM DEBT (continued)

I. Series 2016 Revenue Bonds (continued)

Series 2016 Subordinate Lien Capital Appreciation Revenue Bond

Purpose: Refunding of \$13,990,000 of the 2013 short-term bonds, and refunding of \$142,370,000 of the 2014AB short-term bonds.
 Interest rates: 3.32004%
 Original amount: \$18,911,498

Debt service requirements to maturity, including interest:

Year ending December 31	Principal	Interest	Total
2017	\$ -	\$ 639,541	\$ 639,541
2018	-	660,950	660,950
2019	-	683,076	683,076
2020	-	705,943	705,943
2021	-	729,575	729,575
2022-2026	-	4,030,992	4,030,992
2027-2031	-	4,752,410	4,752,410
2032	18,911,498	1,048,031	19,959,529
	<u>\$ 18,911,498</u>	<u>\$ 13,250,518</u>	<u>\$ 32,162,016</u>

J. 2015 Issuance 12-Year Lease Financing

Purpose: Acquisition of 10 CNG buses and equipment
 Interest rates: 2.0908%
 Original amount: \$5,283,500

Debt service requirements to maturity, including interest:

Year ending December 31	Principal	Interest	Total
2017	\$ 403,242	\$ 94,973	\$ 498,215
2018	411,755	86,460	498,215
2019	420,447	77,768	498,215
2020	429,322	68,893	498,215
2021	438,385	59,830	498,215
2022-2026	2,334,708	156,366	2,491,074
2027	288,610	2,015	290,625
	<u>\$ 4,726,469</u>	<u>\$ 546,304</u>	<u>\$ 5,272,773</u>



UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 Years Ended December 31, 2016 and 2015

NOTE 8 – LONG TERM DEBT (continued)

K. 2015 Issuance 5-Year Lease Financing

Purpose: Acquisition of 20 flex/paratransit vehicles
 Interest rates: 1.3186%
 Original amount: \$3,583,370

Debt service requirements to maturity, including interest:

Year ending December 31	Principal	Interest	Total
2017	\$ 702,133	\$ 29,514	\$ 731,647
2018	711,447	20,200	731,647
2019	720,885	10,762	731,647
2020	424,924	1,870	426,794
	<u>\$ 2,559,389</u>	<u>\$ 62,346</u>	<u>\$ 2,621,735</u>

L. 2015 Issuance 4-Year Lease Financing

Purpose: Acquisition of 50 RideShare vans
 Interest rates: 1.1778%
 Original amount: \$1,582,018

Debt service requirements to maturity, including interest:

Year ending December 31	Principal	Interest	Total
2017	\$ 395,082	\$ 10,014	\$ 405,096
2018	399,765	5,332	405,097
2019	235,380	926	236,306
	<u>\$ 1,030,227</u>	<u>\$ 16,272</u>	<u>\$ 1,046,499</u>

M. 2016 Issuance 12-Year Lease Financing

Purpose: Acquisition of 5 buses and equipment for use in the canyons for ski service
 Interest rates: 1.6322%
 Original amount: \$2,480,000

Debt service requirements to maturity, including interest:

Year ending December 31	Principal	Interest	Total
2017	\$ 189,405	\$ 38,302	\$ 227,707
2018	192,520	35,187	227,707
2019	195,686	32,021	227,707
2020	198,904	28,803	227,707
2021	202,175	25,532	227,707
2022-2026	1,061,854	76,680	1,138,534
2027-2028	392,586	5,901	398,487
	<u>\$ 2,433,130</u>	<u>\$ 242,426</u>	<u>\$ 2,675,556</u>

UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 Years Ended December 31, 2016 and 2015

NOTE 8 – LONG TERM DEBT (continued)

N. 2016 Issuance 5-Year Lease Financing

Purpose: Acquisition of 33 flex/paratransit vehicles
 Interest rates: 1.3008%
 Original amount: \$4,546,000

Debt service requirements to maturity, including interest:

Year ending December 31	Principal	Interest	Total
2017	\$ 888,597	\$ 50,983	\$ 939,580
2018	900,226	39,355	939,581
2019	912,006	27,575	939,581
2020	923,940	15,640	939,580
2021	700,881	3,804	704,685
	<u>\$ 4,325,650</u>	<u>\$ 137,357</u>	<u>\$ 4,463,007</u>

O. 2016 Issuance 4-Year Lease Financing

Purpose: Acquisition of 56 RideShare vans
 Interest rates: 1.2298%
 Original amount: \$1,647,000

Debt service requirements to maturity, including interest:

Year ending December 31	Principal	Interest	Total
2017	\$ 405,433	\$ 16,738	\$ 422,171
2018	410,448	11,724	422,172
2019	415,524	6,648	422,172
2020	315,012	1,616	316,628
	<u>\$ 1,546,417</u>	<u>\$ 36,726</u>	<u>\$ 1,583,143</u>

P. Capital Leased Assets

The following represents the assets acquired through the 2015 and 2016 series capital leases and the corresponding accumulated depreciation.

	2015 Series Leases	2016 Series Leases
Revenue vehicles		
12-year lease	\$ 4,859,620	\$ 2,409,786
5-year lease	3,626,139	-
4-year lease	1,587,375	1,107,052
Subtotal	10,073,134	3,516,838
Accumulated depreciation	(1,959,015)	(100,689)
Total capital assets (net)	\$ 8,114,119	\$ 3,416,149

UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 Years Ended December 31, 2016 and 2015

NOTE 8 – LONG TERM DEBT (continued)

	Balance 12/31/2015	Additions	Reductions	Balance 12/31/2016	Amount due within one year
Bonds					
Series 2005A Revenue Bond	\$ 11,505,000	\$ -	\$ (1,400,000)	\$ 10,105,000	\$ 1,470,000
Series 2006C Revenue Bond	122,240,000	-	(4,570,000)	117,670,000	4,825,000
Series 2007A Capital Appreciation	2,332,069	-	-	2,332,069	-
Series 2007A Current Interest Bond	128,795,000	-	(2,320,000)	126,475,000	2,455,000
Series 2008A Revenue Bond	54,295,000	-	-	54,295,000	-
Series 2009A Revenue Bond	-	-	-	-	-
Series 2009B Build America Bond	261,450,000	-	-	261,450,000	-
Series 2010A Build America Bond	200,000,000	-	-	200,000,000	-
Series 2012A Revenue Bond	288,030,000	-	(5,275,000)	282,755,000	-
Series 2013 Revenue Bond	13,995,000	-	(13,995,000)	-	-
Series 2014 Revenue Bond	142,370,000	-	(142,370,000)	-	-
Series 2015A Revenue Bond (Sr)	668,655,000	-	-	668,655,000	-
Series 2015A Revenue Bond (Sub)	192,005,000	-	-	192,005,000	-
Series 2016 Revenue Bond	-	126,780,000	-	126,780,000	-
Series 2016 Capital Appreciation	-	18,911,498	-	18,911,498	-
2015 12-Year Lease	5,121,375	-	(394,906)	4,726,469	403,242
2015 10-Year Lease	3,252,329	-	(692,941)	2,559,388	702,133
2015 4-Year Lease	1,420,682	-	(390,455)	1,030,227	395,082
2016 12-Year Lease	-	2,480,000	(46,871)	2,433,129	189,405
2016 10-Year Lease	-	4,546,000	(220,350)	4,325,650	888,597
2016 4-Year Lease	-	1,647,000	(100,582)	1,546,418	405,433
	<u>2,095,466,455</u>	<u>154,364,498</u>	<u>(171,776,105)</u>	<u>2,078,054,848</u>	<u>11,733,892</u>
Unamortized Premiums					
Series 2005A Revenue Bond	346,893	-	(92,525)	254,368	
Series 2006C Revenue Bond	8,670,588	-	(927,681)	7,742,907	
Series 2007A Current Interest Bond	7,247,623	-	(521,533)	6,726,090	
Series 2008A Revenue Bond	2,116,060	-	(332,679)	1,783,381	
Series 2012A Revenue Bond	26,000,208	-	(1,442,871)	24,557,337	
Series 2014 Revenue Bond	713,838	-	(713,838)	-	
Series 2015A Revenue Bond (Sr)	113,205,025	-	(9,085,303)	104,119,722	
Series 2015A Revenue Bond (Sub)	33,897,368	-	(2,738,465)	31,158,903	
Series 2016 Revenue Bond	-	12,932,675	(292,419)	12,640,256	
	<u>192,197,603</u>	<u>12,932,675</u>	<u>(16,147,314)</u>	<u>188,982,964</u>	
Total bonds	<u><u>\$ 2,287,664,058</u></u>	<u><u>\$ 167,297,173</u></u>	<u><u>\$(187,923,419)</u></u>	<u><u>\$ 2,267,037,812</u></u>	<u><u>\$ 11,733,892</u></u>



NOTE 9 – COMMITMENTS AND CONTINGENCIES

The Authority is a defendant in various matters of litigation and has other claims pending as a result of activities in the ordinary courses of business. Management and legal counsel believe that by reason of meritorious defense, by insurance coverage or statutory limitations, these contingencies will not result in a significant liability to the Authority in excess of the amounts provided as accrued self-insurance liability in the accompanying financial statements.

As of December 31, 2016, the Authority also has purchasing commitments of approximately \$28.63 million for revenue vehicles, and approximately \$141.8 million to be paid to other contractors.

On December 22, 2016, Utah County issued a \$65 million subordinated transportation sales tax revenue bond to be used for the construction of the Provo-Orem BRT. The Authority and Utah County have entered into an interlocal agreement that requires the Authority to reimburse Utah County for all bond costs (principal, interest, and cost of issuance) prior to 2029.

NOTE 10 – RESTATEMENT OF THE FINANCIAL STATEMENTS FROM PRIOR YEARS

A review of construction in progress as it was originally reported was performed in 2016. This review determined many of the projects no longer met the requirements of an asset in progress and required a restatement of net position as of the beginning of the year ending December 31, 2015 in the amount of \$14,209,015.

The following restatements have been made to the Authority's beginning net position for the year ending December 31, 2015.

	<u>2015</u>	
Total Net Position, January 1 as previously reported	\$ 1,330,565,946	
Restatements		
Construction in progress	<u>(14,209,015)</u>	
RESTATED TOTAL NET POSITION, JANUARY 1	<u>\$ 1,316,356,931</u>	

In addition, the financial activity which occurred during the year ending December 31, 2015 related to the above items required restatement of the 2015 financial statements.

Statements of Net Position	<u>2015</u>	
Noncurrent assets	<u>\$ (9,497,521)</u>	Reduce construction in progress
Change in Net Position	<u>(9,497,521)</u>	
Statement of Revenues, Expenses, and Changes in Net Position		
Expenses		
Operating expenses	<u>9,497,521</u>	Expense previously reported as construction in progress
Change in Net Position	<u>(9,497,521)</u>	

The following restatements have been made to the Authority's ending net position for the year ending December 31, 2015.

	<u>2015</u>	
Total Net Position, December 31 as previously reported	\$ 1,209,380,427	
Prior Year Restatements		
Construction in progress	(14,209,015)	
2015 Restatements		
Construction in progress	<u>(9,497,521)</u>	
RESTATED TOTAL NET POSITION, DECEMBER 31	<u>\$ 1,185,673,891</u>	

NOTE 11 – SUBSEQUENT EVENTS

On April 26, 2017, the Authority’s Pension Committee approved a reduction of the investment earnings interest rate for the January 1, 2017 actuarial valuation. The new approved interest rate is 7 percent, reduced from the previous assumed rate of 7.25 percent. In addition, the Pension Committee approved an adjustment of the pre-retirement turnover assumption rate. Both of these changes are anticipated to result in an increase in the net pension liability in 2017.

The Authority has performed an evaluation of subsequent events through May xxx, 2017 which is the date the basic financial statements were available to be issued.





Required Supplementary Information



UTAH TRANSIT AUTHORITY

For Fiscal Year Ended December 31, 2016 and 2015

UTAH TRANSIT AUTHORITY
 REQUIRED SUPPLEMENTARY INFORMATION
 Years Ended December 31, 2016 and 2015

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS – 10 YEARS

	2016	2015	2014
TOTAL PENSION LIABILITY			
Service cost	\$ 7,711,706	\$ 7,545,804	\$ 7,284,379
Interest on total pension liability	19,604,345	18,717,411	17,623,248
Effect of member voluntary contributions	437,923	916,567	275,663
Effect of economic/demographic (gains) or losses	(927,077)	(1,973,177)	-
Effect of assumption changes or inputs	(3,955,702)	7,725,363	-
Benefit payments	(12,980,615)	(11,554,824)	(10,181,732)
Net change in total pension liability	<u>\$ 9,890,580</u>	<u>\$ 21,377,144</u>	<u>\$ 15,001,558</u>
Total pension liability, beginning	\$ 269,069,795	\$ 247,692,651	\$ 232,691,093
Total pension liability, ending (a)	\$ 278,960,375	\$ 269,069,795	\$ 247,692,651
FIDUCIARY NET POSITION			
Employer contributions	\$ 19,603,952	\$ 16,745,254	\$ 15,366,694
Member voluntary contributions	437,923	916,567	275,663
Investment income net of investment expenses	7,591,211	(1,085,458)	5,946,916
Benefit payments	(12,980,615)	(11,554,824)	(10,181,732)
Administrative expenses	(249,141)	(244,011)	(219,504)
Net change in plan fiduciary net position	<u>\$ 14,403,330</u>	<u>\$ 4,777,528</u>	<u>\$ 11,188,037</u>
Fiduciary net position, beginning	\$ 151,631,927	\$ 146,854,399	\$ 135,666,362
Fiduciary net position, ending (b)	\$ 166,035,257	\$ 151,631,927	\$ 146,854,399
Net pension liability, ending = (a) - (b)	\$ 112,925,118	\$ 117,437,868	\$ 100,838,252
Fiduciary net position as a % of total pension liability	59.52%	56.35%	59.29%
Covered payroll	\$ 115,430,618	\$ 110,727,134	\$ 106,004,057
Net pension liability as a % of covered payroll	97.83%	106.06%	95.13%

This schedule is intended to present 10 years of information. Subsequent years will be added as the information becomes available.

STATEMENT OF REQUIRED EMPLOYER CONTRIBUTION – 10 YEARS

Year	Actuarially determined contribution	Contributions in relation to actuarially determined contribution	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered-employee payroll
2016	\$ 17,147,568	\$ 19,603,952	(2,456,384)	\$ 115,430,618	16.98%
2015	16,609,070	16,745,254	(136,184)	110,727,134	15.12%
2014	14,757,446	15,366,694	(609,248)	106,004,057	14.50%
2013	14,352,279	13,338,052	1,014,227	102,099,985	13.06%
2012	12,206,257	11,645,982	560,275	96,750,285	12.04%
2011	10,114,755	10,114,755	-	91,265,129	11.08%
2010	10,047,874	10,047,874	-	93,259,215	10.77%
2009	10,658,339	10,658,339	-	88,834,546	12.00%
2008	7,679,956	7,679,956	-	75,324,187	10.20%
2007	7,466,273	7,466,273	-	69,571,444	10.73%

UTAH TRANSIT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
Years Ended December 31, 2016 and 2015

NOTE 1 – VALUATION DATE

The valuation date is January 1, 2016. This is the date as of which the actuarial valuation is performed. The measurement date is December 31, 2016. This is the date as of which the net pension liability is determined. The reporting date is December 31, 2016. This is the employer's fiscal year ending date.

NOTE 2 – METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	18 years
Asset valuation method	5-year smoothed market less unrealized
Cost of Living Adjustments	None
Inflation	2.3%
Salary increases	5.40% per annum for the first five years of employment; 3.40% per annum thereafter
Investment rate of return	7.25%, net of investment expenses
Retirement age	Table of Rates by Age and Eligibility
Mortality	RP-2014 Blue Collar Mortality Table, with MP-2014 projection scale



Statistical



UTAH TRANSIT AUTHORITY

For Fiscal Year Ended December 31, 2016 and 2015

UTAH TRANSIT AUTHORITY
 STATISTICAL SECTION
 Years Ended December 31, 2016 and 2015

NET POSITION AS OF DECEMBER 31 – 10 YEARS

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Capital investment in net assets	\$924,260,135	\$1,040,640,236	\$1,230,633,230	\$1,327,585,097	\$1,364,803,454	\$1,366,337,801	\$1,133,832,808	\$953,013,398	\$766,098,289	\$652,232,055
Restricted	67,415,969	78,064,113	62,860,625	7,252,625	3,952,493	3,929,644	4,071,242	3,813,103	3,932,060	3,966,065
Unrestricted	71,467,610	76,467,063	137,910,343	242,267,181	304,753,885	276,960,064	505,464,819	527,478,988	439,343,658	455,924,673
Total net position	1,063,143,714	1,195,171,412	1,431,404,198	1,577,104,903	1,673,509,832	1,647,227,509	1,643,368,869	1,484,305,489	1,209,374,007	1,112,122,793
Restatement		(9,497,521)	(115,047,267)	4,931,557						
Total net position, restated	\$1,063,143,714	\$1,185,673,891	\$1,316,356,931	\$1,582,036,460	\$1,673,509,832	\$1,647,227,509	\$1,643,368,869	\$1,484,305,489	\$1,209,374,007	\$1,112,122,793

CHANGE IN NET POSITION – 10 YEARS

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Operating revenues	\$52,891,021	\$54,346,242	\$53,761,223	\$52,044,200	\$46,422,916	\$41,527,090	\$36,893,396	\$35,163,780	\$34,906,043	\$25,641,509
Operating expenses	422,543,342	394,062,733	398,626,029	378,224,993	319,322,223	288,531,160	257,267,580	255,931,379	223,794,244	195,976,473
Operating loss	(369,652,321)	(339,716,491)	(344,864,806)	(326,180,793)	(272,899,307)	(247,004,070)	(220,374,184)	(220,767,599)	(188,888,201)	(170,334,964)
Non-operating revenues	226,957,532	209,462,264	182,843,232	173,520,664	200,370,290	205,877,440	219,663,490	220,089,438	216,032,690	218,100,208
Income (loss) before capital contributions	(142,694,789)	(130,254,227)	(162,021,574)	(152,660,129)	(72,529,017)	(41,126,630)	(710,694)	(678,161)	27,144,489	47,765,244
Capital contributions	20,164,612	9,068,708	11,389,311	56,255,200	98,811,340	44,985,270	159,744,074	275,609,643	70,106,725	389,238,889
Change in net position	\$122,530,177	\$121,185,519	\$150,632,263	-\$96,404,929	\$26,282,323	\$3,858,640	\$159,033,380	\$274,931,482	\$97,251,214	\$437,004,133



UTAH TRANSIT AUTHORITY
 STATISTICAL SECTION
 Years Ended December 31, 2016 and 2015

REVENUES BY SOURCE – 10 YEARS

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Operating	\$ 52,891,021	\$ 54,346,242	\$ 53,761,223	\$ 52,044,200	\$ 46,422,916	\$ 41,527,090	\$ 36,893,396	\$ 35,163,780	\$ 34,906,043	\$ 25,641,509
Sales taxes	245,008,417	227,703,023	214,683,276	203,806,329	196,693,543	183,091,524	171,893,732	171,854,169	188,547,380	191,688,539
Investment	1,732,939	2,831,406	5,803,226	1,455,039	1,892,549	3,672,397	3,827,161	9,389,045	16,070,989	9,149,060
Other	3,108,191	8,314,065	3,724,610	4,347,724	2,351,713	3,483,140	2,929,254	2,797,757	1,425,891	1,287,668
	302,740,568	293,194,736	277,972,335	261,653,292	247,360,721	231,774,151	215,543,543	219,204,751	240,950,303	227,766,776
Federal grants										
Federal preventive maintenance grants	59,772,235	49,452,677	47,760,737	47,986,240	46,719,891	47,735,443	46,500,000	44,974,000	32,908,557	26,772,123
Federal operating grants	3,562,534	2,547,335	2,994,139	3,868,252	1,985,766	11,583,980	12,637,764	15,224,723	12,768,044	4,724,497
Federal capital grants	17,054,298	7,819,096	8,025,628	48,669,408	85,168,542	44,864,016	156,727,641	256,527,803	65,383,547	386,037,075
	80,389,067	59,819,108	58,780,504	100,523,900	133,874,199	104,183,439	215,865,405	316,726,526	111,060,148	417,533,695
Other capital contributions	3,110,314	1,249,612	3,363,683	7,585,792	13,642,798	121,254	3,046,433	19,081,840	4,723,178	3,201,814
Total revenues	\$ 386,239,949	\$ 354,263,456	\$ 340,116,522	\$ 369,762,984	\$ 394,877,718	\$ 336,078,844	\$ 434,455,381	\$ 555,013,117	\$ 356,733,629	\$ 648,502,285

EXPENSES BY FUNCTION – 10 YEARS

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Bus service	\$ 85,841,973	\$ 77,092,676	\$ 79,060,631	\$ 78,894,435	\$ 78,894,799	\$ 81,208,651	\$ 79,522,988	\$ 79,054,373	\$ 82,136,736	\$ 74,210,355
Rail service	84,165,069	67,254,632	70,365,953	61,086,101	46,049,338	38,135,480	33,787,601	34,681,800	29,938,257	18,502,185
Paratransit service	19,341,116	18,511,580	18,748,699	18,202,211	17,516,117	16,054,555	14,570,401	14,595,021	14,879,263	13,134,705
Other service	2,949,643	2,918,871	3,183,892	701,656	596,583	535,897	589,356	517,571	321,241	646,080
Operations support	37,831,682	32,051,926	28,380,563	28,439,826	25,247,271	21,643,830	23,147,075	26,083,512	23,561,835	20,713,291
Administration ¹	38,840,643	35,189,725	35,409,918	28,533,912	26,664,222	26,340,573	22,286,055	26,105,521	22,215,090	22,709,608
Depreciation	153,573,216	161,043,323	163,476,373	162,366,852	124,353,893	104,612,174	83,364,104	74,893,581	50,741,822	46,060,249
Interest ²	85,415,870	80,575,328	91,311,842	87,132,004	48,462,258	42,878,130	17,313,507	23,050,963	35,455,355	15,521,679
Recoverable sales tax, interlocal ³	810,914	810,914	810,914	810,914	810,914	810,914	810,914	1,099,293	232,816	
	\$ 508,770,126	\$ 475,448,975	\$ 490,748,785	\$ 466,167,911	\$ 368,595,395	\$ 332,220,204	\$ 275,392,001	\$ 280,081,635	\$ 259,482,415	\$ 211,498,152

¹ Includes major investment studies

² Reported as non-capitalized interest

³ See Notes to the Financial Statement, Note 2.K

UTAH TRANSIT AUTHORITY
 STATISTICAL SECTION
 Years Ended December 31, 2016 and 2015

LOCAL CONTRIBUTIONS IN THE FORM OF SALES TAX BY COUNTY – 10 YEARS

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007 ³
Box Elder ¹	\$ 1,790,352	\$ 1,552,291	\$ 1,418,268	\$ 1,300,577	\$ 1,279,794	\$ 1,226,730	\$ 1,269,478	\$ 1,297,586	\$ 1,155,713	\$ 843,922
Davis	27,606,440	23,178,724	21,459,683	20,023,042	18,692,038	17,880,017	16,964,089	17,091,892	17,857,247	19,967,595
Salt Lake	153,201,907	146,866,479	139,199,088	132,741,112	129,169,357	120,094,110	112,379,366	112,076,511	125,688,483	124,548,526
Tooele ²	1,798,971	1,521,097	1,384,631	1,349,366	1,364,179	1,207,539	1,227,109	1,136,816	1,221,602	1,200,289
Utah	38,601,427	36,221,930	33,752,513	31,905,764	30,576,235	27,743,162	25,397,367	25,222,227	27,401,909	27,916,622
Weber	22,009,320	18,362,502	17,469,093	16,486,468	15,611,940	14,939,966	14,656,323	15,029,137	15,222,426	17,211,585
	<u>\$ 245,008,417</u>	<u>\$ 227,703,023</u>	<u>\$ 214,683,276</u>	<u>\$ 203,806,329</u>	<u>\$ 196,693,543</u>	<u>\$ 183,091,524</u>	<u>\$ 171,893,732</u>	<u>\$ 171,854,169</u>	<u>\$ 188,547,380</u>	<u>\$ 191,688,539</u>

¹ Includes Brigham City, Perry and Willard cities only

² Includes the cities of Tooele and Grantsville; and the unincorporated areas of Erda, Lakepoint, Stansbury Park and Lincoln

³ Amount varies from the financial statement due to accrual estimates

LOCAL TRANSIT SALES TAX RATES BY COUNTY – 10 YEARS

	2016	2015	2014	2013	2012 *	2011 *	2010	2009	2008	2007
Box Elder	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.3000%	0.2500%
Davis	0.6500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5000%	0.5000%
Salt Lake	0.6875%	0.6875%	0.6875%	0.6875%	0.6875%	0.6875%	0.6875%	0.6875%	0.6875%	0.6338%
Tooele	0.4000%	0.3000%	0.3000%	0.3000%	0.3000%	0.3000%	0.3000%	0.3000%	0.3000%	0.2500%
Utah	0.5260%	0.5260%	0.5260%	0.5260%	0.5260%	0.5260%	0.5260%	0.5260%	0.5260%	0.4800%
Weber	0.6500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5000%	0.5000%



UTAH TRANSIT AUTHORITY
 STATISTICAL SECTION
 Years Ended December 31, 2016 and 2015

PRINCIPAL CONTRIBUTORS OF SALES TAX BY COUNTY – 10 YEARS

	2016			2007		
	Rank	Percentage of contributions	Amount	Rank	Percentage of contributions	Amount
Salt Lake County	1	62.53%	\$ 153,201,907	1	64.97%	\$ 124,548,526
Utah County	2	15.76%	38,601,427	4	14.56%	27,916,622
Davis County	3	11.27%	27,606,440	2	10.42%	19,967,595
Weber County	4	8.98%	22,009,320	3	8.98%	17,211,585
Box Elder County	5	0.73%	1,790,352	6	0.44%	843,922
Tooele County	6	0.73%	1,798,971	5	0.63%	1,200,289
			<u>\$ 245,008,417</u>			<u>\$ 191,688,539</u>

The Authority does not have taxing authority, and therefore is the recipient of contributions from other governments in the form of sales tax collected specifically to support mass transit within the government's boundaries.

FARES – 10 YEARS

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Cash Fares										
Base Fare	\$2.50	\$2.50	\$2.50	\$2.50	\$2.35	\$2.25	\$2.00	\$2.00	\$1.75	\$1.60
Senior Citizen/Disabled	1.25	1.25	1.25	1.25	1.15	1.10	1.00	1.00	0.85	0.80
Ski Bus	4.50	4.50	4.50	4.50	4.25	4.00	3.50	3.50	4.00	3.25
Paratransit (Flextrans)	4.00	4.00	4.00	4.00	3.50	2.75	2.50	2.50	2.25	2.05
Commuter Rail Base Rate	2.50	2.50	2.50	2.50	2.35	2.25	2.00	3.00	2.50	n/a
Commuter Rail Additional Station	0.60	0.60	0.60	0.60	0.55	0.50	0.50	0.50	0.50	n/a
Commuter Rail Maximum Rate	10.30	10.30	10.30	10.30	5.10	5.25	5.00	6.00	5.50	n/a
Express	5.50	5.50	5.50	5.50	5.25	5.00	4.50	4.50	4.00	3.25
Streetcar	1.00	1.00	1.00	1.00	n/a	n/a	n/a	n/a	n/a	n/a
Monthly Passes										
Adult	\$83.75	\$83.75	\$83.75	\$83.75	\$78.50	\$75.00	\$67.00	\$67.00	\$58.50	\$53.50
Minor	62.75	62.75	62.75	62.75	58.75	56.25	49.75	49.75	43.50	40.00
College Student	62.75	62.75	62.75	62.75	58.75	56.25	49.75	49.75	43.50	40.00
Senior Citizen/Disabled	41.75	41.75	41.75	41.75	39.25	37.50	33.50	33.50	28.25	26.75
Express	198.00	198.00	198.00	198.00	189.00	180.00	162.00	162.00	145.00	107.00
Paratransit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	84.00	76.00	69.00
Other Fares										
Day Pass	\$6.25	\$6.25	\$6.25	\$6.25	\$5.75	\$5.50	\$5.00	\$5.00	\$4.50	\$4.25
Group Pass	15.00	15.00	15.00	15.00	14.00	13.50	12.00	13.75	12.50	n/a
Summer Youth	99.00	99.00	99.00	n/a	n/a	n/a	n/a	99.50	87.00	40.00
Token - 10-Pack	22.50	22.50	22.50	22.50	21.00	20.25	17.75	17.75	17.50	14.25
Paratransit - 10-Ride Ticket	40.00	40.00	40.00	40.00	35.00	30.00	25.00	22.00	20.00	18.50
Paratransit - 30-Ride Ticket	n/a	n/a	n/a	n/a	n/a	n/a	n/a	54.00	48.50	n/a
Ski Day Pass	n/a	n/a	n/a	n/a	n/a	8.00	7.00	7.00	7.00	6.00

UTAH TRANSIT AUTHORITY
 STATISTICAL SECTION
 Years Ended December 31, 2016 and 2015

DEBT SERVICE COVERAGE – 10 YEARS

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Sales Tax	\$ 245,008,417	\$ 227,703,023	\$ 214,683,276	\$ 203,806,329	\$ 196,693,543	\$ 183,091,524	\$ 171,893,732	\$ 171,854,169	\$ 188,547,380	\$ 191,688,539
Debt service requirement										
Principal	13,570,000	11,445,000	7,810,000	7,450,000	7,615,000	7,300,000	6,960,000	6,665,000	6,395,000	6,135,000
Interest net of federal subsidies	94,893,898	84,785,200	91,382,184	84,319,531	71,837,998	71,932,011	63,782,164	59,841,145	43,952,198	24,061,595
Total debt service requirement	\$ 108,463,898	\$ 96,230,200	\$ 99,192,184	\$ 91,769,531	\$ 79,452,998	\$ 79,232,011	\$ 70,742,164	\$ 66,506,145	\$ 50,347,198	\$ 30,196,595
Coverage	2.26	2.37	2.16	2.22	2.48	2.31	2.43	2.58	3.74	6.35

DEMOGRAPHIC AND ECONOMIC STATISTICS – 10 YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Population	2,377,256	2,335,999	2,303,781	2,266,836	2,233,268	2,201,736	2,158,269	2,110,991	2,060,110	2,003,981
Personal income (in millions)	\$93,617,901	\$89,319,546	\$85,916,480	\$82,025,459	\$77,738,053	\$73,036,786	\$71,636,728	\$74,033,176	\$71,400,077	\$65,822,299
Per capita personal income	\$39,381	\$38,236	\$37,294	\$36,185	\$34,809	\$33,172	\$33,192	\$35,070	\$34,658	\$32,846
Utah unemployment rate	3.4%	3.5%	3.5%	5.6%	6.0%	7.5%	6.0%	3.7%	2.6%	2.9%

Source: US Dept of Commerce, Bureau of Economic Analysis, Regional Data (www.bea.gov)
 Unemployment rate - Utah Department of Workforce Services

2016 data not available at time of report



UTAH TRANSIT AUTHORITY
 STATISTICAL SECTION
 Years Ended December 31, 2016 and 2015

PRINCIPAL EMPLOYERS – 10 YEARS

Employer	Industry	2015			Employer	2006		
		Employees	Rank	% Total Employment		Employees	Rank	% Total Employment
Intermountain Healthcare	Healthcare	20,000+	1	1.4%	Intermountain Healthcare	20,000+	1	1.6%
University of Utah (including hospital)	Higher education/healthcare	20,000+	2	1.4%	State of Utah	20,000+	2	1.6%
State of Utah	Government	20,000+	3	1.4%	University of Utah (including hospital)	15,000-19,999	3	1.4%
Brigham Young University	Higher education	15,000-19,999	4	1.2%	Brigham Young University	15,000-19,999	4	1.4%
WalMart	Retail	15,000-19,999	5	1.2%	WalMart	10,000-14,999	5	1.0%
Hill Air Force Base	Government	10,000-14,999	6	0.9%	Hill Air Force Base	10,000-14,999	6	1.0%
Davis School District	Public education	7,000-9,999	7	0.6%	Davis School District	7,000-9,999	9	0.7%
Granite School District	Public education	7,000-9,999	8	0.6%	Granite School District	7,000-9,999	7	0.7%
Utah State University	Higher education	7,000-9,999	9	0.6%	Utah State University	5,000-6,999	10	0.5%
Smith's Food and Drug Center	Retail	5,000-6,999	10	0.5%	US Department of Treasury	5,000-6,999	15	0.5%
Alpine School District	Public education	5,000-6,999	11	0.5%	Smith's Food and Drug Center	5,000-6,999	12	0.5%
Jordan School District	Public education	5,000-6,999	12	0.5%	Alpine School District	5,000-6,999	14	0.5%
Salt Lake County	Government	5,000-6,999	13	0.5%	Jordan School District	7,000-9,999	8	0.7%
U.S. Postal Service	Government	5,000-6,999	14	0.5%	Salt Lake County	5,000-6,999	13	0.5%
Utah Valley University	Government	5,000-6,999	15	0.5%	Utah Valley State College	3,000-3,999	29	0.3%

Source: www.jobs.utah.gov/wi/bups/em/annualreport/xxannual/ (Department of Workforce Services)
 Data prior to 2006 not available

FULL-TIME EQUIVALENT EMPLOYEES – 10 YEARS

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Bus operations	1,028	951	945	911	963	950	998	1,023	1,050	1,008
Rail operations	563	527	542	526	506	425	335	314	293	233
Paratransit operations	192	188	183	176	168	168	140	141	141	143
Other services	9	12	10	10	12	11	11	11	10	8
Support services	366	349	323	335	293	284	239	249	256	225
Administration	212	210	207	195	217	224	238	242	224	193
Total	2,368	2,237	2,210	2,153	2,159	2,062	1,961	1,980	1,974	1,810

Source: Budget document

UTAH TRANSIT AUTHORITY
 STATISTICAL SECTION
 Years Ended December 31, 2016 and 2015

TREND STATISTICS– 10 YEARS

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Passengers										
Bus service	20,033,242	20,560,068	20,165,174	19,695,711	21,222,669	21,560,358	21,716,864	20,657,019	23,395,624	23,279,164
Rail service	23,765,873	24,349,674	24,337,451	22,814,274	19,421,608	16,944,264	14,790,418	14,707,601	16,182,145	16,272,468
Paratransit service	389,019	388,169	372,499	383,453	715,034	683,336	509,625	500,242	478,242	492,994
Vanpool service	1,333,780	1,423,675	1,404,285	1,387,816	1,446,766	1,417,183	1,346,949	1,353,697	1,657,697	1,305,076
Total passengers	45,521,914	46,721,586	46,279,409	44,281,254	42,806,077	40,605,141	38,363,856	37,218,559	41,713,708	41,349,702
Revenue Miles										
Bus service	15,462,834	15,367,510	15,660,520	15,706,028	15,091,645	15,869,340	16,412,862	16,777,762	16,759,734	16,690,142
Rail service	12,070,277	11,988,005	11,784,146	11,681,251	7,905,460	6,019,693	5,312,506	5,568,699	4,412,001	2,818,235
Paratransit service	2,505,343	2,293,887	2,513,535	2,932,842	3,252,193	4,094,325	2,799,362	2,928,929	2,939,442	3,699,770
Vanpool service	6,518,150	6,734,487	6,859,802	7,053,191	7,553,978	8,042,756	7,342,322	7,800,016	9,177,917	7,012,873
Total passengers	36,556,604	36,383,889	36,818,003	37,373,312	33,803,276	34,026,114	31,867,052	33,075,406	33,289,094	30,221,020
Total Miles										
Bus service	17,511,624	17,662,486	17,864,847	17,191,018	16,553,983	17,416,367	18,820,702	19,342,359	19,398,050	19,480,877
Rail service	12,189,876	12,368,934	11,814,332	11,773,929	7,987,022	6,073,807	5,365,270	5,626,707	4,454,559	2,836,899
Paratransit service	3,254,559	3,192,367	2,844,468	3,493,247	4,088,027	5,256,369	3,473,129	3,637,806	3,637,255	4,341,576
Vanpool service	6,518,150	6,734,487	6,859,802	7,053,191	7,553,978	8,042,756	7,342,322	7,800,016	9,177,917	7,012,873
Total miles	39,474,209	39,958,274	39,383,449	39,511,385	36,183,010	36,789,299	35,001,423	36,406,888	36,667,781	33,672,225
Passengers per Mile										
Bus service	1.30	1.34	1.29	1.25	1.41	1.36	1.32	1.23	1.40	1.39
Rail service	1.97	2.03	2.07	1.95	2.46	2.81	2.78	2.64	3.67	5.77
Paratransit service	0.16	0.17	0.15	0.13	0.22	0.17	0.18	0.17	0.16	0.13
Vanpool service	0.20	0.21	0.20	0.20	0.19	0.18	0.18	0.17	0.18	0.19
Total passengers per mile	1.25	1.28	1.26	1.18	1.27	1.19	1.20	1.13	1.25	1.37
Revenue Hours										
Bus service	1,087,055	1,070,139	1,108,894	933,662	834,985	866,268	897,294	904,282	895,943	888,544
Rail service	511,082	506,233	487,435	641,914	536,066	388,826	295,227	374,300	326,610	243,349
Paratransit service	162,734	160,383	164,527	191,016	227,013	300,760	201,994	211,369	208,896	247,572
Total revenue hours	1,760,871	1,736,755	1,760,856	1,766,592	1,598,064	1,555,854	1,394,515	1,489,951	1,431,449	1,379,465
Passengers per Revenue Hour										
Bus service	18.43	19.21	18.18	21.10	25.42	24.89	24.20	22.84	26.11	26.20
Rail service	46.50	48.10	49.93	35.54	36.23	43.58	50.10	39.29	49.55	66.87
Paratransit service	2.39	2.42	2.26	2.01	3.15	2.27	2.52	2.37	2.29	1.99
Total passengers per mile	25.09	26.08	25.48	24.28	25.88	25.19	26.54	24.07	27.98	29.03

UTAH TRANSIT AUTHORITY
 STATISTICAL SECTION
 Years Ended December 31, 2016 and 2015

TREND STATISTICS– 10 YEARS (continued)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total System										
Fare revenue	\$50,624,354	\$52,112,909	\$51,461,223	\$49,977,533	\$44,489,583	\$39,693,757	\$35,160,063	\$33,530,449	\$33,439,374	\$24,308,176
Operating expense	\$268,970,126	\$242,516,933	\$235,149,656	\$215,858,141	\$194,968,330	\$183,918,986	\$173,903,476	\$181,037,798	\$173,052,423	\$149,916,224
Cost per revenue mile	\$7.36	\$6.67	\$6.39	\$5.78	\$5.77	\$5.41	\$5.46	\$5.47	\$5.20	\$4.96
Cost per passenger	\$5.91	\$5.19	\$5.08	\$4.87	\$4.55	\$4.53	\$4.53	\$4.86	\$4.15	\$3.63
Fare revenue per passenger	\$1.11	\$1.12	\$1.11	\$1.13	\$1.04	\$0.98	\$0.92	\$0.90	\$0.80	\$0.59

Source: National Transit Database Annual Reports



UTAH TRANSIT AUTHORITY
 STATISTICAL SECTION
 Years Ended December 31, 2016 and 2015

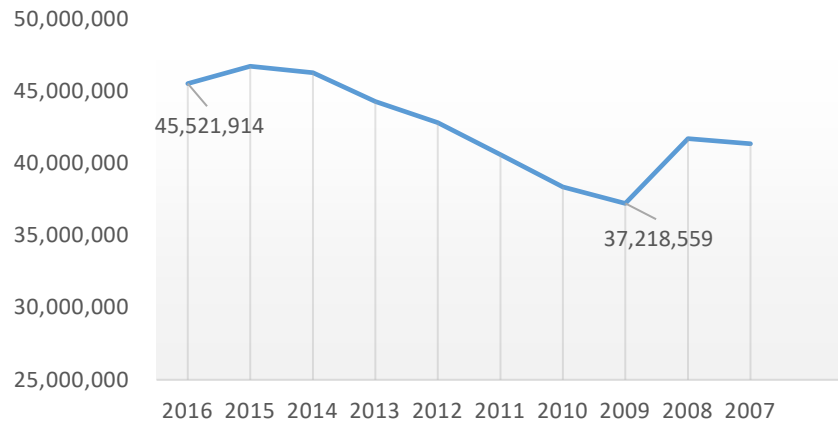
OPERATING INDICATORS AND CAPITAL ASSETS – 10 YEARS

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Number of bus routes	125	126	121	119	125	119	127	128	120	117
Number of rail routes										
Light rail	4	4	4	4	3	3	3	3	3	3
Commuter rail	1	1	1	1	1	1	1	1	1	-
Bus service miles (weekday)	67,629	63,327	56,538	55,733	64,186	64,493	67,012	68,537	68,051	60,436
Rail service miles (weekday)										
Light rail	8,815	8,828	8,547	8,216	6,978	5,107	3,910	3,684	3,365	3,166
Commuter rail	4,627	4,651	4,638	4,488	2,390	2,327	2,469	2,725	2,725	-
Average passengers (weekday)	155,873	161,862	161,339	152,644	152,934	142,186	134,736	141,047	139,911	122,621
Buses	567	555	535	493	570	495	496	501	481	585
Paratransit vehicles (buses/vans)	129		84	113	110	112	96	101	105	102
Rail vehicles										
Light rail	146	146	146	146	122	122	55	55	55	69
Commuter rail	81	81	81	81	57	55	37	37	34	-
Vanpool vehicles	503	495	479	470	494	485	414	403	452	456
Park and ride lots	46	41								
Bus stops	6,196	6,250	6,250	6,273	6,333	6,600	6,645	6,410	6,380	6,975
Rail stations										
Light rail	57	57	51	51	41	41	28	28	28	25
Commuter rail	16	16	16	16	16	7	8	8	8	-

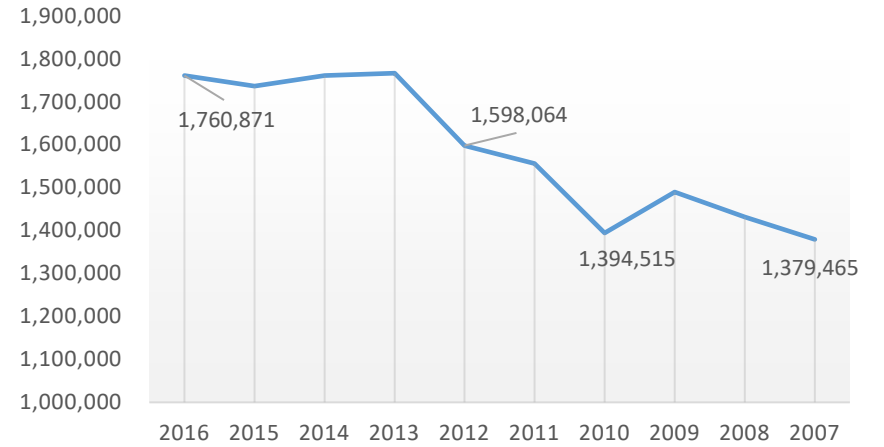




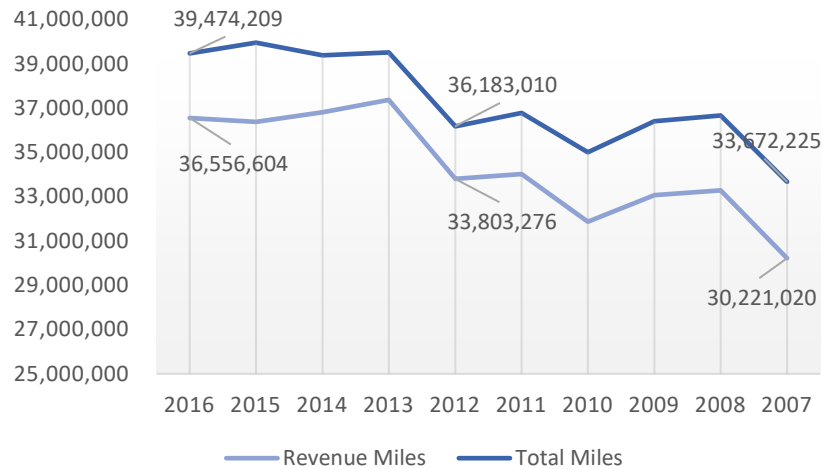
Ridership



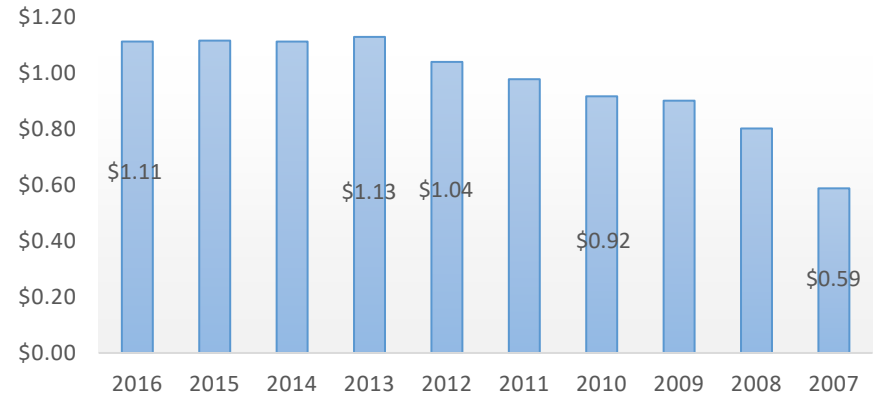
Revenue Hours



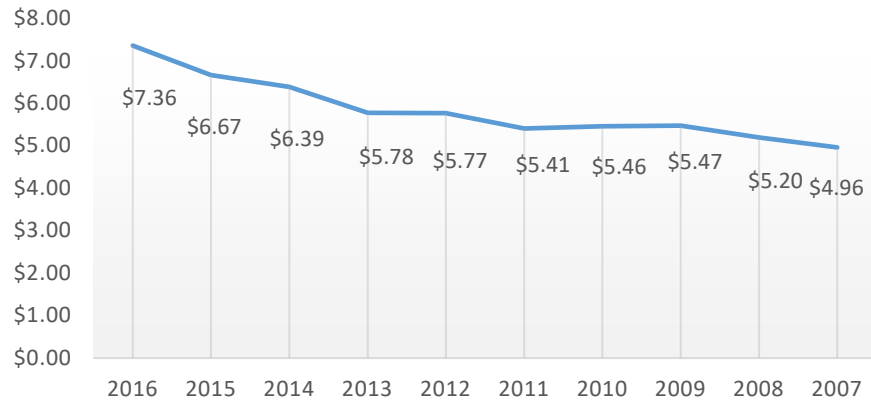
Revenue Miles to Total Miles



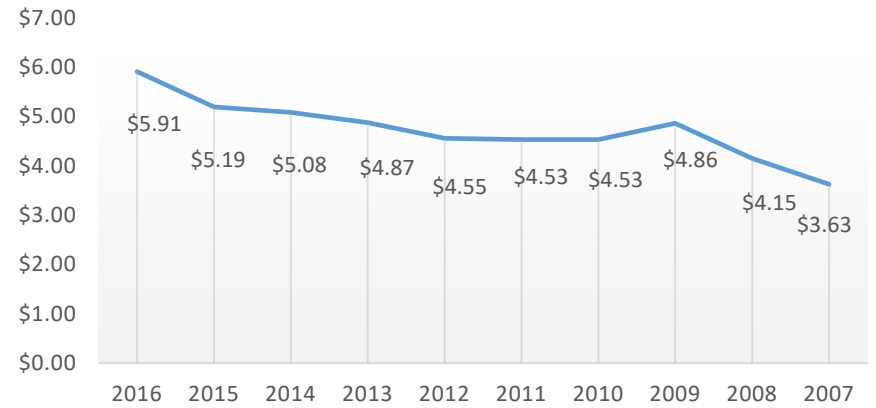
Fare Revenue per Passenger



Cost per Revenue Mile



Cost per Passenger

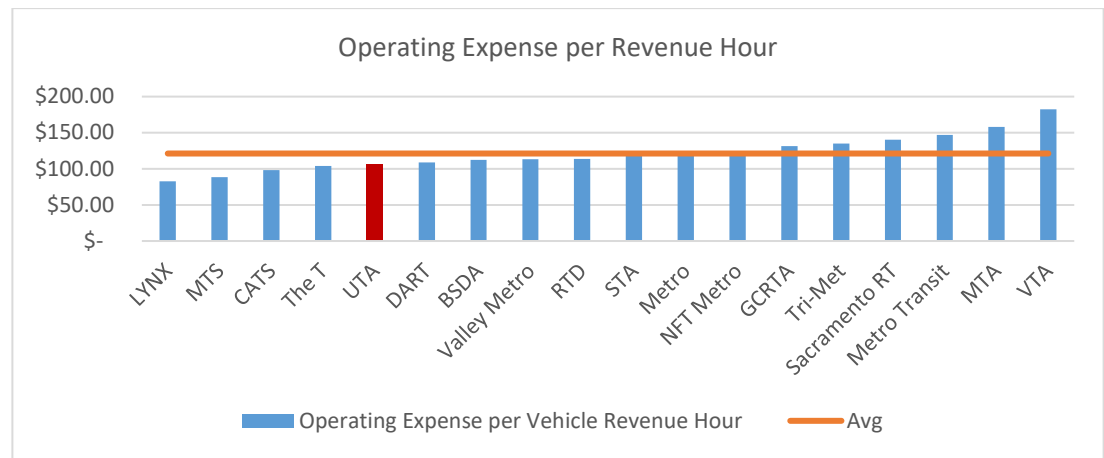
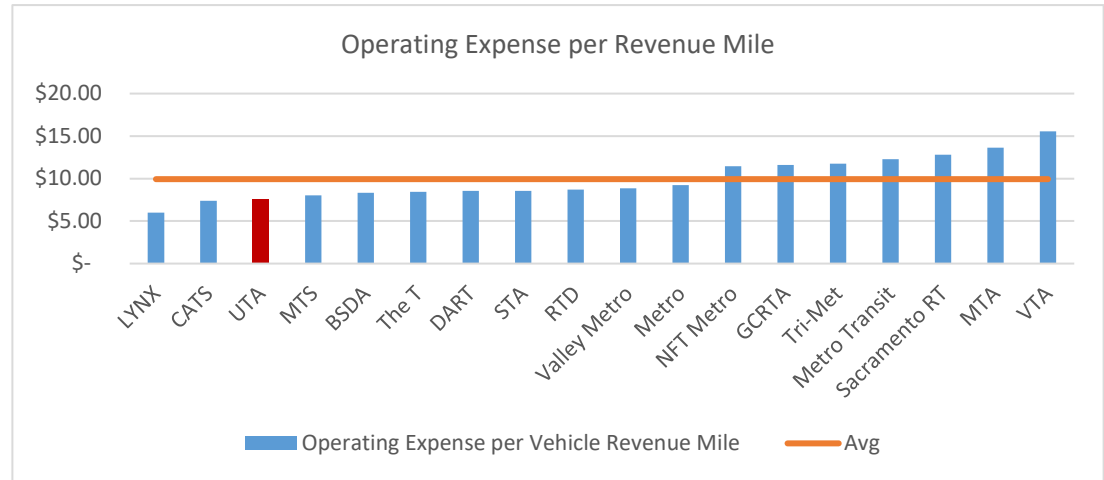


PERFORMANCE MEASURES – BUS SERVICE

The following charts contain information from the Federal Transit Administration’s National Transit Database (NTD) for the most recent year available (2015), and compares the Authority’s performance with other like transit agencies.

Service Efficiency

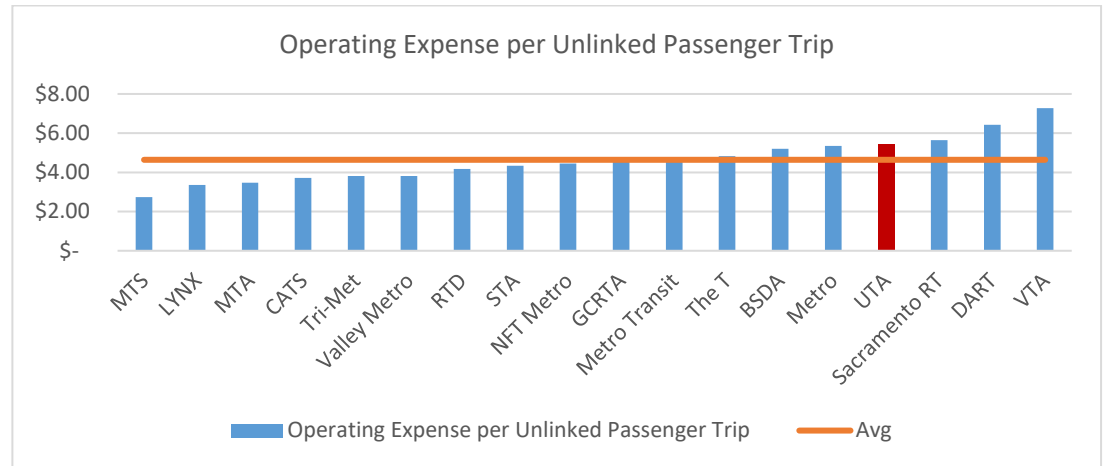
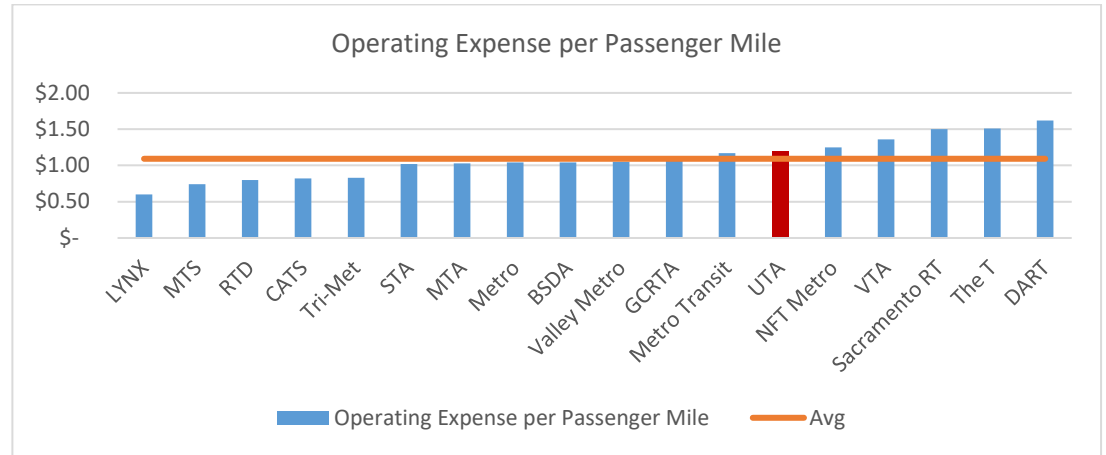
City	Agency	Operating Expense per Vehicle Revenue Mile	Operating Expense per Vehicle Revenue Hour
Salt Lake City, UT	UTA	\$ 7.63	\$ 105.87
Baltimore, MD	MTA	13.64	157.98
Buffalo, NY	NFT Metro	11.46	122.59
Charlotte, NC	CATS	7.37	98.37
Cleveland, OH	GCRTA	11.61	131.53
Dallas, TX	DART	8.54	108.72
Denver, CO	RTD	8.69	113.83
Ft Worth, TX	The T	8.43	103.87
Houston, TX	Metro	9.24	119.29
Minneapolis, MN	Metro Transit	12.27	146.74
Orlando, FL	LYNX	6.00	82.86
Phoenix, AZ	Valley Metro	8.87	113.06
Portland, OR	Tri-Met	11.74	135.14
Sacramento, CA	Sacramento RT	12.82	140.40
San Diego	MTS	8.03	88.46
San Jose, CA	VTA	15.57	182.22
Spokane, WA	STA	8.55	118.29
St Louis, MO	BSDA	8.32	112.29
Average		\$ 9.93	\$ 121.20
Maximum		15.57	182.22
Minimum		6.00	82.86
Standard Deviation		2.55	24.69



PERFORMANCE MEASURES – BUS SERVICE (continued)

Cost Effectiveness

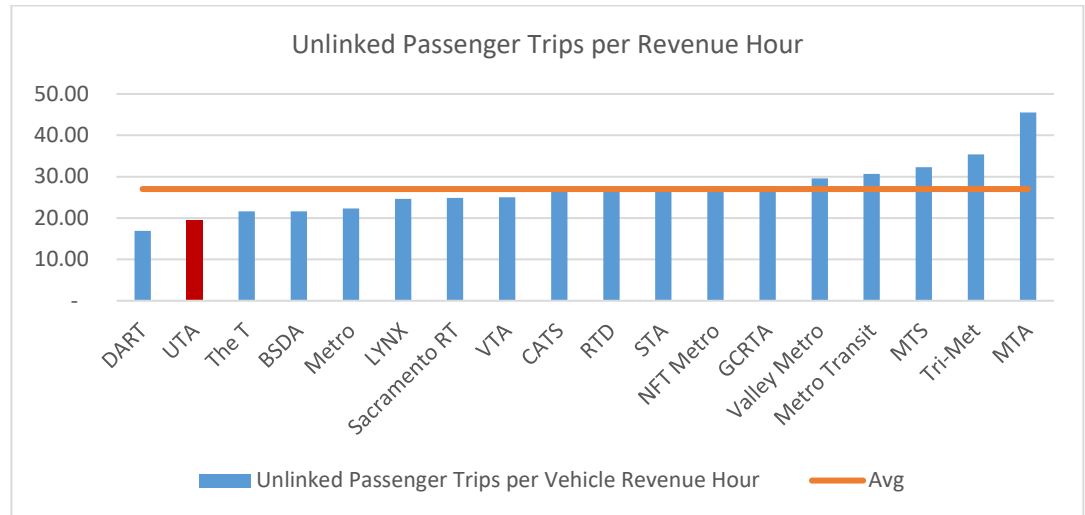
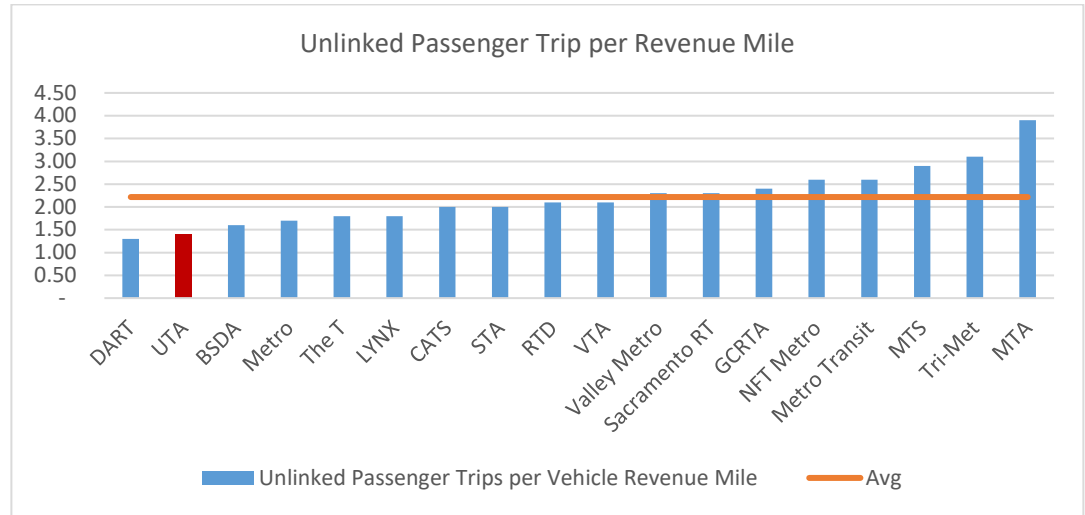
City	Agency	Operating Expense per Passenger Mile	Operating Expense per Unlinked Passenger Trip
Salt Lake City, UT	UTA	\$ 1.19	\$ 5.44
Baltimore, MD	MTA	1.03	3.47
Buffalo, NY	NFT Metro	1.25	4.45
Charlotte, NC	CATS	0.82	3.72
Cleveland, OH	GCRTA	1.09	4.75
Dallas, TX	DART	1.62	6.42
Denver, CO	RTD	0.80	4.17
Ft Worth, TX	The T	1.51	4.82
Houston, TX	Metro	1.04	5.35
Minneapolis, MN	Metro Transit	1.17	4.77
Orlando, FL	LYNX	0.60	3.36
Phoenix, AZ	Valley Metro	1.05	3.82
Portland, OR	Tri-Met	0.83	3.81
	Sacramento		
Sacramento, CA	RT	1.50	5.64
San Diego	MTS	0.74	2.74
San Jose, CA	VTA	1.36	7.28
Spokane, WA	STA	1.02	4.33
St Louis, MO	BSDA	1.04	5.20
Average		\$ 1.09	\$ 4.64
Maximum		1.62	7.28
Minimum		0.60	2.74
Standard Deviation		0.28	1.13



PERFORMANCE MEASURES – BUS SERVICE (continued)

Service Effectiveness

City	Agency	Unlinked Passenger Trips per Vehicle Revenue Mile	Unlinked Passenger Trips per Vehicle Revenue Hour
Salt Lake City, UT	UTA	1.40	19.50
Baltimore, MD	MTA	3.90	45.50
Buffalo, NY	NFT Metro	2.60	27.60
Charlotte, NC	CATS	2.00	26.40
Cleveland, OH	GCRTA	2.40	27.70
Dallas, TX	DART	1.30	16.90
Denver, CO	RTD	2.10	27.30
Ft Worth, TX	The T	1.80	21.60
Houston, TX	Metro	1.70	22.30
Minneapolis, MN	Metro Transit	2.60	30.70
Orlando, FL	LYNX	1.80	24.60
Phoenix, AZ	Valley Metro	2.30	29.60
Portland, OR	Tri-Met	3.10	35.40
Sacramento, CA	Sacramento RT	2.30	24.90
San Diego	MTS	2.90	32.30
San Jose, CA	VTA	2.10	25.00
Spokane, WA	STA	2.00	27.30
St Louis, MO	BSDA	1.60	21.60
Average		2.22	27.01
Maximum		3.90	45.50
Minimum		1.30	16.90
Standard Deviation		0.64	6.49

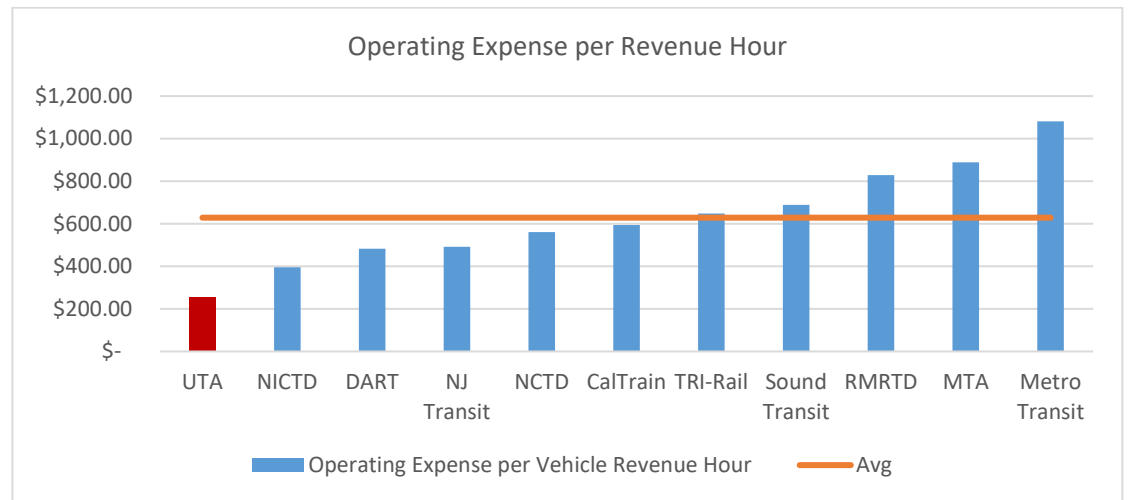
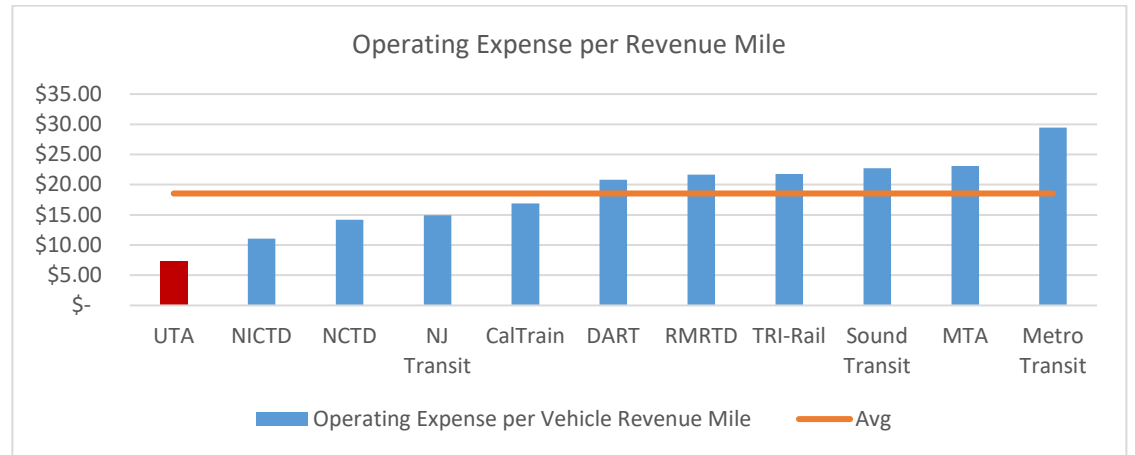


PERFORMANCE MEASURES – COMMUTER RAIL

The following charts contain information from the Federal Transit Administration’s National Transit Database (NTD) for the most recent year available (2015), and compares the Authority’s performance with other like transit agencies.

Service Efficiency

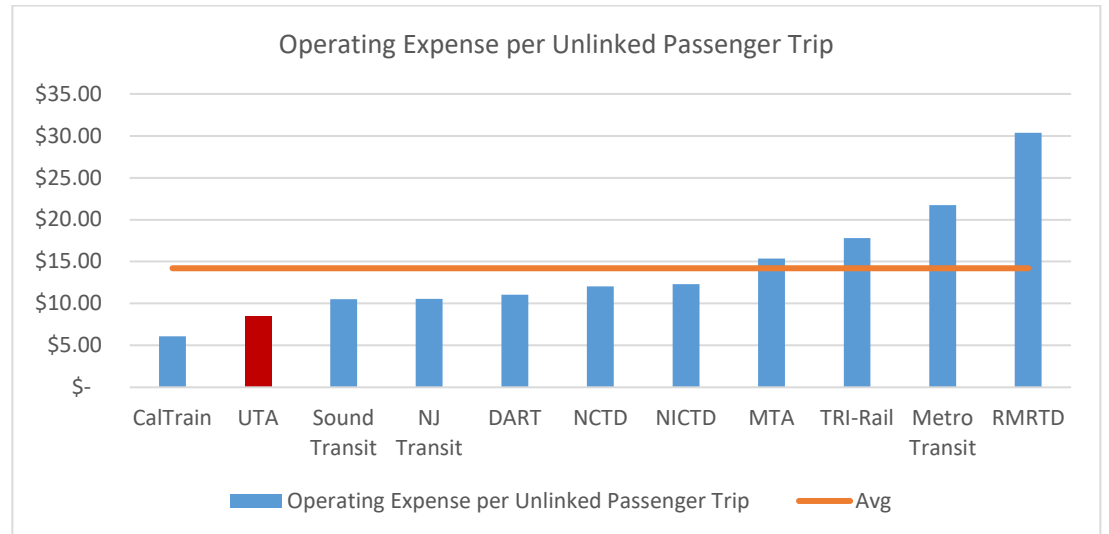
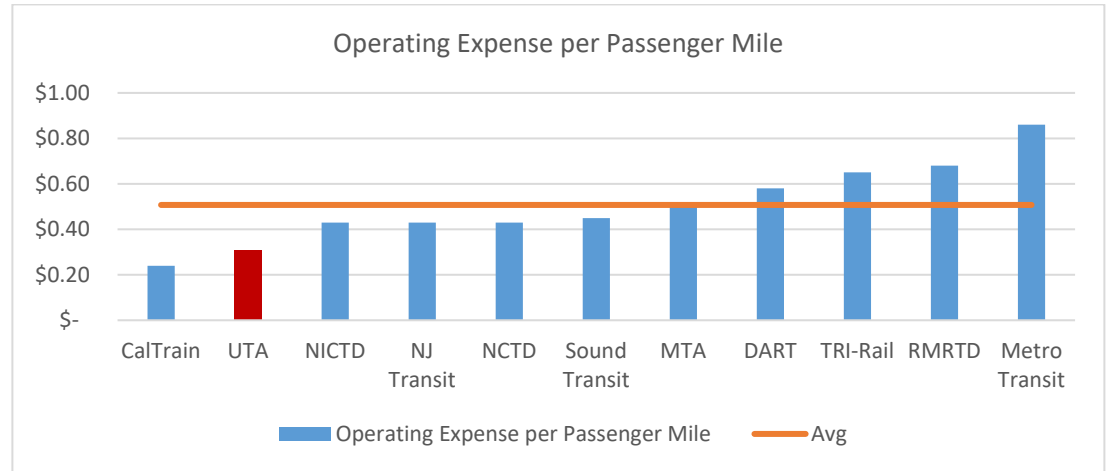
City	Agency	Operating Expense per Vehicle Revenue Mile	Operating Expense per Vehicle Revenue Hour
Salt Lake City, UT	UTA	\$ 7.32	\$ 254.57
Albuquerque, NM	RMRTD	21.65	828.39
Baltimore, MD	MTA	23.11	889.15
Chesterton, IN	NICTD	11.05	395.29
Dallas, TX	DART	20.81	482.83
Minneapolis, MN	Metro Transit	29.47	1,081.84
Newark, NJ	NJ Transit	14.95	492.56
Oceanside, CA	NCTD	14.19	561.46
Pompano Beach, FL	TRI-Rail	21.79	647.71
San Carlos, CA	CalTrain	16.87	593.76
Seattle, WA	Sound Transit	22.72	689.54
Average		\$ 18.54	\$ 628.83
Maximum		29.47	1,081.84
Minimum		7.32	254.57
Standard Deviation		6.32	236.03



PERFORMANCE MEASURES – COMMUTER RAIL (continued)

Cost Effectiveness

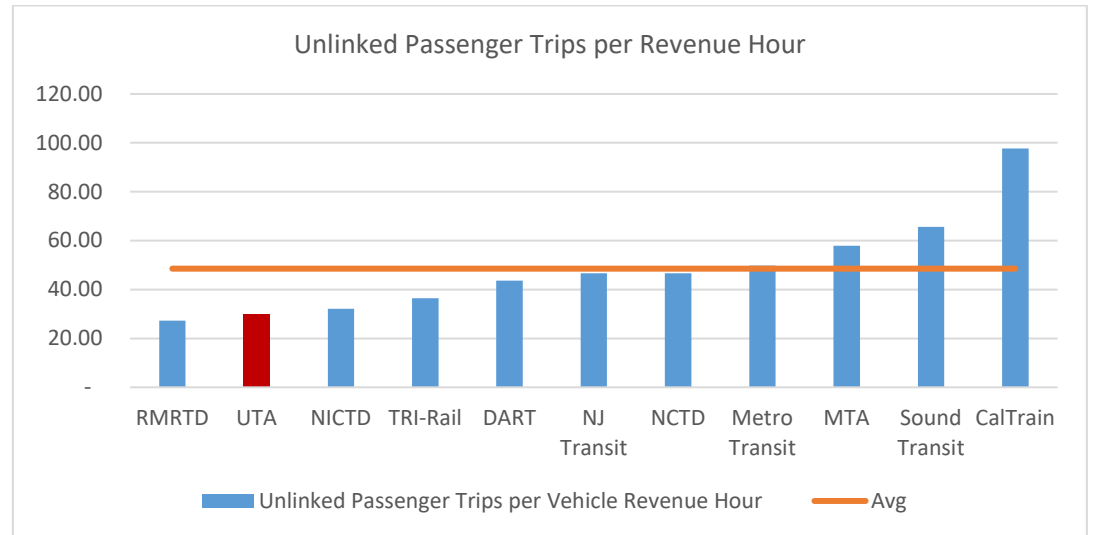
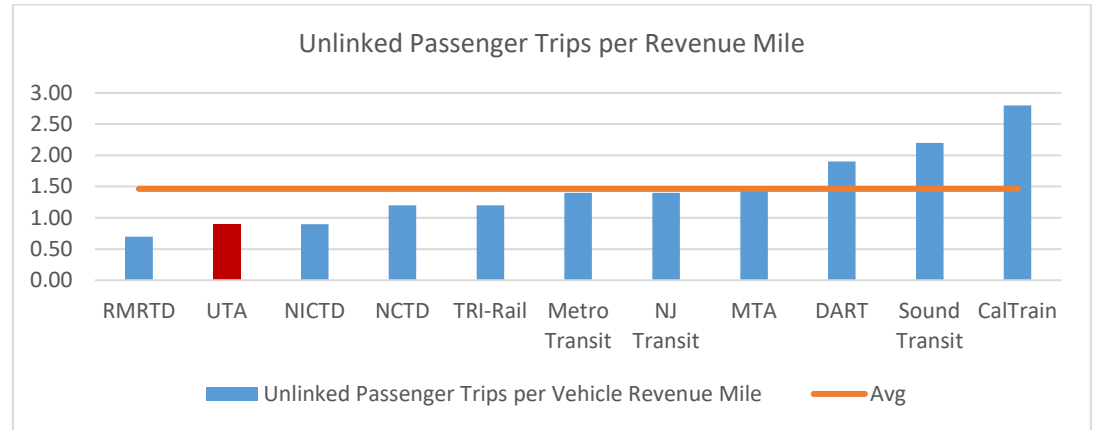
City	Agency	Operating Expense per Passenger Mile	Operating Expense per Unlinked Passenger Trip
Salt Lake City, UT	UTA	\$ 0.31	\$ 8.47
Albuquerque, NM	RMRTD	0.68	30.35
Baltimore, MD	MTA	0.52	15.36
Chesterton, IN	NICTD	0.43	12.30
Dallas, TX	DART	0.58	11.04
Minneapolis, MN	Metro Transit	0.86	21.74
Newark, NJ	NJ Transit	0.43	10.56
Oceanside, CA	NCTD	0.43	12.03
Pompano Beach, FL	TRI-Rail	0.65	17.79
San Carlos, CA	CalTrain	0.24	6.08
Seattle, WA	Sound Transit	0.45	10.52
Average		\$ 0.51	\$ 14.20
Maximum		0.86	30.35
Minimum		0.24	6.08
Standard Deviation		0.18	6.90



PERFORMANCE MEASURES – COMMUTER RAIL (continued)

Service Effectiveness

City	Agency	Unlinked Passenger Trips per Vehicle Revenue Mile	Unlinked Passenger Trips per Vehicle Revenue Hour
Salt Lake City, UT	UTA	0.90	30.10
Albuquerque, NM	RMRTD	0.70	27.30
Baltimore, MD	MTA	1.50	57.90
Chesterton, IN	NICTD	0.90	32.10
Dallas, TX	DART	1.90	43.70
Minneapolis, MN	Metro Transit	1.40	49.80
Newark, NJ	NJ Transit	1.40	46.60
Oceanside, CA	NCTD	1.20	46.70
Pompano Beach, FL	TRI-Rail	1.20	36.40
San Carlos, CA	CalTrain	2.80	97.70
Seattle, WA	Sound Transit	2.20	65.60
Average		1.46	48.54
Maximum		2.80	97.70
Minimum		0.70	27.30
Standard Deviation		0.62	20.09

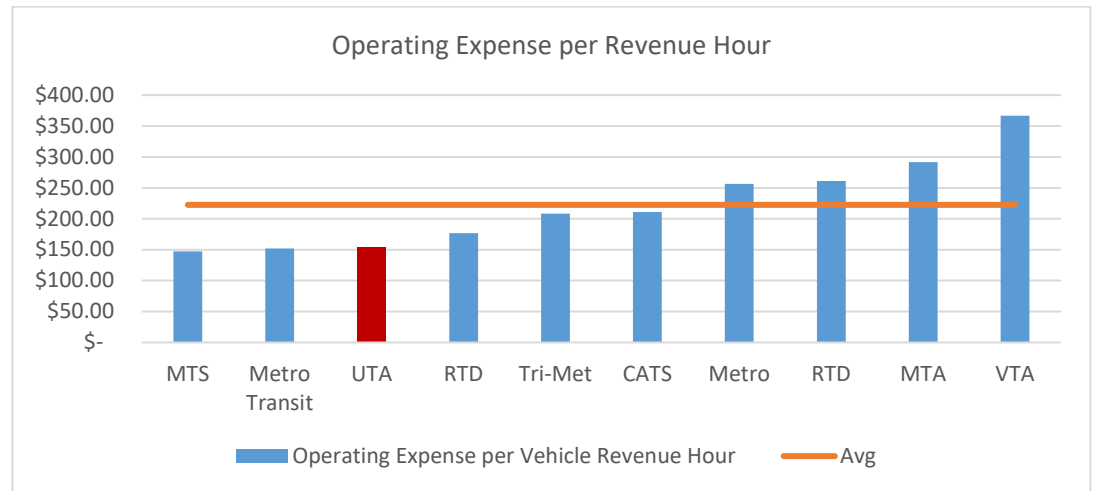
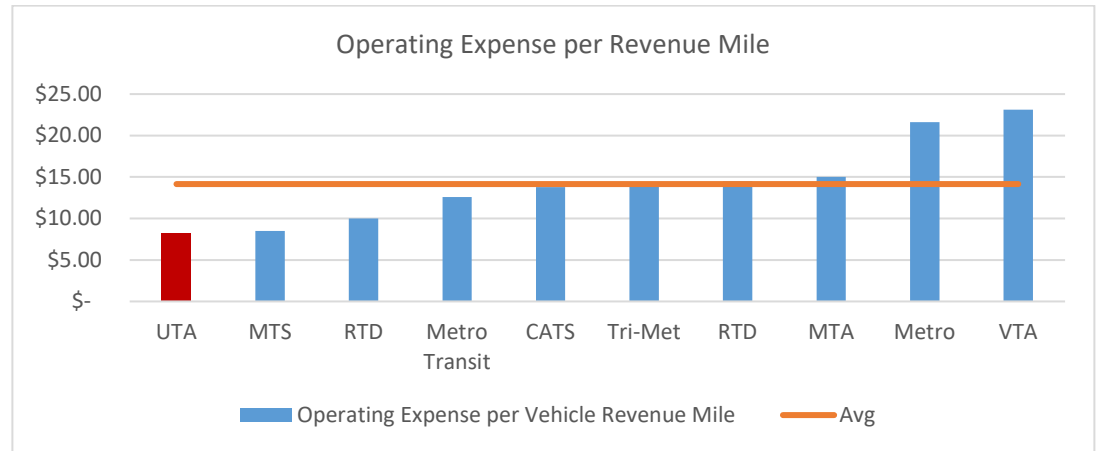


PERFORMANCE MEASURES – LIGHT RAIL

The following charts contain information from the Federal Transit Administration’s National Transit Database (NTD) for the most recent year available (2015), and compares the Authority’s performance with other like transit agencies.

Service Efficiency

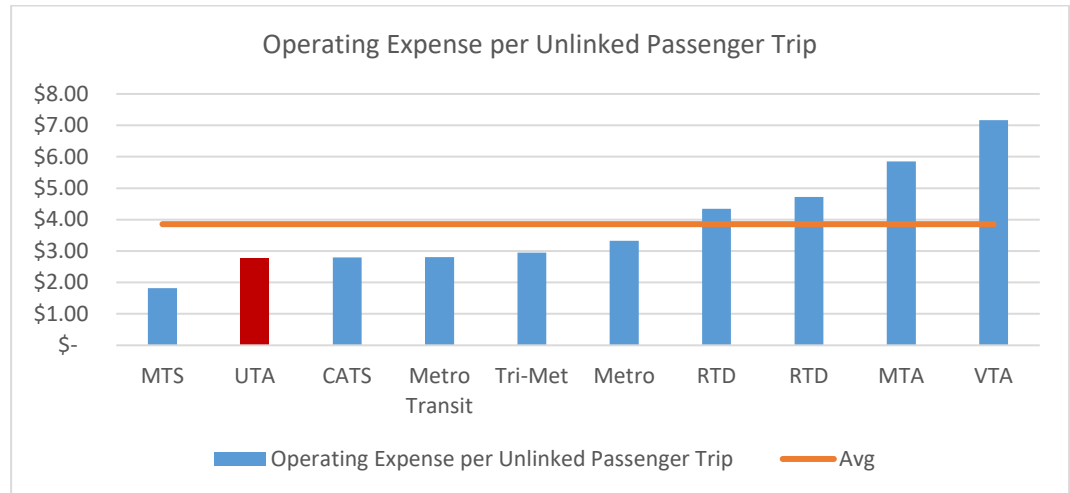
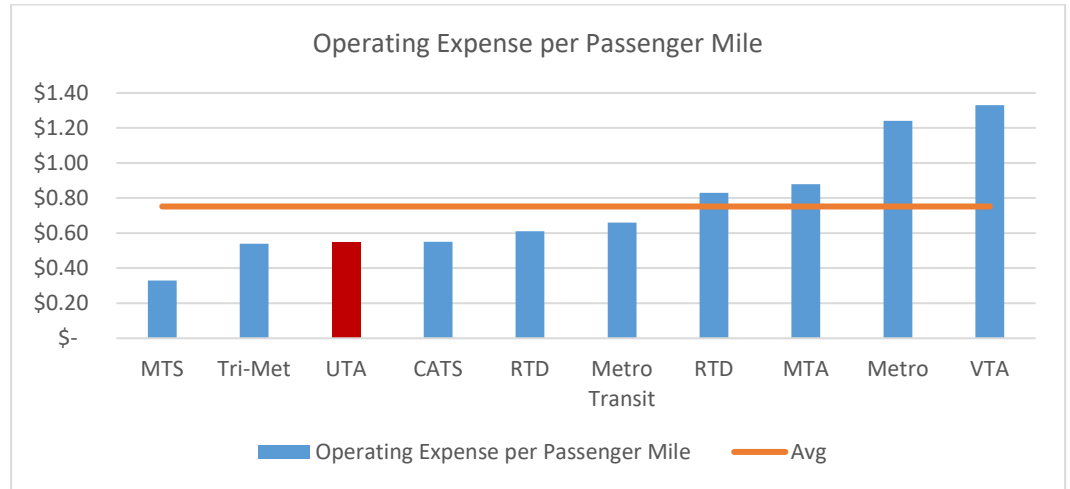
City	Agency	Operating Expense per Vehicle Revenue Mile	Operating Expense per Vehicle Revenue Hour
Salt Lake City, UT	UTA	\$ 8.22	\$ 154.60
Baltimore, MD	MTA	15.00	291.43
Charlotte, NC	CATS	13.78	210.73
Denver, CO	RTD	10.00	176.69
Houston, TX	Metro	21.62	256.69
Minneapolis, MN	Metro Transit	12.59	151.77
Portland, OR	Tri-Met	14.22	208.36
Sacramento, CA	RTD	14.46	260.88
San Diego, CA	MTS	8.50	147.48
San Jose, CA	VTA	23.11	366.66
Average		\$ 14.15	\$ 222.53
Maximum		23.11	366.66
Minimum		8.22	147.48
Standard Deviation		4.99	71.38



PERFORMANCE MEASURES – LIGHT RAIL (continued)

Cost Effectiveness

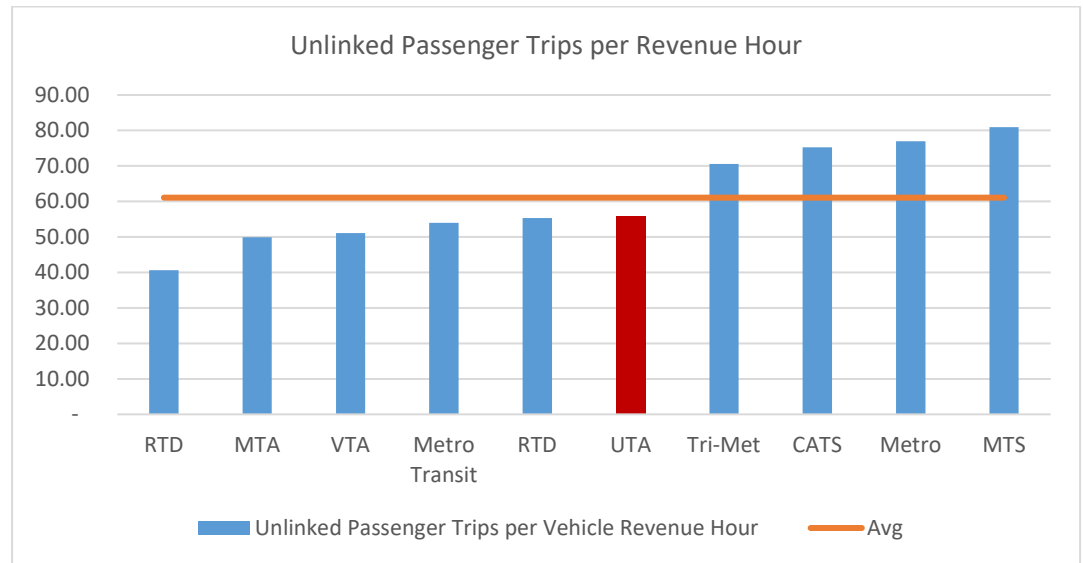
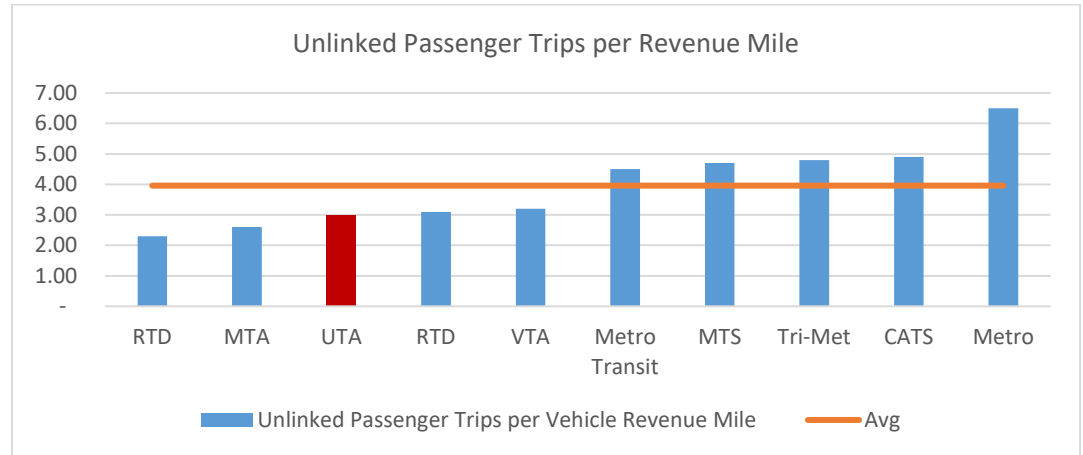
City	Agency	Operating Expense per Passenger Mile	Operating Expense per Unlinked Passenger Trip
Salt Lake City, UT	UTA	\$ 0.55	\$ 2.76
Baltimore, MD	MTA	0.88	5.85
Charlotte, NC	CATS	0.55	2.80
Denver, CO	RTD	0.61	4.35
Houston, TX	Metro	1.24	3.33
Minneapolis, MN	Metro Transit	0.66	2.81
Portland, OR	Tri-Met	0.54	2.95
Sacramento, CA	RTD	0.83	4.72
San Diego, CA	MTS	0.33	1.82
San Jose, CA	VTA	1.33	7.17
Average		\$ 0.75	\$ 3.86
Maximum		1.33	7.17
Minimum		0.33	1.82
Standard Deviation		0.32	1.65



PERFORMANCE MEASURES – LIGHT RAIL (continued)

Service Effectiveness

City	Agency	Unlinked Passenger Trips per Vehicle Revenue Mile	Unlinked Passenger Trips per Vehicle Revenue Hour
Salt Lake City, UT	UTA	3.00	56.00
Baltimore, MD	MTA	2.60	49.90
Charlotte, NC	CATS	4.90	75.30
Denver, CO	RTD	2.30	40.60
Houston, TX	Metro	6.50	77.00
Minneapolis, MN	Metro Transit	4.50	54.00
Portland, OR	Tri-Met	4.80	70.60
Sacramento, CA	RTD	3.10	55.30
San Diego, CA	MTS	4.70	80.90
San Jose, CA	VTA	3.20	51.10
Average		3.96	61.07
Maximum		6.50	80.90
Minimum		2.30	40.60
Standard Deviation		1.32	13.71

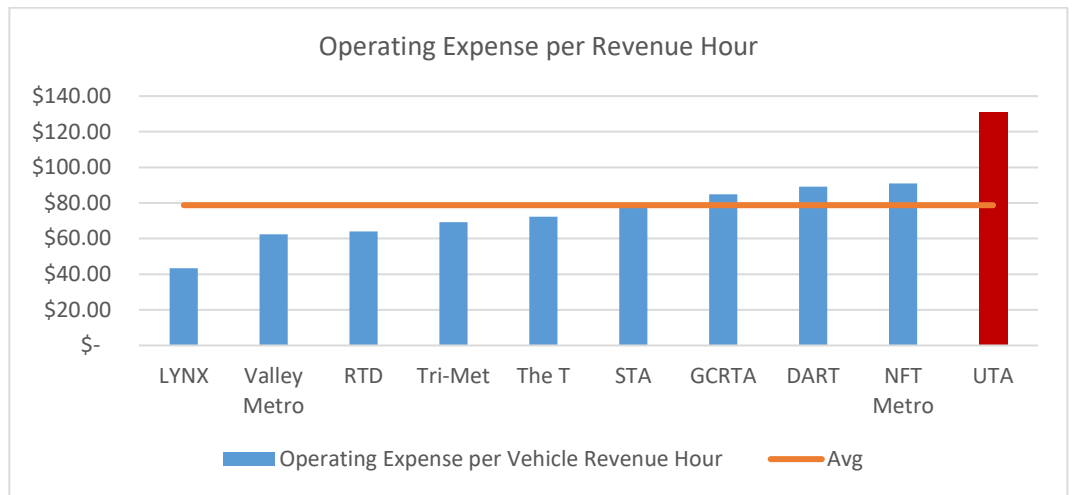
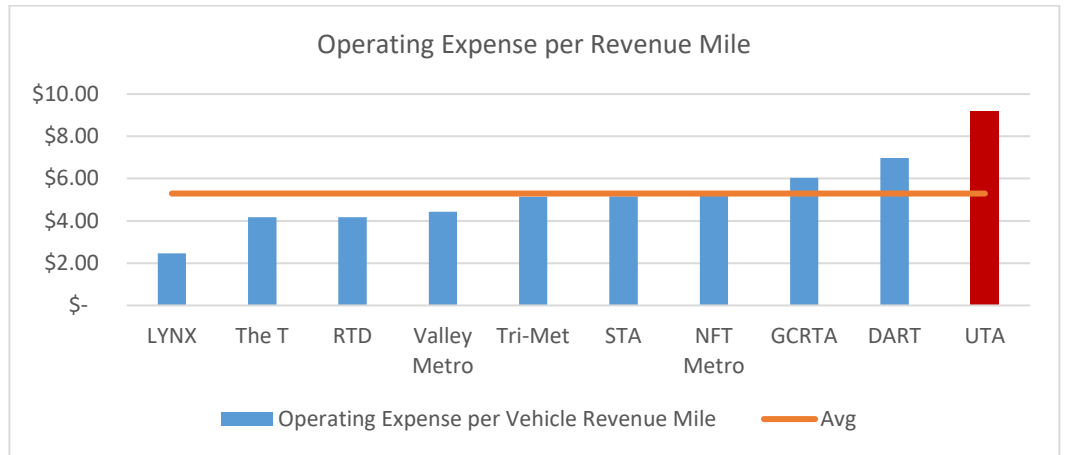


PERFORMANCE MEASURES – DEMAND RESPONSE

The following charts contain information from the Federal Transit Administration’s National Transit Database (NTD) for the most recent year available (2015), and compares the Authority’s performance with other like transit agencies.

Service Efficiency

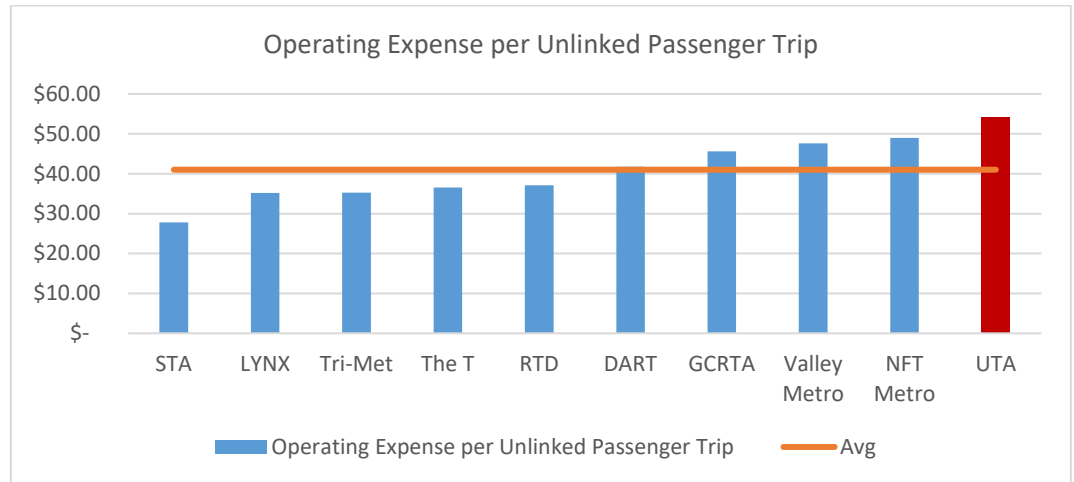
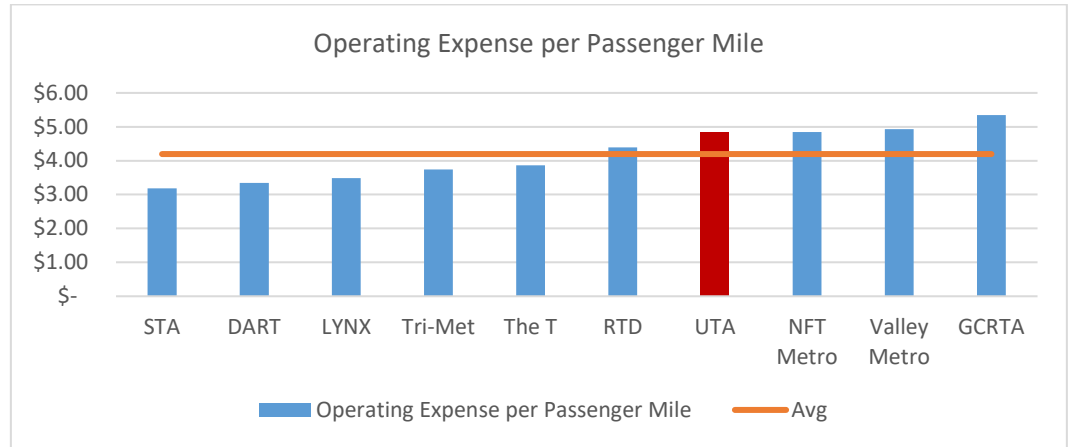
City	Agency	Operating Expense per Vehicle Revenue Mile	Operating Expense per Vehicle Revenue Hour
Salt Lake City, UT	UTA	\$ 9.18	\$ 131.29
Buffalo, NY	NFT Metro	5.20	91.00
Cleveland, OH	GCRTA	6.04	84.94
Dallas, TX	DART	6.97	89.24
Denver, CO	RTD	4.18	64.07
Fort Worth, TX	The T	4.17	72.36
Orlando, FL	LYNX	2.46	43.40
Phoenix, AZ	Valley Metro	4.43	62.35
Portland, OR	Tri-Met	5.15	69.19
Spokane, WA	STA	5.16	79.74
Average		\$ 5.29	\$ 78.76
Maximum		9.18	131.29
Minimum		2.46	43.40
Standard Deviation		1.82	23.40



PERFORMANCE MEASURES – DEMAND RESPONSE (continued)

Cost Effectiveness

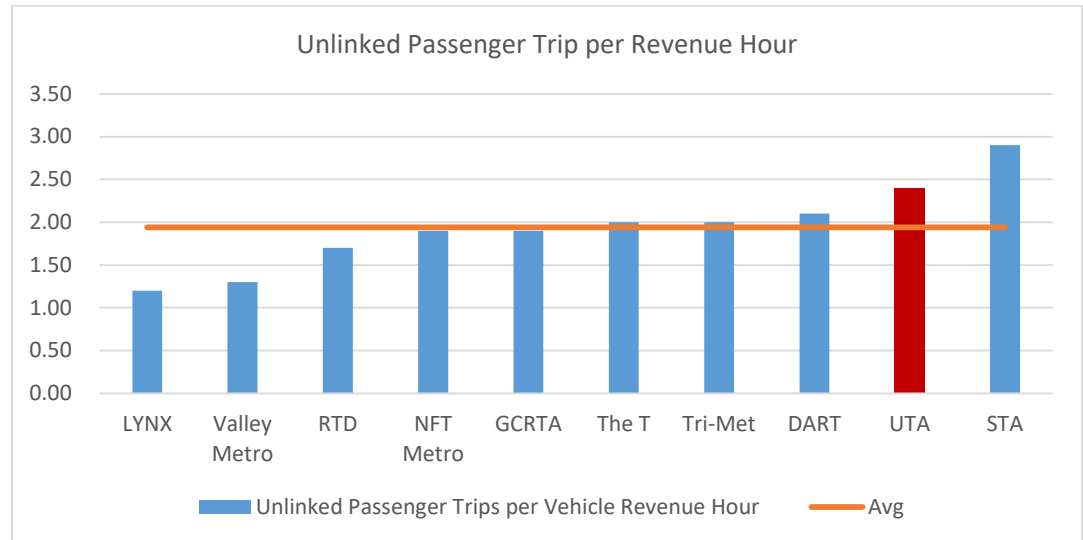
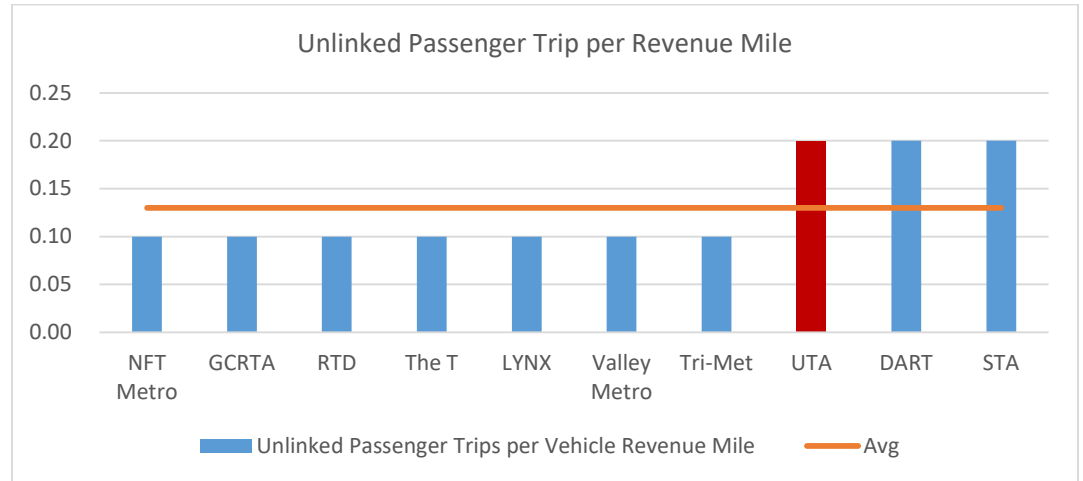
City	Agency	Operating Expense per Passenger Mile	Operating Expense per Unlinked Passenger Trip
Salt Lake City, UT	UTA	\$ 4.83	\$ 54.25
Buffalo, NY	NFT Metro	4.85	48.96
Cleveland, OH	GCRTA	5.35	45.64
Dallas, TX	DART	3.34	41.73
Denver, CO	RTD	4.39	37.07
Fort Worth, TX	The T	3.86	36.58
Orlando, FL	LYNX	3.49	35.20
Phoenix, AZ	Valley Metro	4.93	47.61
Portland, OR	Tri-Met	3.74	35.25
Spokane, WA	STA	3.18	27.77
Average		\$ 4.20	41.01
Maximum		5.35	54.25
Minimum		3.18	27.77
Standard Deviation		0.77	8.04



PERFORMANCE MEASURES – DEMAND RESPONSE (continued)

Service Effectiveness

City	Agency	Unlinked Passenger Trips per Vehicle Revenue Mile	Unlinked Passenger Trips per Vehicle Revenue Hour
Salt Lake City, UT	UTA	0.20	2.40
Buffalo, NY	NFT Metro	0.10	1.90
Cleveland, OH	GCRTA	0.10	1.90
Dallas, TX	DART	0.20	2.10
Denver, CO	RTD	0.10	1.70
Fort Worth, TX	The T	0.10	2.00
Orlando, FL	LYNX	0.10	1.20
Phoenix, AZ	Valley Metro	0.10	1.30
Portland, OR	Tri-Met	0.10	2.00
Spokane, WA	STA	0.20	2.90
Average		0.13	1.94
Maximum		0.20	2.90
Minimum		0.10	1.20
Standard Deviation		0.05	0.49



APPENDIX B

EXTRACTS OF CERTAIN PROVISIONS OF THE SUBORDINATE INDENTURE

The following are extracts of certain provisions contained in the Subordinate Indenture and are not to be considered as a full statement thereof. Reference is made to the Subordinate Indenture for full details of all of the terms of the 2018 Bonds, the security provisions appertaining thereto and the definitions of any terms used but not defined in this OFFICIAL STATEMENT. Copies of the Subordinate Indenture are available upon written request from the contact persons indicated under “INTRODUCTION—Contact Persons” above.

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APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

Upon the delivery of the 2018 Bonds, Gilmore & Bell, P.C., Bond Counsel to the Authority, proposes to issue its final approving opinions in substantially the following form:

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APPENDIX D

PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING

APPENDIX E

BOOK-ENTRY SYSTEM

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at <http://www.dtcc.com>.

Purchases of 2018 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2018 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2018 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2018 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2018 Bonds, except in the event that use of the book-entry system for the 2018 Bonds is discontinued.

To facilitate subsequent transfers, all 2018 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2018 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2018 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2018 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2018 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2018 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of 2018 Bonds may wish to ascertain that the nominee holding the 2018 Bonds for their ben-

efit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2018 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2018 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2018 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the 2018 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Authority or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2018 Bonds at any time by giving reasonable notice to the Authority or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, 2018 Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2018 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

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APPENDIX F

CERTAIN INFORMATION REGARDING THE SERVICE AREA

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Employment, Income, Construction, and Sales Taxes Within The Service Area and the State of Utah

Labor Force, Nonfarm Jobs and Wages within the Service Area

	Calendar Year (1)						% change from prior year				
	2015	2014	2013	2012	2011	2010	2014-15	2013-14	2012-13	2011-12	2010-11
Civilian labor force.....	1,225,374	1,184,744	1,156,944	1,140,174	1,109,207	1,087,782	3.4	2.4	1.5	2.8	2.0
Employed persons.....	1,185,912	1,144,610	1,113,807	1,089,054	1,050,246	1,015,537	3.6	2.8	2.3	3.7	3.4
Unemployed persons.....	39,464	40,134	43,137	51,120	58,961	72,245	(1.7)	(7.0)	(15.6)	(13.3)	(18.4)
Total private sector (average).....	898,684	958,206	911,365	885,455	851,393	819,093	(6.2)	5.1	2.9	4.0	3.9
Agriculture, forestry, fishing and hunting.....	2,713	2,616	2,626	2,561	2,329	2,192	3.7	(0.4)	2.5	10.0	6.3
Mining.....	2,806	3,093	3,402	3,778	4,048	3,560	(9.3)	(9.1)	(10.0)	(6.7)	13.7
Utilities.....	2,162	2,194	2,125	2,100	2,199	2,192	(1.5)	3.2	1.2	(4.5)	0.3
Construction.....	75,026	63,926	63,718	59,675	56,510	52,856	17.4	0.3	6.8	5.6	6.9
Manufacturing.....	105,674	103,553	101,055	99,724	97,858	95,358	2.0	2.5	1.3	1.9	2.6
Wholesale trade.....	45,148	45,061	43,449	43,003	42,720	41,344	0.2	3.7	1.0	0.7	3.3
Retail trade.....	132,541	127,204	121,546	118,770	115,250	110,513	4.2	4.7	2.3	3.1	4.3
Transportation and warehousing.....	44,219	42,162	39,338	38,451	37,635	36,303	4.9	7.2	2.3	2.2	3.7
Information.....	33,571	31,391	30,436	29,614	28,497	26,691	6.9	3.1	2.8	3.9	6.8
Finance and insurance.....	57,486	55,217	51,971	50,554	48,193	47,330	4.1	6.2	2.8	4.9	1.8
Real estate, rental and leasing.....	17,154	14,763	14,436	13,914	13,349	13,204	16.2	2.3	3.8	4.2	1.1
Professional, scientific, and technical services.....	82,141	78,701	74,502	70,225	64,467	60,853	4.4	5.6	6.1	8.9	5.9
Management of companies and enterprises.....	19,396	19,128	19,071	18,625	18,550	18,070	1.4	0.3	2.4	0.4	2.7
Admin., support, waste mgmt., remediation.....	81,845	77,996	74,327	72,241	67,921	65,015	4.9	4.9	2.9	6.4	4.5
Education services.....	41,998	39,684	37,811	36,939	35,724	34,294	5.8	5.0	2.4	3.4	4.2
Health care and social assistance.....	118,836	114,139	109,621	107,559	103,323	100,967	4.1	4.1	1.9	4.1	2.3
Arts, entertainment and recreation.....	16,211	14,863	13,888	13,367	13,338	12,452	9.1	7.0	3.9	0.2	7.1
Accommodation and food services.....	85,069	82,648	79,136	76,435	72,598	69,608	2.9	4.4	3.5	5.3	4.3
Other services.....	33,142	32,469	31,375	30,418	29,237	28,377	2.1	3.5	3.1	4.0	3.0
Unclassified establishments.....	65	125	64	34	19	55	(48.0)	95.3	88.2	78.9	(65.5)
Total public sector (average).....	187,094	182,735	180,550	176,786	174,450	172,573	2.4	1.2	2.1	1.3	1.1
Federal.....	32,872	31,846	31,106	31,317	32,052	33,209	3.2	2.4	(0.7)	(2.3)	(3.5)
State.....	62,152	60,351	59,178	56,557	53,956	51,905	3.0	2.0	4.6	4.8	4.0
Local.....	90,679	90,538	90,266	88,914	88,457	87,460	0.2	0.3	1.5	0.5	1.1
Total payroll (in millions)..... \$	0	\$ 50,176	\$ 47,888	\$ 45,340	\$ 43,422	\$ 40,834	(100.0)	4.8	5.6	4.4	6.3
Average monthly wage..... \$	0	\$ 3,354	\$ 3,353	\$ 3,287	\$ 3,237	\$ 3,220	(100.0)	0.0	2.0	1.5	0.5
Average employment.....	0	185,008	181,986	177,034	170,974	165,277	(100.0)	1.7	2.8	3.5	3.4
Establishments.....	0	71,371	69,207	67,142	64,011	62,678	(100.0)	3.1	3.1	4.9	2.1

(1) Utah Department of Workforce Services.

Employment, Income, Construction, and Sales Taxes Within The Service Area and the State of Utah—continued

Personal Income; Per Capital Personal Income; Median Household Income within the Service Area and the State of Utah (1)

	Calendar Year						% change from prior year				
	2015	2014	2013	2012	2011	2010	2014-15	2013-14	2012-13	2011-12	2010-11
Total Personal Income (in \$1,000's):											
Service Area (totals).....	na	\$ 89,319,546	\$ 85,544,332	\$ 82,999,303	\$ 78,350,952	\$ 73,416,465	-	4.4	3.1	5.9	6.7
State of Utah.....	\$116,992,288	110,841,885	106,072,574	102,772,080	96,888,550	90,483,243	5.5	4.5	3.2	6.1	7.1
Total Per Capita Personal Income:											
Service Area (average).....	na	35,354	34,285	33,855	32,617	31,100	-	3.1	1.3	3.8	4.9
State of Utah.....	39,045	37,664	36,542	35,995	34,415	32,614	3.7	3.1	1.5	4.6	5.5
Median Household Income:											
Service Area (average).....	na	61,401	61,116	59,260	57,301	57,362	-	0.5	3.1	3.4	(0.1)
State of Utah.....	na	60,943	59,715	57,067	55,802	54,740	-	2.1	4.6	2.3	1.9

Construction within the Service Area (2)

	Calendar Year						% change from prior year				
	2015	2014	2013	2012	2011	2010	2014-15	2013-14	2012-13	2011-12	2010-11
Number new dwelling units.....	13,785.0	14,847.0	11,270.0	8,301.0	6,581.0	6,110.0	(7.2)	31.7	35.8	26.1	7.7
New (in \$1,000's):											
Residential value.....	\$ 2,923,630.9	\$ 2,473,843.4	\$ 2,211,520.0	\$ 1,641,752.4	\$ 1,245,145.6	\$ 1,133,778.6	18.2	11.9	34.7	31.9	9.8
Non-residential value.....	1,518,860.0	1,132,091.4	933,617.4	857,686.7	1,114,147.4	714,126.1	34.2	21.3	8.9	(23.0)	56.0
Additions, alterations, repairs (in \$1,000's):											
Residential value.....	192,759.8	187,218.2	116,048.3	162,472.8	118,535.7	137,323.3	3.0	61.3	(28.6)	37.1	(13.7)
Non-residential value.....	620,602.1	654,897.0	544,342.7	416,721.5	594,376.6	388,146.9	(5.2)	20.3	30.6	(29.9)	53.1
Total construction value (in \$1,000's).....	<u>\$ 5,255,852.8</u>	<u>\$ 4,448,050.0</u>	<u>\$ 3,805,528.4</u>	<u>\$ 3,078,633.4</u>	<u>\$ 3,072,205.3</u>	<u>\$ 2,373,374.9</u>	18.2	16.9	23.6	0.2	29.4

Sales Taxes Within the Service Area and the State of Utah (3)

	Calendar Year						% change from prior year				
	2015	2014	2013	2012	2011	2010	2014-15	2013-14	2012-13	2011-12	2010-11
Gross Taxable Sales (in \$1,000's):											
Service Area (totals).....	\$ 42,493,546	\$ 39,988,452	\$ 38,134,982	\$ 36,717,552	\$ 34,009,727	\$ 32,174,712	6.3	4.9	3.9	8.0	5.7
State of Utah.....	53,933,277	51,709,163	49,404,046	47,531,180	44,335,559	41,907,568	4.3	4.7	3.9	7.2	5.8
	Fiscal Year						% change from prior year				
	2015	2014	2013	2012	2011	2010	2014-15	2013-14	2012-13	2011-12	2010-11
Local Sales and Use Tax Distribution:											
Service Area (totals) (and all cities).....	\$403,819,870	\$382,914,198	\$368,946,457	\$346,885,866	\$324,930,513	\$316,456,294	5.5	3.8	6.4	6.8	2.7

(1) U.S. Department of Commerce; Bureau of Economic Analysis and U.S. Census Bureau.
 (2) University of Utah Bureau of Economic and Business Research, Utah Construction Report.
 (3) Utah State Tax Commission.

Employment, Income, Construction, and Sales Taxes Within Box Elder County and the State of Utah

Labor Force, Nonfarm Jobs and Wages within Box Elder County

	Calendar Year (1)						% change from prior year				
	2016	2015	2014	2013	2012	2011	2015-16	2014-15	2013-14	2012-13	2011-12
Civilian labor force.....	24,694	24,184	23,490	23,223	22,989	23,225	2.1	3.0	1.1	1.0	(1.0)
Employed persons.....	23,837	23,308	22,580	22,121	21,645	21,457	2.3	3.2	2.1	2.2	0.9
Unemployed persons.....	857	876	910	1,102	1,344	1,768	(2.2)	(3.7)	(17.4)	(18.0)	(24.0)
Total private sector (average).....	16,971	15,750	14,748	14,271	13,656	13,885	7.8	6.8	3.3	4.5	(1.6)
Agriculture, forestry, fishing and hunting.....	377	388	409	395	378	347	(2.8)	(5.1)	3.5	4.5	8.9
Mining.....	24	18	28	23	16	25	33.3	(35.7)	21.7	43.8	(36.0)
Utilities.....	38	42	41	40	30	29	(9.5)	2.4	2.5	33.3	3.4
Construction.....	1,508	1,418	1,220	1,106	1,043	990	6.3	16.2	10.3	6.0	5.4
Manufacturing.....	5,555	5,152	4,977	4,757	4,488	4,972	7.8	3.5	4.6	6.0	(9.7)
Wholesale trade.....	570	567	539	521	532	482	0.5	5.2	3.5	(2.1)	10.4
Retail trade.....	1,817	1,820	1,683	1,693	1,624	1,622	(0.2)	8.1	(0.6)	4.2	0.1
Transportation and warehousing.....	1,424	1,322	1,244	1,274	1,279	1,282	7.7	6.3	(2.4)	(0.4)	(0.2)
Information.....	92	98	102	103	96	101	(6.1)	(3.9)	(1.0)	7.3	(5.0)
Finance and insurance.....	273	271	279	287	300	285	0.7	(2.9)	(2.8)	(4.3)	5.3
Real estate, rental and leasing.....	83	81	90	82	80	84	2.5	(10.0)	9.8	2.5	(4.8)
Professional, scientific, and technical services.....	243	239	257	271	290	269	1.7	(7.0)	(5.2)	(6.6)	7.8
Management of companies and enterprises.....	379	0	0	0	0	0	-	-	-	-	-
Admin., support, waste mgmt., remediation.....	1,060	785	668	670	566	498	35.0	17.5	(0.3)	18.4	13.7
Education services.....	141	135	124	135	149	137	4.4	8.9	(8.1)	(9.4)	8.8
Health care and social assistance.....	1,734	1,675	1,610	1,535	1,462	1,446	3.5	4.0	4.9	5.0	1.1
Arts, entertainment and recreation.....	219	194	201	191	175	156	12.9	(3.5)	5.2	9.1	12.2
Accommodation and food services.....	1,458	1,349	1,275	1,231	1,210	1,210	8.1	5.8	3.6	1.7	0.0
Other services.....	353	344	351	343	308	289	2.6	(2.0)	2.3	11.4	6.6
Unclassified establishments.....	0	0	0	0	0	0	-	-	-	-	-
Total public sector (average).....	2,773	2,758	2,747	2,678	2,500	2,481	0.5	0.4	2.6	7.1	0.8
Federal.....	190	192	197	200	202	213	(1.0)	(2.5)	(1.5)	(1.0)	(5.2)
State.....	217	216	214	212	213	212	0.5	0.9	0.9	(0.5)	0.5
Local.....	975	2,350	2,336	2,266	2,085	2,056	(58.5)	0.6	3.1	8.7	1.4
Total payroll (in millions)..... \$	\$ 0	\$ 663	\$ 613	\$ 577	\$ 534	\$ 588	(100.0)	8.2	6.2	8.1	(9.2)
Average monthly wage..... \$	\$ 0	\$ 2,986	\$ 2,918	\$ 2,838	\$ 2,753	\$ 2,996	(100.0)	2.3	2.8	3.1	(8.1)
Average employment.....	0	18,507	17,494	16,949	16,157	16,366	(100.0)	5.8	3.2	4.9	(1.3)
Establishments.....	0	1,242	1,222	1,209	1,195	1,195	(100.0)	1.6	1.1	1.2	0.0

(1) Utah Department of Workforce Services.

Employment, Income, Construction, and Sales Taxes Within Box Elder County and the State of Utah—continued

Personal Income; Per Capital Personal Income; Median Household Income within Box Elder County and the State of Utah (1)

	Calendar Year						% change from prior year				
	2015	2014	2013	2012	2011	2010	2014–15	2013–14	2012–13	2011–12	2010–11
Total Personal Income (in \$1,000's):											
Box Elder County.....	na	\$ 1,659,298	\$ 1,581,060	\$ 1,517,377	\$ 1,478,530	\$ 1,411,776	-	4.9	4.2	2.6	4.7
State of Utah.....	\$116,992,288	110,841,885	106,072,574	102,772,080	96,888,550	90,483,243	5.5	4.5	3.2	6.1	7.1
Total Per Capita Personal Income:											
Box Elder County.....	na	32,208	31,084	30,185	29,416	28,149	-	3.6	3.0	2.6	4.5
State of Utah.....	39,045	37,664	36,542	35,995	34,415	32,614	3.7	3.1	1.5	4.6	5.5
Median Household Income:											
Box Elder County.....	na	56,313	60,372	53,830	51,558	55,534	-	(6.7)	12.2	4.4	(7.2)
State of Utah.....	na	60,943	59,715	57,067	55,802	54,740	-	2.1	4.6	2.3	1.9

Construction within Box Elder County (2)

	Calendar Year						% change from prior year				
	2015	2014	2013	2012	2011	2010	2014–15	2013–14	2012–13	2011–12	2010–11
Number new dwelling units.....	184.0	141.0	181.0	192.0	195.0	296.0	178.8	(22.1)	(5.7)	(1.5)	(34.1)
New (in \$1,000's):											
Residential value.....	\$ 43,602.1	\$ 25,172.0	\$ 32,030.4	\$ 22,600.1	\$ 24,247.8	\$ 37,003.2	342.9	(21.4)	41.7	(6.8)	(34.5)
Non-residential value.....	16,426.7	9,011.3	6,339.8	2,256.4	2,948.3	34,370.7	455.3	42.1	181.0	(23.5)	(91.4)
Additions, alterations, repairs (in \$1,000's):											
Residential value.....	2,053.6	1,658.8	2,540.7	1,854.1	8,541.2	2,805.8	392.9	(34.7)	37.0	(78.3)	204.4
Non-residential value.....	2,104.8	3,819.8	3,615.0	8,629.8	2,131.1	3,586.8	1,463.7	5.7	(58.1)	304.9	(40.6)
Total construction value (in \$1,000's).....	\$ 64,187.2	\$ 39,661.9	\$ 44,525.9	\$ 35,340.4	\$ 37,868.4	\$ 77,766.5	380.6	(10.9)	26.0	(6.7)	(51.3)

Sales Taxes Within Box Elder County and the State of Utah (3)

	Calendar Year						% change from prior year				
	2015	2014	2013	2012	2011	2010	2014–15	2013–14	2012–13	2011–12	2010–11
Gross Taxable Sales (in \$1,000's):											
Box Elder County.....	\$ 642,186	\$ 565,788	\$ 565,482	\$ 525,985	\$ 585,740	\$ 621,289	13.5	0.1	7.5	(10.2)	(5.7)
State of Utah.....	53,933,277	51,709,163	49,404,046	47,531,180	44,335,559	41,907,568	4.3	4.7	3.9	7.2	5.8
	Fiscal Year						% change from prior year				
	2015	2014	2013	2012	2011	2010	2014–15	2013–14	2012–13	2011–12	2010–11
Local Sales and Use Tax Distribution:											
Box Elder County (and all cities).....	\$ 7,263,938	\$ 7,082,895	\$ 6,776,963	\$ 6,456,325	\$ 6,776,963	\$ 6,456,325	2.6	4.5	5.0	(4.7)	5.0

- (1) U.S. Department of Commerce; Bureau of Economic Analysis and U.S. Census Bureau.
(2) University of Utah Bureau of Economic and Business Research, Utah Construction Report.
(3) Utah State Tax Commission.

Employment, Income, Construction, and Sales Taxes Within Davis County and the State of Utah

Labor Force, Nonfarm Jobs and Wages within Davis County

	Calendar Year (1)						% change from prior year				
	2016	2015	2014	2013	2012	2011	2015-16	2014-15	2013-14	2012-13	2011-12
Civilian labor force.....	164,656	160,089	156,266	152,979	148,808	146,802	2.9	2.4	2.1	2.8	1.4
Employed persons.....	159,474	154,772	150,671	146,466	141,492	137,871	3.0	2.7	2.9	3.5	2.6
Unemployed persons.....	5,182	5,317	5,595	6,513	7,316	8,931	(2.5)	(5.0)	(14.1)	(11.0)	(18.1)
Total private sector (average).....	10	92,321	88,161	84,521	81,482	78,310	(100.0)	4.7	4.3	3.7	4.1
Agriculture, forestry, fishing and hunting.....	379	365	366	346	246	241	3.8	(0.3)	5.8	40.7	2.1
Mining.....	134	157	196	174	180	159	(14.6)	(19.9)	12.6	(3.3)	13.2
Utilities.....	121	115	96	95	109	109	5.2	19.8	1.1	(12.8)	0.0
Construction.....	9,931	9,171	8,379	7,536	7,157	6,870	8.3	9.5	11.2	5.3	4.2
Manufacturing.....	11,786	12,031	11,304	10,861	10,504	9,815	(2.0)	6.4	4.1	3.4	7.0
Wholesale trade.....	2,518	2,703	2,640	2,646	2,515	2,599	(6.8)	2.4	(0.2)	5.2	(3.2)
Retail trade.....	14,770	14,090	13,726	13,277	13,417	12,779	4.8	2.7	3.4	(1.0)	5.0
Transportation and warehousing.....	4,580	4,324	4,036	3,808	4,071	3,966	5.9	7.1	6.0	(6.5)	2.6
Information.....	1,171	1,244	1,338	1,344	1,409	1,357	(5.9)	(7.0)	(0.4)	(4.6)	3.8
Finance and insurance.....	2,529	2,508	2,411	2,405	2,325	2,408	0.8	4.0	0.2	3.4	(3.4)
Real estate, rental and leasing.....	1,335	1,344	1,217	1,190	1,127	1,158	(0.7)	10.4	2.3	5.6	(2.7)
Professional, scientific, and technical services.....	8,212	8,191	8,062	7,977	7,199	6,945	0.3	1.6	1.1	10.8	3.7
Management of companies and enterprises.....	1,002	885	848	855	808	736	13.2	4.4	(0.8)	5.8	9.8
Admin., support, waste mgmt., remediation.....	5,476	6,141	5,897	5,582	5,133	4,864	(10.8)	4.1	5.6	8.7	5.5
Education services.....	2,514	2,256	1,893	1,671	1,390	1,355	11.4	19.2	13.3	20.2	2.6
Health care and social assistance.....	12,339	11,851	11,606	11,262	10,768	10,370	4.1	2.1	3.1	4.6	3.8
Arts, entertainment and recreation.....	2,810	2,896	2,716	2,508	2,527	2,209	(3.0)	6.6	8.3	(0.8)	14.4
Accommodation and food services.....	9,261	8,974	8,570	8,198	7,902	7,731	3.2	4.7	4.5	3.7	2.2
Other services.....	3,588	3,438	3,228	3,130	2,934	2,881	4.4	6.5	3.1	6.7	1.8
Unclassified establishments.....	0	5	0	0	0	0	-	-	-	-	-
Total public sector (average).....	27,287	26,364	26,163	26,228	26,530	26,825	3.5	0.8	(0.2)	(1.1)	(1.1)
Federal.....	13,282	12,574	12,259	12,333	12,636	13,023	5.6	2.6	(0.6)	(2.4)	(3.0)
State.....	1,167	1,016	1,068	1,102	1,132	1,104	14.9	(4.9)	(3.1)	(2.7)	2.5
Local.....	12,838	12,773	12,837	12,794	12,762	12,698	0.5	(0.5)	0.3	0.3	0.5
Total payroll (in millions)..... \$	0	\$ 3,577	\$ 4,591	\$ 4,328	\$ 4,221	\$ 4,057	(100.0)	(22.1)	6.1	2.5	4.0
Average monthly wage..... \$	0	\$ 3,229	\$ 3,346	\$ 3,257	\$ 3,256	\$ 3,216	(100.0)	(3.5)	2.7	0.0	1.2
Average employment.....	0	92,321	114,325	110,749	108,012	105,135	(100.0)	(19.2)	3.2	2.5	2.7
Establishments.....	0	7,550	7,651	7,444	7,143	7,010	(100.0)	(1.3)	2.8	4.2	1.9

(1) Utah Department of Workforce Services.

Employment, Income, Construction, and Sales Taxes Within Davis County and the State of Utah—continued

Personal Income; Per Capital Personal Income; Median Household Income within Davis County and the State of Utah (1)

	Calendar Year						% change from prior year				
	2015	2014	2013	2012	2011	2010	2014-15	2013-14	2012-13	2011-12	2010-11
Total Personal Income (in \$1,000's):											
Davis County.....	na	\$ 12,782,095	\$12,168,443	\$11,869,281	\$11,148,399	\$10,447,361	-	5.0	2.5	6.5	6.7
State of Utah.....	\$116,992,288	110,841,885	106,072,574	102,772,080	96,888,550	90,483,243	5.5	4.5	3.2	6.1	7.1
Total Per Capita Personal Income:											
Davis County.....	na	38,770	37,702	37,559	35,734	33,944	-	2.8	0.4	5.1	5.3
State of Utah.....	39,045	37,664	36,542	35,995	34,415	32,614	3.7	3.1	1.5	4.6	5.5
Median Household Income:											
Davis County.....	na	70,797	70,456	69,019	68,974	64,840	-	0.5	2.1	0.1	6.4
State of Utah.....	na	60,943	59,715	57,067	55,802	54,740	-	2.1	4.6	2.3	1.9

Construction within Davis County (2)

	Calendar Year						% change from prior year				
	2015	2014	2013	2012	2011	2010	2014-15	2013-14	2012-13	2011-12	2010-11
Number new dwelling units.....	1,693	1,643	1,774	2,033	1,354	993	3.0	(7.4)	(12.7)	50.1	36.4
New (in \$1,000's):											
Residential value.....	\$ 366,998.2	\$ 316,597.1	\$ 394,027.1	\$ 332,625.4	\$ 241,536.1	\$ 205,706.0	15.9	(19.7)	18.5	37.7	17.4
Non-residential value.....	370,979.7	139,615.9	84,858.7	48,848.4	57,456.6	66,277.1	165.7	64.5	73.7	(15.0)	(13.3)
Additions, alterations, repairs (in \$1,000's):											
Residential value.....	28,639.5	25,622.3	16,873.2	20,717.0	18,025.8	17,868.1	11.8	51.9	(18.6)	14.9	0.9
Non-residential value.....	52,720.3	40,291.6	56,458.1	24,552.2	43,325.4	29,131.4	30.8	(28.6)	130.0	(43.3)	48.7
Total construction value (in \$1,000's).....	<u>\$ 819,337.7</u>	<u>\$ 522,126.9</u>	<u>\$ 552,217.1</u>	<u>\$ 426,743.0</u>	<u>\$ 360,343.9</u>	<u>\$ 318,982.6</u>	56.9	(5.4)	29.4	18.4	13.0

Sales Taxes Within Davis County and the State of Utah (3)

	Calendar Year						% change from prior year				
	2015	2014	2013	2012	2011	2010	2014-15	2013-14	2012-13	2011-12	2010-11
Gross Taxable Sales (in \$1,000's):											
Davis County.....	\$ 4,897,829	\$ 4,550,828	\$ 4,268,195	\$ 4,001,710	\$ 3,784,536	\$ 3,599,416	7.6	6.6	6.7	5.7	5.1
State of Utah.....	53,933,277	51,709,163	49,404,046	47,531,180	44,335,559	41,907,568	4.3	4.7	3.9	7.2	5.8
	Fiscal Year						% change from prior year				
	2015	2014	2013	2012	2011	2010	2014-15	2013-14	2012-13	2011-12	2010-11
Local Sales and Use Tax Distribution:											
Davis County (and all cities).....	\$ 51,284,441	\$ 47,953,175	\$45,626,942	\$42,920,410	\$39,657,466	\$38,362,708	6.9	5.1	6.3	8.2	3.4

- (1) U.S. Department of Commerce; Bureau of Economic Analysis and U.S. Census Bureau.
- (2) University of Utah Bureau of Economic and Business Research, Utah Construction Report.
- (3) Utah State Tax Commission.

Employment, Income, Construction, and Sales Taxes Within Salt Lake County and the State of Utah

Labor Force, Nonfarm Jobs and Wages within Salt Lake County

	Calendar Year (1)						% change from prior year				
	2016	2015	2014	2013	2012	2011	2015-16	2014-15	2013-14	2012-13	2011-12
Civilian labor force.....	605,535	587,026	577,159	571,160	557,101	546,644	3.2	1.7	1.1	2.5	1.9
Employed persons.....	586,393	567,497	555,908	546,034	527,698	510,425	3.3	2.1	1.8	3.5	3.4
Unemployed persons.....	19,142	19,529	21,251	25,126	29,403	36,219	(2.0)	(8.1)	(15.4)	(14.5)	(18.8)
Total private sector (average).....	581,825	565,635	540,662	528,937	511,092	491,778	2.9	4.6	2.2	3.5	3.9
Agriculture, forestry, fishing and hunting.....	214	192	179	194	213	217	11.5	7.3	(7.7)	(8.9)	(1.8)
Mining.....	2,428	2,696	2,948	3,399	3,652	3,220	(9.9)	(8.5)	(13.3)	(6.9)	13.4
Utilities.....	1,439	1,532	1,483	1,460	1,532	1,540	(6.1)	3.3	1.6	(4.7)	(0.5)
Construction.....	35,777	33,452	31,621	30,606	30,535	29,493	7.0	5.8	3.3	0.2	3.5
Manufacturing.....	54,492	53,357	52,468	52,562	52,503	51,174	2.1	1.7	(0.2)	0.1	2.6
Wholesale trade.....	32,050	31,414	30,538	30,758	31,161	29,969	2.0	2.9	(0.7)	(1.3)	4.0
Retail trade.....	71,791	69,427	67,280	66,412	64,161	60,869	3.4	3.2	1.3	3.5	5.4
Transportation and warehousing.....	31,579	30,334	28,319	27,984	27,125	26,018	4.1	7.1	1.2	3.2	4.3
Information.....	18,888	17,959	18,154	17,937	17,468	16,248	5.2	(1.1)	1.2	2.7	7.5
Finance and insurance.....	45,194	43,228	40,888	39,525	37,556	37,118	4.5	5.7	3.4	5.2	1.2
Real estate, rental and leasing.....	12,025	9,840	9,609	9,294	9,168	9,010	22.2	2.4	3.4	1.4	1.8
Professional, scientific, and technical services.....	51,656	49,355	46,708	43,994	40,654	38,043	4.7	5.7	6.2	8.2	6.9
Management of companies and enterprises.....	16,263	16,622	16,559	16,319	16,109	15,664	(2.2)	0.4	1.5	1.3	2.8
Admin., support, waste mgmt., remediation.....	52,777	50,397	48,327	46,489	43,552	41,782	4.7	4.3	4.0	6.7	4.2
Education services.....	13,975	13,016	12,215	11,697	10,769	10,244	7.4	6.6	4.4	8.6	5.1
Health care and social assistance.....	64,613	62,061	59,778	59,266	57,259	56,171	4.1	3.8	0.9	3.5	1.9
Arts, entertainment and recreation.....	8,806	7,751	7,430	7,098	6,892	6,492	13.6	4.3	4.7	3.0	6.2
Accommodation and food services.....	48,772	47,803	46,218	44,774	42,550	40,787	2.0	3.4	3.2	5.2	4.3
Other services.....	21,018	20,758	20,066	19,338	18,535	17,893	1.3	3.4	3.8	4.3	3.6
Unclassified establishments.....	59	105	56	26	19	46	(43.8)	87.5	115.4	36.8	(58.7)
Total public sector (average).....	102,621	100,193	98,849	95,372	92,821	91,232	2.4	1.4	3.6	2.7	1.7
Federal.....	11,433	11,115	10,374	10,210	10,265	10,665	2.9	7.1	1.6	(0.5)	(3.8)
State.....	46,631	45,306	44,389	41,904	39,663	38,338	2.9	2.1	5.9	5.7	3.5
Local.....	44,557	43,771	44,086	43,259	42,907	42,229	1.8	(0.7)	1.9	0.8	1.6
Total payroll (in millions)..... \$	0	\$ 32,692	\$ 30,472	\$ 28,858	\$ 27,728	\$ 25,917	(100.0)	7.3	5.6	4.1	7.0
Average monthly wage..... \$	0	\$ 4,120	\$ 3,971	\$ 3,852	\$ 3,826	\$ 3,705	(100.0)	3.8	3.1	0.7	3.3
Average employment.....	0	661,297	639,511	624,309	603,913	583,010	(100.0)	3.4	2.4	3.4	3.6
Establishments.....	0	41,519	40,022	38,702	36,826	35,890	(100.0)	3.7	3.4	5.1	2.6

(1) Utah Department of Workforce Services.

Employment, Income, Construction, and Sales Taxes Within Salt Lake County and the State of Utah—continued

Personal Income; Per Capital Personal Income; Median Household Income within Salt Lake County and the State of Utah (1)

	Calendar Year						% change from prior year				
	2015	2014	2013	2012	2011	2010	2014-15	2013-14	2012-13	2011-12	2010-11
Total Personal Income (in \$1,000's):											
Salt Lake County.....	na	\$ 46,437,317	\$ 44,606,458	\$ 43,239,418	\$ 40,900,951	\$ 38,343,743	-	4.1	3.2	5.7	6.7
State of Utah.....	\$116,992,288	110,841,885	106,072,574	102,772,080	96,888,550	90,483,243	5.5	4.5	3.2	6.1	7.1
Total Per Capita Personal Income:											
Salt Lake County.....	na	42,535	41,269	40,623	39,013	37,121	-	3.1	1.6	4.1	5.1
State of Utah.....	39,045	37,664	36,542	35,995	34,415	32,614	3.7	3.1	1.5	4.6	5.5
Median Household Income:											
Salt Lake County.....	na	62,536	61,716	58,743	56,166	56,664	-	1.3	5.1	4.6	(0.9)
State of Utah.....	na	60,943	59,715	57,067	55,802	54,740	-	2.1	4.6	2.3	1.9

Construction within Salt Lake County (2)

	Calendar Year						% change from prior year				
	2015	2014	2013	2012	2011	2010	2014-15	2013-14	2012-13	2011-12	2010-11
Number new dwelling units.....	6,058.0	6,529.0	5,153.0	2,934.0	2,399.0	2,193.0	(7.2)	26.7	75.6	22.3	9.4
New (in \$1,000's):											
Residential value.....	\$ 1,029,441.8	\$ 995,150.6	\$ 900,980.4	\$ 634,610.0	\$ 471,042.4	\$ 400,992.6	3.4	10.5	42.0	34.7	17.5
Non-residential value.....	595,354.5	517,995.9	423,440.4	608,594.4	726,034.3	308,135.7	14.9	22.3	(30.4)	(16.2)	135.6
Additions, alterations, repairs (in \$1,000's):											
Residential value.....	83,507.4	95,237.0	52,851.3	100,726.7	47,114.4	74,234.0	(12.3)	80.2	(47.5)	113.8	(36.5)
Non-residential value.....	352,053.5	421,514.0	218,580.2	245,542.5	395,965.3	263,909.0	(16.5)	92.8	(11.0)	(38.0)	50.0
Total construction value (in \$1,000's).....	<u>\$ 2,060,357.2</u>	<u>\$ 2,029,897.5</u>	<u>\$ 1,595,852.3</u>	<u>\$ 1,589,473.6</u>	<u>\$ 1,640,156.4</u>	<u>\$ 1,047,271.3</u>	1.5	27.2	0.4	(3.1)	56.6

Sales Taxes Within Salt Lake County and the State of Utah (3)

	Calendar Year						% change from prior year				
	2015	2014	2013	2012	2011	2010	2014-15	2013-14	2012-13	2011-12	2010-11
Gross Taxable Sales (in \$1,000's):											
Salt Lake County.....	\$ 24,256,515	\$ 22,940,973	\$ 21,986,133	\$ 21,387,821	\$ 19,672,228	\$ 18,498,826	5.7	4.3	2.8	8.7	6.3
State of Utah.....	53,933,277	51,709,163	49,404,046	47,531,180	44,335,559	41,907,568	4.3	4.7	3.9	7.2	5.8
	Fiscal Year						% change from prior year				
	2015	2014	2013	2012	2011	2010	2014-15	2013-14	2012-13	2011-12	2010-11
Local Sales and Use Tax Distribution:											
Salt Lake County (and all cities).....	\$211,079,080	\$200,829,369	\$195,073,246	\$183,870,893	\$170,917,371	\$166,606,416	5.1	3.0	6.1	7.6	2.6

(1) U.S. Department of Commerce; Bureau of Economic Analysis and U.S. Census Bureau.
(2) University of Utah Bureau of Economic and Business Research, Utah Construction Report.
(3) Utah State Tax Commission.

Employment, Income, Construction, and Sales Taxes Within Tooele County and the State of Utah

Labor Force, Nonfarm Jobs and Wages within Tooele County

	Calendar Year (1)						% change from prior year				
	2016	2015	2014	2013	2012	2011	2015-16	2014-15	2013-14	2012-13	2011-12
Civilian labor force (3).....	30,518	29,388	28,979	28,565	27,776	27,289	3.8	1.4	1.4	2.8	1.8
Employed persons.....	29,357	28,189	27,588	27,011	26,110	25,345	4.1	2.2	2.1	3.5	3.0
Unemployed persons.....	1,162	1,199	1,391	1,554	1,666	1,944	(3.1)	(13.8)	(10.5)	(6.7)	(14.3)
Total private sector (average).....	11,889	11,183	11,112	11,439	11,446	11,450	6.3	0.6	(2.9)	(0.1)	(0.0)
Agriculture, forestry, fishing and hunting.....	106	97	95	95	94	88	9.3	2.1	0.0	1.1	6.8
Mining.....	91	92	87	79	74	80	(1.1)	5.7	10.1	6.8	-
Utilities.....	0	0	0	0	0	0	-	-	-	-	-
Construction.....	769	734	868	798	750	705	4.8	(15.4)	8.8	6.4	6.4
Manufacturing.....	1,632	1,710	1,633	1,677	1,707	1,661	(4.6)	4.7	(2.6)	(1.8)	2.8
Wholesale trade.....	171	155	123	125	127	129	10.3	26.0	(1.6)	(1.6)	(1.6)
Retail trade.....	1,854	1,736	1,726	1,748	1,718	1,619	6.8	0.6	(1.3)	1.7	6.1
Transportation and warehousing.....	1,434	1,168	1,046	990	942	892	22.8	11.7	5.7	5.1	5.6
Information.....	193	140	137	145	172	219	37.9	2.2	(5.5)	(15.7)	(21.5)
Finance and insurance.....	209	192	192	191	199	219	8.9	0.0	0.5	(4.0)	(9.1)
Real estate, rental and leasing.....	103	107	109	110	110	104	(3.7)	(1.8)	(0.9)	0.0	5.8
Professional, scientific, and technical services.....	459	490	563	634	666	634	(6.3)	(13.0)	(11.2)	(4.8)	5.0
Management of companies and enterprises.....	0	0	0	13	12	0	-	-	(100.0)	-	-
Admin., support, waste mgmt., remediation.....	1,420	1,249	1,267	1,583	1,735	2,057	13.7	(1.4)	(20.0)	(8.8)	(15.7)
Education services.....	189	129	135	133	127	123	46.5	(4.4)	1.5	4.7	3.3
Health care and social assistance.....	1,383	1,306	1,267	1,257	1,268	1,239	5.9	3.1	0.8	(0.9)	2.3
Arts, entertainment and recreation.....	238	277	287	294	266	262	(14.1)	(3.5)	(2.4)	10.5	1.5
Accommodation and food services.....	1,310	1,269	1,250	1,252	1,173	1,114	3.2	1.5	(0.2)	6.7	5.3
Other services.....	394	390	384	392	372	355	1.0	1.6	(2.0)	5.4	4.8
Unclassified establishments.....	0	0	0	0	0	0	-	-	-	-	-
Total public sector (average).....	3,924	3,837	3,828	3,979	4,368	4,532	2.3	0.2	(3.8)	(8.9)	(3.6)
Federal.....	1,255	1,256	1,290	1,413	1,635	1,813	(0.1)	(2.6)	(8.7)	(13.6)	(9.8)
State.....	193	189	186	184	184	182	2.1	1.6	1.1	0.0	1.1
Local.....	2,476	2,392	2,351	2,382	2,549	2,537	3.5	1.7	(1.3)	(6.6)	0.5
Total payroll (in millions)..... \$	0	\$ 593	\$ 643	\$ 673	\$ 672	\$ 674	(100.0)	(7.8)	(4.5)	0.1	(0.3)
Average monthly wage..... \$	0	\$ 3,290	\$ 3,587	\$ 3,638	\$ 3,543	\$ 3,516	(100.0)	(8.3)	(1.4)	2.7	0.8
Average employment.....	0	15,020	14,940	15,418	15,813	15,981	(100.0)	0.5	(3.1)	(2.5)	(1.1)
Establishments.....	0	1,055	1,038	1,015	977	978	(100.0)	1.6	2.3	3.9	(0.1)

(1) Utah Department of Workforce Services.

Employment, Income, Construction, and Sales Taxes Within Tooele County and the State of Utah—continued

Personal Income; Per Capital Personal Income; Median Household Income within Tooele County and the State of Utah (1)

	Calendar Year						% change from prior year				
	2015	2014	2013	2012	2011	2010	2014–15	2013–14	2012–13	2011–12	2010–11
Total Personal Income (in \$1,000's):											
Tooele County.....	na	\$ 1,934,025	\$ 1,852,333	\$ 1,827,810	\$ 1,758,919	\$ 1,670,334	-	4.4	1.3	3.9	5.3
State of Utah.....	116,992,288	110,841,885	106,072,574	102,772,080	96,888,550	90,483,243	5.5	4.5	3.2	6.1	7.1
Total Per Capita Personal Income:											
Tooele County.....	na	31,398	30,507	30,555	29,693	28,558	-	2.9	(0.2)	2.9	4.0
State of Utah.....	39,045	37,664	36,542	35,995	34,415	32,614	3.7	3.1	1.5	4.6	5.5
Median Household Income:											
Tooele County.....	na	59,400	61,927	61,719	60,541	56,053	-	(4.1)	0.3	1.9	8.0
State of Utah.....	na	60,943	59,715	57,067	55,802	54,740	-	2.1	4.6	2.3	1.9

Construction within Tooele County (2)

	Calendar Year						% change from prior year				
	2015	2014	2013	2012	2011	2010	2014–15	2013–14	2012–13	2011–12	2010–11
Number new dwelling units.....	392.0	363.0	310.0	248.0	219.0	283.0	8.0	17.1	25.0	13.2	(22.6)
New (in \$1,000's):											
Residential value.....	\$ 80,389.5	\$ 69,891.3	\$ 59,820.0	\$ 36,712.8	\$ 29,414.1	\$ 35,390.6	15.0	16.8	62.9	24.8	(16.9)
Non-residential value.....	14,762.9	36,005.9	25,266.2	9,705.1	29,860.6	10,633.9	(59.0)	42.5	160.3	(67.5)	180.8
Additions, alterations, repairs (in \$1,000's):											
Residential value.....	3,639.2	3,193.0	3,183.1	1,244.5	1,448.6	2,254.9	14.0	0.3	155.8	(14.1)	(35.8)
Non-residential value.....	3,109.7	33,377.2	44,300.2	2,197.9	4,550.6	4,761.0	(90.7)	(24.7)	1,915.6	(51.7)	(4.4)
Total construction value (in \$1,000's).....	\$ 101,901.3	\$ 142,467.4	\$ 132,569.5	\$ 49,860.3	\$ 65,273.9	\$ 53,040.4	(28.5)	7.5	165.9	(23.6)	23.1

Sales Taxes Within Tooele County and the State of Utah (3)

	Calendar Year						% change from prior year				
	2015	2014	2013	2012	2011	2010	2014–15	2013–14	2012–13	2011–12	2010–11
Gross Taxable Sales (in \$1,000's):											
Tooele County.....	\$ 618,948	\$ 656,289	\$ 600,905	\$ 581,219	\$ 541,570	\$ 575,461	(5.7)	9.2	3.4	7.3	(5.9)
State of Utah.....	53,933,277	51,709,163	49,404,046	47,531,180	44,335,559	41,907,568	4.3	4.7	3.9	7.2	5.8
	Fiscal Year						% change from prior year				
	2015	2014	2013	2012	2011	2010	2012–13	2011–12	2010–11	2009–10	2008–09
Local Sales and Use Tax Distribution:											
Tooele County (and all cities).....	\$ 7,968,140	\$ 7,777,049	\$ 7,101,735	\$ 6,696,446	\$ 7,146,505	\$ 7,632,416	2.5	9.5	6.1	(6.3)	(6.4)

- (1) U.S. Department of Commerce; Bureau of Economic Analysis and U.S. Census Bureau.
- (2) University of Utah Bureau of Economic and Business Research, Utah Construction Report.
- (3) Utah State Tax Commission.

Employment, Income, Construction, and Sales Taxes Within Utah County and the State of Utah

Labor Force, Nonfarm Jobs and Wages within Utah County

	Calendar Year (1)						% change from prior year				
	2016	2015	2014	2013	2012	2011	2015-16	2014-15	2013-14	2012-13	2011-12
Civilian labor force (3).....	279,346	266,078	255,870	249,399	239,088	231,334	5.0	4.0	2.6	4.3	3.4
Employed persons.....	270,835	257,594	246,942	238,806	227,084	216,768	5.1	4.3	3.4	5.2	4.8
Unemployed persons.....	8,511	8,484	8,928	10,593	12,004	14,566	0.3	(5.0)	(15.7)	(11.8)	(17.6)
Total private sector (average).....	204,381	192,924	180,028	171,903	162,252	153,981	5.9	7.2	4.7	5.9	5.4
Agriculture, forestry, fishing and hunting.....	1,209	1,166	1,159	1,143	1,155	1,052	3.7	0.6	1.4	(1.0)	9.8
Mining.....	72	88	111	103	126	76	(18.2)	(20.7)	7.8	(18.3)	65.8
Utilities.....	350	289	289	282	299	289	21.1	0.0	2.5	(5.7)	3.5
Construction.....	21,151	18,585	16,320	14,771	12,448	10,563	13.8	13.9	10.5	18.7	17.8
Manufacturing.....	17,611	17,641	17,773	17,476	16,540	15,827	(0.2)	(0.7)	1.7	5.7	4.5
Wholesale trade.....	6,408	6,715	6,222	5,611	5,206	4,908	(4.6)	7.9	10.9	7.8	6.1
Retail trade.....	29,879	28,092	25,411	24,283	23,142	22,474	6.4	10.6	4.6	4.9	3.0
Transportation and warehousing.....	3,085	2,899	2,607	2,416	2,413	2,350	6.4	11.2	7.9	0.1	2.7
Information.....	12,462	11,186	9,995	9,347	8,600	8,019	11.4	11.9	6.9	8.7	7.2
Finance and insurance.....	5,003	4,873	4,499	4,559	4,294	3,914	2.7	8.3	(1.3)	6.2	9.7
Real estate, rental and leasing.....	2,618	2,356	2,306	2,254	2,028	1,998	11.1	2.2	2.3	11.1	1.5
Professional, scientific, and technical services.....	17,256	16,407	15,217	13,847	12,634	12,004	5.2	7.8	9.9	9.6	5.2
Management of companies and enterprises.....	1,409	1,191	1,239	1,059	1,128	1,154	18.3	(3.9)	17.0	(6.1)	(2.3)
Admin., support, waste mgmt., remediation.....	13,228	12,306	11,159	11,015	10,917	10,244	7.5	10.3	1.3	0.9	6.6
Education services.....	24,019	23,096	22,575	22,481	22,345	21,565	4.0	2.3	0.4	0.6	3.6
Health care and social assistance.....	25,540	24,307	22,958	22,136	20,782	20,181	5.1	5.9	3.7	6.5	3.0
Arts, entertainment and recreation.....	2,369	2,164	1,833	1,761	1,993	1,857	9.5	18.1	4.1	(11.6)	7.3
Accommodation and food services.....	16,770	15,806	14,793	13,934	12,978	12,294	6.1	6.8	6.2	7.4	5.6
Other services.....	5,146	4,913	4,710	4,564	4,370	4,268	4.7	4.3	3.2	4.4	2.4
Unclassified establishments.....	6	15	8	8	0	9	(60.0)	87.5	-	#DIV/0!	(100.0)
Total public sector (average).....	30,168	29,288	28,809	28,251	27,859	27,076	3.0	1.7	2.0	1.4	2.9
Federal.....	970	919	903	917	949	971	5.5	1.8	(1.5)	(3.4)	(2.3)
State.....	8,687	8,439	8,213	8,111	7,804	7,224	2.9	2.8	1.3	3.9	8.0
Local.....	20,511	19,931	19,693	19,223	19,107	18,882	2.9	1.2	2.4	0.6	1.2
Total payroll (in millions)..... \$	0	\$ 8,780	\$ 7,936	\$ 7,464	\$ 6,974	\$ 6,439	(100.0)	10.6	6.3	7.0	8.3
Average monthly wage..... \$	0	\$ 3,293	\$ 3,167	\$ 3,108	\$ 3,057	\$ 2,964	(100.0)	4.0	1.9	1.7	3.1
Average employment.....	0	222,212	208,836	200,154	190,111	181,056	(100.0)	6.4	4.3	5.3	5.0
Establishments.....	0	14,302	13,687	13,246	12,500	12,232	(100.0)	4.5	3.3	6.0	2.2

(1) Utah Department of Workforce Services.

Employment, Income, Construction, and Sales Taxes Within Utah County and the State of Utah—continued

Personal Income; Per Capital Personal Income; Median Household Income within Utah County and the State of Utah (1)

	Calendar Year						% change from prior year				
	2015	2014	2013	2012	2011	2010	2014–15	2013–14	2012–13	2011–12	2010–2011
Total Personal Income (in \$1,000's):											
Utah County.....	na	\$ 18,105,125	\$ 17,259,931	\$ 16,660,323	\$ 15,385,049	\$ 14,257,749	-	4.9	3.6	8.3	7.9
State of Utah.....	116,992,288	110,841,885	106,072,574	102,772,080	96,888,550	90,483,243	5.5	4.5	3.2	6.1	7.1
Total Per Capita Personal Income:											
Utah County.....	na	32,274	31,272	30,875	29,025	27,441	-	3.2	1.3	6.4	5.8
State of Utah.....	39,045	37,664	36,542	35,995	34,415	32,614	3.7	3.1	1.5	4.6	5.5
Median Household Income:											
Utah County.....	na	60,069	58,167	58,077	54,385	57,471	-	3.3	0.2	6.8	(5.4)
State of Utah.....	na	60,943	59,715	57,067	55,802	54,740	-	2.1	4.6	2.3	1.9

Construction within Utah County (2)

	Calendar Year						% change from prior year				
	2015	2014	2013	2012	2011	2010	2014–15	2013–14	2012–13	2011–12	2010–2011
Number new dwelling units.....	4,474.0	5,167.0	3,247.0	2,464.0	2,050.0	1,893.0	(13.4)	59.1	31.8	20.2	8.3
New (in \$1,000's):											
Residential value.....	\$ 1,242,257.3	\$ 906,642.7	\$ 692,579.8	\$ 535,004.3	\$ 406,029.9	\$ 378,774.9	37.0	30.9	29.5	31.8	7.2
Non-residential value.....	448,656.2	362,638.5	360,620.5	171,904.0	203,940.8	251,123.1	23.7	0.6	109.8	(15.7)	(18.8)
Additions, alterations, repairs (in \$1,000's):											
Residential value.....	61,020.6	49,163.3	31,723.9	28,360.4	33,833.4	31,531.5	24.1	55.0	11.9	(16.2)	7.3
Non-residential value.....	168,177.0	119,658.6	180,144.5	100,393.4	77,282.1	65,981.1	40.5	(33.6)	79.4	29.9	17.1
Total construction value (in \$1,000's).....	<u>\$ 1,920,111.1</u>	<u>\$ 1,438,103.1</u>	<u>\$ 1,265,068.7</u>	<u>\$ 835,662.1</u>	<u>\$ 721,086.2</u>	<u>\$ 727,410.6</u>	33.5	13.7	51.4	15.9	(0.9)

Sales Taxes Within Utah County and the State of Utah (3)

	Calendar Year						% change from prior year				
	2015	2014	2013	2012	2011	2010	2014–15	2013–14	2012–13	2011–12	2010–2011
Gross Taxable Sales (in \$1,000's):											
Utah County.....	\$ 8,151,076	\$ 7,555,120	\$ 7,186,925	\$ 6,886,070	\$ 6,264,356	\$ 5,784,838	7.9	5.1	4.4	9.9	8.3
State of Utah.....	53,933,277	51,709,163	49,404,046	47,531,180	44,335,559	41,907,568	4.3	4.7	3.9	7.2	5.8
	Fiscal Year						% change from prior year				
	2015	2014	2013	2012	2011	2010	2014–15	2013–14	2012–13	2011–12	2010–2011
Local Sales and Use Tax Distribution:											
Utah County (and all cities).....	\$ 86,391,946	\$ 81,280,075	\$ 77,867,042	\$ 72,132,139	\$ 67,482,710	\$ 65,020,669	6.3	4.4	8.0	6.9	3.8

- (1) U.S. Department of Commerce; Bureau of Economic Analysis and U.S. Census Bureau.
- (2) University of Utah Bureau of Economic and Business Research, Utah Construction Report.
- (3) Utah State Tax Commission.

Employment, Income, Construction, and Sales Taxes Within Weber County and the State of Utah

Labor Force, Nonfarm Jobs and Wages within Weber County

	Calendar Year (1)						% change from prior year				
	2016	2015	2014	2013	2012	2011	2015-16	2014-15	2013-14	2012-13	2011-12
Civilian labor force	120,625	117,979	115,180	114,848	113,445	112,488	2.2	2.4	0.3	1.2	0.9
Employed persons.....	116,016	113,250	110,118	108,616	106,217	103,671	2.4	2.8	1.4	2.3	2.5
Unemployed persons.....	4,610	4,729	5,062	6,232	7,228	8,817	(2.5)	(6.6)	(18.8)	(13.8)	(18.0)
Total private sector (average).....	83,608	80,393	76,654	74,384	71,465	69,689	4.0	4.9	3.1	4.1	2.5
Agriculture, forestry, fishing and hunting.....	428	408	418	388	243	247	4.9	(2.4)	7.7	59.7	(1.6)
Mining.....	57	42	32	0	0	0	-	-	-	-	-
Utilities.....	214	216	216	223	229	225	(0.9)	0.0	(3.1)	(2.6)	1.8
Construction.....	5,890	566	5,310	4,858	4,577	4,235	940.6	(89.3)	9.3	6.1	8.1
Manufacturing.....	14,598	13,662	12,900	12,391	12,116	11,909	6.9	5.9	4.1	2.3	1.7
Wholesale trade.....	3,431	3,507	3,387	3,342	3,179	3,257	(2.2)	3.5	1.3	5.1	(2.4)
Retail trade.....	12,430	12,039	11,720	11,357	11,188	11,150	3.2	2.7	3.2	1.5	0.3
Transportation and warehousing.....	2,117	2,115	2,086	1,979	1,805	1,795	0.1	1.4	5.4	9.6	0.6
Information.....	765	764	710	738	752	747	0.1	7.6	(3.8)	(1.9)	0.7
Finance and insurance.....	4,278	4,145	3,702	3,587	3,519	3,386	3.2	12.0	3.2	1.9	3.9
Real estate, rental and leasing.....	990	1,035	1,105	984	836	850	(4.3)	(6.3)	12.3	17.7	(1.6)
Professional, scientific, and technical services.....	4,315	4,019	3,695	3,502	3,024	2,958	7.4	8.8	5.5	15.8	2.2
Management of companies and enterprises.....	343	430	425	379	493	516	(20.2)	1.2	12.1	(23.1)	(4.5)
Admin., support, waste mgmt., remediation.....	7,884	7,118	7,009	6,902	6,018	5,570	10.8	1.6	1.6	14.7	8.0
Education services.....	1,160	1,052	869	822	944	870	10.3	21.1	5.7	(12.9)	8.5
Health care and social assistance.....	13,227	12,939	12,402	12,103	11,784	11,560	2.2	4.3	2.5	2.7	1.9
Arts, entertainment and recreation.....	1,769	1,581	1,421	1,515	1,485	1,476	11.9	11.3	(6.2)	2.0	0.6
Accommodation and food services.....	7,498	7,447	7,030	7,046	6,785	6,472	0.7	5.9	(0.2)	3.8	4.8
Other services.....	2,643	2,626	2,636	2,651	2,718	2,691	0.6	(0.4)	(0.6)	(2.5)	1.0
Unclassified establishments.....	0	0	0	0	0	0	-	-	-	-	-
Total public sector (average).....	20,321	20,295	20,154	20,278	20,372	20,427	0.1	0.7	(0.6)	(0.5)	(0.3)
Federal.....	5,742	5,790	6,083	6,244	6,365	6,524	(0.8)	(4.8)	(2.6)	(1.9)	(2.4)
State.....	5,257	5,185	5,108	5,044	4,960	4,845	1.4	1.5	1.3	1.7	2.4
Local.....	9,322	9,321	8,963	8,990	9,047	9,058	0.0	4.0	(0.3)	(0.6)	(0.1)
Total payroll (in millions)..... \$	0	\$ 3,871	\$ 3,633	\$ 3,440	\$ 3,293	\$ 3,159	(100.0)	6.6	5.6	4.5	4.2
Average monthly wage..... \$	0	\$ 3,203	\$ 3,127	\$ 3,028	\$ 2,988	\$ 2,921	(100.0)	2.4	3.3	1.3	2.3
Average employment.....	0	100,688	96,808	94,622	91,837	90,116	(100.0)	4.0	2.3	3.0	1.9
Establishments.....	0	5,703	5,587	5,526	5,370	5,373	(100.0)	2.1	1.1	2.9	(0.1)

(1) Utah Department of Workforce Services.

Employment, Income, Construction, and Sales Taxes Within Weber County and the State of Utah—continued

Personal Income; Per Capital Personal Income; Median Household Income within Weber County and the State of Utah (1)

	Calendar Year						% change from prior year					
	2015	2014	2013	2012	2011	2010	2014–15	2013–14	2012–13	2011–12	2010–2011	
Total Personal Income (in \$1,000's):												
Weber County.....	na	\$ 8,401,686	\$ 8,076,107	\$ 7,885,094	\$ 7,679,104	\$ 7,285,502	-	4.0	2.4	2.7	5.4	
State of Utah.....	116,992,288	110,841,885	106,072,574	102,772,080	96,888,550	90,483,243	5.5	4.5	3.2	6.1	7.1	
Total Per Capita Personal Income:												
Weber County.....	na	34,938	33,873	33,335	32,819	31,387	-	3.1	1.6	1.6	4.6	
State of Utah.....	39,045	37,664	36,542	35,995	34,415	32,614	3.7	3.1	1.5	4.6	5.5	
Median Household Income:												
Weber County.....	na	59,293	54,055	54,169	52,183	53,612	-	9.7	(0.2)	3.8	(2.7)	
State of Utah.....	na	60,943	59,715	57,067	55,802	54,740	-	2.1	4.6	2.3	1.9	

Construction within Weber County (2)

	Calendar Year						% change from prior year					
	2015	2014	2013	2012	2011	2010	2014–15	2013–14	2012–13	2011–12	2010–2011	
Number new dwelling units.....	984.0	1,004.0	605.0	430.0	364.0	452.0	(2.0)	66.0	40.7	18.1	(19.5)	
New (in \$1,000's):												
Residential value.....	\$ 160,942.0	\$ 160,389.7	\$ 132,082.3	\$ 80,199.8	\$ 72,875.3	\$ 75,911.3	0.3	21.4	64.7	10.1	(4.0)	
Non-residential value.....	72,680.0	66,823.9	33,091.8	16,378.4	93,906.8	43,585.6	8.8	101.9	102.0	(82.6)	115.5	
Additions, alterations, repairs (in \$1,000's):												
Residential value.....	13,899.5	12,343.8	8,876.1	9,570.1	9,572.3	8,629.0	12.6	39.1	(7.3)	(0.0)	10.9	
Non-residential value.....	42,436.8	36,235.8	41,244.7	35,405.7	71,122.1	20,777.6	17.1	(12.1)	16.5	(50.2)	242.3	
Total construction value (in \$1,000's).....	<u>\$ 289,958.3</u>	<u>\$ 275,793.2</u>	<u>\$ 215,294.9</u>	<u>\$ 141,554.0</u>	<u>\$ 247,476.5</u>	<u>\$ 148,903.5</u>	5.1	28.1	52.1	(42.8)	66.2	

Sales Taxes Within Weber County and the State of Utah (3)

	Calendar Year						% change from prior year					
	2015	2014	2013	2012	2011	2010	2014–15	2013–14	2012–13	2011–12	2010–2011	
Gross Taxable Sales (in \$1,000's):												
Weber County.....	\$ 3,926,992	\$ 3,719,454	\$ 3,527,342	\$ 3,334,747	\$ 3,161,297	\$ 3,094,882	5.6	5.4	5.8	5.5	2.1	
State of Utah.....	53,933,277	51,709,163	49,404,046	47,531,180	44,335,559	41,907,568	4.3	4.7	3.9	7.2	5.8	
	Fiscal Year						% change from prior year					
	2015	2014	2013	2012	2011	2010	2014–15	2013–14	2012–13	2011–12	2010–2011	
Local Sales and Use Tax Distribution:												
Weber County (and all cities).....	\$ 39,832,325	\$37,991,635	\$36,500,529	\$34,809,653	\$32,949,498	\$32,377,760	4.8	4.1	4.9	5.6	1.8	

- (1) U.S. Department of Commerce; Bureau of Economic Analysis and U.S. Census Bureau.
- (2) University of Utah Bureau of Economic and Business Research, Utah Construction Report.
- (3) Utah State Tax Commission.

Employers

Major employers in the Authority's Service Area and the approximate number of employees include:

	Employees
<i>Box Elder County</i>	
Autoliv (manufacturing) (Brigham City)	1,000–2,000
Box Elder County School District (primary education)	735–1,700
Thiokol Corp. Propulsion (manufacturing)	500–1,000
Wal Mart (transportation and warehousing)	500–1,000
West Liberty Foods (manufacturing)	500–1,000
Workforce Staffing Service (admin., support, waste mgmt., remediation)	500–1,000
<i>Davis County</i>	
Airforce Materiel Command (public administration (Hill Air Force Base)).....	10,000–15,000
Davis School District (primary education).....	5,950–11,800
ATK Space Systems (manufacturing).....	1,000–2,000
Lagoon Corporation (manufacturing)	1,000–2,000
Lifetime Products (manufacturing)	1,000–2,000
Utility Trailer Manufacturing Company (manufacturing).....	1,000–2,000
Your Employment Solutions (admin., support, waste mgmt., remediation)	1,000–2,000
<i>Salt Lake County</i>	
State of Utah (public administration)	19,125–39,100
University of Utah Hospital (health care and social assistance)	7,000–10,000
Granite School District (primary education)	6,025–13,150
Salt Lake County (public administration)	5,000–7,000
Intermountain Medical Center (Murray/health care and social assistance).....	5,000–7,000
Salt Lake County (public administration)	5,000–7,000
<i>Tooele County</i>	
Tooele County School District (primary education)	1,170–2,630
Wal-Mart Associates (transportation and warehousing)	500–1,000
<i>Utah County</i>	
Brigham Young University (education services)	15,000–23,000
Alpine School District (primary education)	4,950–10,550
Utah Valley University (primary education).....	4,000–6,000
Utah Valley Regional Medical Center (health care and social assistance)	3,000–4,000
Vivint Inc. (construction)	3,000–4,000
Nebo School District (primary education)	2,330–5,150
Wal-Mart (retail trade)	2,250–4,500
<i>Weber County</i>	
Office of Inspector General for Tax (public administration)	5,000–7,000
Intermountain Health Care (McKay Dee/health care and social assistance).....	3,000–4,000
Weber State University (education services)	3,000–5,000
Autoliv (manufacturing).....	2,000–3,000
Weber County School District (education services)	2,000–4,000
Ogden City School District (education services)	1,175–2,450
America First Credit Union (finance and insurance)	1,000–2,000
Fresenius USA Manufacturing (manufacturing).....	1,000–2,000

(Source: Utah Department of Workforce Services. Updated March 2017 (reflecting information as of September 2016.)

Rate of Unemployment—Annual Average (seasonally adjusted)

<u>Year</u>	<u>Box Elder County</u>	<u>Davis County</u>	<u>Salt Lake County</u>	<u>Tooele County</u>	<u>Utah County</u>	<u>Weber County</u>	<u>State of Utah</u>	<u>United States</u>
2017 (1).....	3.2%	3.0%	3.0%	3.6%	2.8%	3.7%	3.3%	4.2%
2016	3.5	3.1	3.2	3.8	3.0	3.8	3.4	4.9
2015	3.6	3.3	3.3	4.1	3.2	4.0	3.5	5.3
2014	3.9	3.6	3.7	4.8	3.5	4.4	3.8	6.2
2013	4.7	4.3	4.4	5.4	4.2	5.4	4.6	7.4
2012	5.8	4.9	5.3	6.0	5.0	6.4	5.4	8.1

(1) Preliminary; subject to change. As of October 2017, seasonally adjusted.

(Source: Utah Department of Workforce Services.)

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CERTIFICATE OF AWARD

Pursuant to a resolution adopted December 13, 2017, by the Board of Trustees (the “Board”) of the Utah Transit Authority (the “Authority”), the undersigned are authorized to accept bids for the sale of the Authority’s \$_____ [Subordinated] Sales Tax Revenue [and Refunding] Bonds, Series 2018 (the “Series 2018 Bonds”). The Series 2018 Bonds were the subject of a bid held by the Authority at which it was determined that the bid of _____ was the best bid received for the purchase of the Series 2018 Bonds.

Based upon the foregoing determination, the undersigned officers of the Authority approved on _____, 2018, by telephone conference call the final pricing and sale of the Series 2018 Bonds to _____ at a purchase price of \$_____, and [the execution of a Bond Purchase Agreement between the Authority and _____ evidencing such sale by the _____ and _____ of the Authority. The terms of the Series 2018 Bonds are attached hereto as Exhibit A and the final numbers for the Series 2018 Bonds, produced by the Issuer’s municipal advisor, Zions Public Finance, Inc. are attached hereto as Exhibit B.]

Dated: _____, 2018.

UTAH TRANSIT AUTHORITY

By: _____
Designated Officer

By: _____
Designated Officer

EXHIBIT A

TERMS OF THE SERIES 2018 BONDS

\$ _____
[Subordinated] Sales Tax Revenue [and Refunding] Bonds,
Series 2018

Maturity Date (December 15)	Principal Amount	Interest Rate	Price	Yield To Call
-----------------------------------	---------------------	------------------	-------	---------------

REDEMPTION PROVISIONS

The Series 2018 Bonds maturing on _____ are subject to redemption at the option of the Authority on _____, and on any date thereafter prior to maturity, in whole or in part, from such maturities or parts thereof as may be selected by the Authority, at a redemption price equal to 100% of the principal amount of the Series 2018 Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption.

EXHIBIT B

FINAL NUMBERS

ESCROW DEPOSIT AGREEMENT
[(Subordinate)]

Dated as of _____ 1, 2017

between

the

UTAH TRANSIT AUTHORITY

and

ZB, NATIONAL ASSOCIATION

ESCROW DEPOSIT AGREEMENT

THIS ESCROW DEPOSIT AGREEMENT is entered into as of this 1st day of _____, 2017 among the Utah Transit Authority (the “Issuer”) and ZB, National Association, as Escrow Agent (the “Escrow Agent”).

WITNESSETH:

WHEREAS, the Issuer is a public transit district duly organized and validly existing under the Constitution and laws of the State of Utah; and

WHEREAS, the Escrow Agent is a national banking association duly organized and existing under the laws of the United States, authorized by law to accept and execute trusts and having its principal office in Salt Lake City, Utah; and

WHEREAS, the Issuer has previously issued its Subordinated Sales Tax Revenue and Refunding Bonds, Series 2012 (the “Series 2012 Bonds”); and

WHEREAS, in order to achieve a debt service savings, the Issuer has determined to provide for an advance refunding of that portion of the outstanding Series 2012 Bonds identified in Exhibit E (the “Refunded Bonds”); and

WHEREAS, in order to provide for such payment and advance refunding, the Issuer is, simultaneously with the execution hereof, issuing its Subordinated Sales Tax Revenue Refunding Bonds, Series 2017 (the “Series 2017 Bonds”) pursuant to a Subordinate General Indenture of Trust, dated as of July 1, 2006, between the Issuer and ZB, National Association, as trustee (the “Trustee”) as heretofore amended and supplemented, and a Twelfth Supplemental Subordinate Indenture of Trust dated as of December 1, 2017, between the Issuer and the Trustee (together, the “Subordinate Indenture”); and

WHEREAS, the Issuer has herewith deposited with the Escrow Agent, moneys sufficient, together with investment income thereon, to pay (i) interest on the Refunded Bonds through June 15, 2022 (the “Redemption Date”) and (ii) the redemption price of the Refunded Bonds on the Redemption Date; and

WHEREAS, the Issuer and the Escrow Agent desire to enter into this Escrow Deposit Agreement to provide for the taking of certain actions so as to accomplish the advance refunding and redemption of the Refunded Bonds.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

Section 1. The Escrow Agent hereby accepts the Escrow Fund (hereinafter described) created hereunder and acknowledges receipt from the Issuer of the sum of \$_____ (derived from proceeds of the Series 2017 Bonds) of which \$_____ is to be used for the purchase of the securities described on Exhibit A

hereto (the “Open Market Securities”), all of which are direct non-callable obligations of the United States of America or non-callable securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, to which direct obligation or guarantee the full faith and credit of the United States of America has been pledged, and \$_____ of which shall be deposited as a beginning cash balance. The maturing principal of and interest on the Open Market Securities and the cash will produce amounts certified in writing by Grant Thornton, LLP, to be sufficient, to (i) to pay the interest on the Refunded Bonds through the Redemption Date and (ii) redeem all the Refunded Bonds on the Redemption Date. The Open Market Securities and the cash shall be deposited in the Escrow Fund (hereinafter defined), in accordance with the terms of the Subordinate Indenture. The Issuer acknowledges that to the extent that regulations of the Comptroller of the Currency or other applicable regulatory agency grant the Issuer the right to receive brokerage confirmations of security transactions, the Issuer waives receipt of such confirmations. The Escrow Agent will provide periodic statements which will include detail of all investment transactions made in the Escrow Fund.

Section 2. There is hereby created and established with the Escrow Agent a special and irrevocable escrow fund designated the “Utah Transit Authority Subordinated Sales Tax Revenue Refunding Bonds, Series 2017, Escrow Fund” (the “Escrow Fund”) to be held by the Escrow Agent, acting as escrow agent, as a trust fund for the benefit of the holders of the Refunded Bonds. The Escrow Fund shall be held by the Escrow Agent separate and apart from other funds of the Issuer or the Escrow Agent.

Section 3. The Escrow Agent, acting in its capacity as escrow agent, agrees that the total principal amount of and interest on the Open Market Securities and the cash will be held in trust as provided in Section 2 and irrevocably agrees to provide ZB, National Association, as paying agent for the Refunded Bonds (the “Paying Agent”), such amount and to apply said principal amount and interest and the cash, as the same become due, to the payment of (i) the interest requirements on the Refunded Bonds through the Redemption Date and (ii) the redemption price of the Refunded Bonds on the Redemption Date.

Section 4. (a) The Escrow Agent agrees to provide the Paying Agent for the Refunded Bonds such funds as are necessary to pay (i) the interest on the Refunded Bonds and (ii) the redemption price of the Refunded Bonds as aforesaid notwithstanding any failure by the Issuer to pay when due any further fees or expenses of the Escrow Agent relating to the Series 2017 Bonds or the Refunded Bonds. It is expressly understood that any such fees or expenses incurred by the Escrow Agent acting as escrow agent will be reimbursed by the Issuer as provided in this Section 4 and in Section 11 hereof.

(b) The Issuer agrees to pay to the Escrow Agent upon the execution and delivery of this Escrow Deposit Agreement such amounts as may be necessary to pay the fees and expenses of the Escrow Agent acting as escrow agent.

Section 5. Except as provided in Section 1 and Section 6 hereof, the Escrow Agent shall have no power or duty to invest any funds held under this Escrow Deposit Agreement or to sell, transfer or otherwise dispose of or make substitutions of the Open Market Securities.

Section 6. (a) This Escrow Deposit Agreement may be amended or supplemented, the Open Market Securities or any portion thereof or proceeds thereof sold, redeemed, invested or reinvested, or proceeds thereof disbursed, in any manner (any such amendment, supplement or direction to sell, redeem, invest or disburse to be referred to as a "Subsequent Action"), upon submission to the Escrow Agent of each of the following:

(i) A certified copy of the proceedings of the Issuer authorizing the Subsequent Action and a copy of the document effecting the Subsequent Action signed by duly designated officers of the Issuer.

(ii) An opinion of nationally recognized bond counsel or tax counsel nationally recognized as having an expertise in the area of tax-exempt municipal bonds to the effect that the Subsequent Action will not cause the interest on the Series 2017 Bonds or the Refunded Bonds to become includable in the gross income of the holders thereof for federal income tax purposes.

(iii) An opinion of a firm of nationally recognized independent certified public accountants to the effect that the amounts (which will consist of cash or deposits on demand held in trust or receipts from direct and general obligations of the United States of America, or those which are unconditionally guaranteed as to principal and interest by the same, not callable or redeemable at the option of the issuer thereof), available or to be available for payment of (x) interest on the Refunded Bonds through the Redemption Date and (y) the redemption price of the Refunded Bonds, will remain sufficient to pay when due all of said payments after the taking of the Subsequent Action.

(b) Except as provided in Paragraph (a) hereof, all of the rights, powers, duties and obligations of the Escrow Agent hereunder shall be irrevocable and shall not be subject to amendment by the Escrow Agent and shall be binding on any successor to the Escrow Agent during the term of this Escrow Deposit Agreement.

(c) Except as provided in Paragraph (a) hereof, all of the rights, powers, duties and obligations of the Issuer hereunder shall be irrevocable and shall not be subject to amendment by the Issuer and shall be binding on any successor to the officials now comprising the Board of the Issuer during the term of this Escrow Deposit Agreement.

Section 7. (a) The Issuer hereby irrevocably instructs the Escrow Agent, and the Escrow Agent agrees to cause the trustee for the holders of the Refunded Bonds to mail on behalf of the Issuer, a notice, in substantially the form attached hereto as Exhibit B, as applicable, that provisions for the refunding, redemption and retirement of all the Refunded Bonds have been made as provided in this Escrow Deposit Agreement. Such notice shall be mailed by the Trustee to the holders of the Refunded Bonds and posted electronically to the Municipal Securities Rulemaking Board website (EMMA).

(b) The Escrow Agent shall also cause the Trustee for the Refunded Bonds to mail notice of redemption of the Refunded Bonds in the manner required by the Subordinate Indenture. Such notice of redemption shall be given by the Trustee under the Subordinate Indenture by sending a copy of the notice of such redemption by first class mail, postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the Redemption Date for the Refunded Bonds, to the Registered Owners of such Refunded Bonds at the address of each such owner as it appears on the bond registration books of the Trustee, and shall also be filed with the Paying Agent for the Refunded Bonds and shall be posted electronically to the Municipal Securities Rulemaking Board website (EMMA).

The notice of redemption shall be substantially the form set forth as Exhibit C hereto.

Section 8. The Refunded Bonds are hereby irrevocably called for redemption on the Redemption Date, at a redemption price of 100% of the principal amount thereof plus accrued interest to the date of redemption.

Section 9. Interest on the Refunded Bonds and the redemption price of the Refunded Bonds shall be paid from the Escrow Fund as the same fall due through the Redemption Date. Moneys on deposit in the Escrow Fund shall be transferred by the Escrow Agent to the Paying Agent for the Refunded Bonds to make such interest payments and to effectuate the redemption of the Refunded Bonds on the Redemption Date. Thereafter, all remaining moneys and securities in the Escrow Fund shall be transferred by the Escrow Agent to the Bond Fund. The Escrow Agent shall not invest or reinvest any of the funds or securities so transferred.

Section 10. This Escrow Deposit Agreement and the Escrow Fund created hereby shall be irrevocable and the holders of the Refunded Bonds shall have an express lien on and security interest in all amounts deposited in the Escrow Fund, including all amounts representing principal and all amounts representing interest on the Open Market Securities in the Escrow Fund until used and applied in accordance herewith. The Issuer shall cause financing and continuation statements to be filed with respect to this Escrow Deposit Agreement in such manner and in such places as may be required by law fully to protect the security of the holders of the Refunded Bonds and the right, title and interest of the Escrow Agent, to all amounts deposited in the Escrow Fund and the principal and interest with respect to the Open Market Securities deposited in the Escrow Fund and shall take or cause to be taken all action necessary to preserve the aforesaid security so long as any of the Refunded Bonds remain unpaid.

Section 11. (a) The Escrow Agent shall be compensated for its reasonable fees, expenses and disbursements, including legal fees, incurred with respect to services rendered hereunder, based upon itemized invoices submitted to the Issuer for payment. This right to receive compensation notwithstanding, the Escrow Agent acknowledges that it has no claim for any such payment under the Issuer's indenture of trust pursuant to which the Series 2017 Bonds are issued, and that it has no lien on the moneys in the Escrow Fund for any such payment.

(b) The Escrow Agent may act in reliance upon any signature believed by it to be genuine, and may assume that any person purporting to give any notice or receipt of advice or make any statements in connection with the provisions hereof has been duly authorized to do so.

(c) The Escrow Agent may act relative hereto in reliance upon advice of nationally recognized bond counsel in reference to any matter connected herewith, and shall not be liable for any mistake of fact or error of judgment, or for any acts or omissions of any kind, unless caused by its willful misconduct or gross negligence.

(d) The Escrow Agent may resign and be discharged of its duties hereunder provided that: (i) it has given thirty (30) days' written notice to the Issuer of such resignation; (ii) the Issuer shall have appointed a successor to the Escrow Agent hereunder; (iii) the Escrow Agent and the Issuer have received an instrument of acceptance executed by the successor to the Escrow Agent hereunder; and (iv) the Escrow Agent has delivered to its successor hereunder all of the escrowed documents, Open Market Securities, moneys and investments held by the Escrow Agent in the Escrow Fund. Such resignation shall take effect only upon the occurrence of all of the events listed in clauses (i) through (iv) above. Upon receipt by the Issuer of the written notice described in clause (i) above, the Issuer shall use its best efforts to obtain a successor to the Escrow Agent hereunder as soon as possible.

Section 12. This Escrow Deposit Agreement shall terminate when amounts sufficient to pay the interest on the Refunded Bonds and the redemption price of the Refunded Bonds have been paid to the Paying Agent and the remaining funds and securities have been deposited to the Bond Fund.

Section 13. Except as provided in Section 6 hereof, this Escrow Deposit Agreement shall not be repealed, revoked, rescinded, altered, amended or supplemented in whole or in part without (i) the written consent of the holders of 100% in principal amount of the unpaid Refunded Bonds at the time such action is made, and (ii) the written consent of the Escrow Agent; provided, however, that the Issuer and the Escrow Agent may, without the consent of, or notice to, the holders of the unpaid Refunded Bonds enter into such agreements supplemental to this Escrow Deposit Agreement as shall not adversely affect the rights of such holders hereunder and shall not be inconsistent with the terms and provisions of this Escrow Deposit Agreement, for any one or more of the following purposes:

(a) cure any ambiguity or formal defect or omission in this Escrow Deposit Agreement; or

(b) to grant to or confer upon the Escrow Agent for the benefit of the holders of the Refunded Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Escrow Agent.

The Escrow Agent shall be entitled to rely exclusively upon an unqualified opinion of nationally recognized bond counsel with respect to compliance with this Section 13, including the extent, if any, to which any change, modification, addition or elimination affects the rights of such holders of the Refunded Bonds or that any instrument executed hereunder complies with the conditions or provisions of this Section 13.

IN WITNESS WHEREOF, the parties hereto have each caused this Escrow Deposit Agreement to be executed by their duly authorized officers as of the date first above written.

UTAH TRANSIT AUTHORITY

By: _____
President/CEO

Attest:

By: _____
Secretary/Treasurer

Approved as to form:

By: _____
UTA Legal Counsel

ZB, NATIONAL ASSOCIATION, as
Escrow Agent

By: _____

Title: _____

EXHIBIT A

Open Market Securities Purchased with Bond Proceeds

<u>Type</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>Cost</u>	<u>Accrued Interest</u>	<u>Purchase Price</u>
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EXHIBIT B

FORM OF NOTICE OF REFUNDING AND DEFEASANCE

UTAH TRANSIT AUTHORITY

SUBORDINATED SALES TAX REVENUE AND REFUNDING BONDS,
SERIES 2012

MATURING AS FOLLOWS:

Scheduled Maturity <u>(June 15)</u>	CUSIP <u>()</u>	Principal <u>Amount</u>
---	---------------------	----------------------------

NOTICE IS HEREBY GIVEN that for the payment of the principal of and interest on the bonds of the above-designated series shown in the table above (collectively, the “Refunded Bonds”) of the Utah Transit Authority (the “Issuer”), there have been deposited in escrow with ZB, National Association, Salt Lake City, Utah (the “Escrow Agent”) moneys which, except to the extent maintained in cash, have been invested in direct and general obligations of the United States of America, or those which are unconditionally guaranteed as to principal and interest by the same, the projected principal payments to be received from such securities and the projected interest income therefrom have been calculated to be sufficient, with said cash, to pay the interest on and the redemption price of the Refunded Bonds when due to June 15, 2022, the date upon which the Issuer has elected to call and redeem the Refunded Bonds prior to their

maturities at a redemption price of 100% of the principal amount of the Refunded Bonds and accrued but unpaid interest to the redemption date.

In accordance with the terms of Article X of the Subordinated General Indenture of the Issuer under which the Refunded Bonds were issued, the Refunded Bonds are deemed to have been paid.

DATED this ____ day of _____, 20__.

ZB, NATIONAL ASSOCIATION, as
Trustee

EXHIBIT C

NOTICE OF REDEMPTION

UTAH TRANSIT AUTHORITY

SUBORDINATED SALES TAX REVENUE AND REFUNDING BONDS,
SERIES 2012

Mailing Date: _____, ____

CUSIP NO. _____*

Notice is hereby given that pursuant to the Subordinate General Indenture of Trust, dated as of July 1, 2006, as supplemented by an Eighth Supplemental Subordinate Indenture of Trust, dated as of November 1, 2012, each between the Utah Transit Authority (the "Issuer"), and ZB, National Association, as Trustee, the Issuer has called and does hereby call for redemption on June 15, 2022 (the "date fixed for redemption") that portion of its outstanding Subordinated Sales Tax Revenue and Refunding Bonds, Series 2102, shown in the table set forth below (the "Bonds"), at the redemption price of 100% of the principal amount thereof plus accrued but unpaid interest to the date fixed for redemption.

The Bonds were originally issued in the principal amounts and scheduled to mature on the dates and in the amounts, as follows:

<u>CUSIP</u>	<u>Maturity Date</u>	<u>Original Principal Amount</u>
--------------	--------------------------	--

The principal amount of each Bond shall be paid on or after the date fixed for redemption upon surrender of such Bond as set forth below.

* These CUSIP numbers have been assigned to this issue by an organization not affiliated with the Trustee and are included solely for the convenience of the security holders. Neither the Issuer nor the Trustee shall be responsible for the selection or use of the CUSIP numbers, nor is any representation made as to the correctness on the Bonds or as indicated in this redemption notice. Reliance may be placed only on the other identification number printed on the Bonds.

Payment of interest on any Bond shall be made to the registered owner thereof and shall be paid by check or draft mailed to such registered owner at such owner's address as it appears in the registration books of the Issuer maintained by the Trustee.

Bonds shall be surrendered to the Trustee, at the following address:

If surrendered by mail: ZB, National Association
One South Main Street, 12th Floor
Salt Lake City, Utah 84111

If surrendered by hand: ZB, National Association
One South Main Street, 12th Floor
Salt Lake City, Utah 84111

Notice is further given that on the date fixed for redemption the redemption price will become due and payable upon the Bonds and the Bonds shall cease to bear interest from and after the date fixed for redemption.

Under the Interest and Dividend Tax Compliance Act of 1983, the Trustee may be required to withhold a specified percentage of any gross payments made to certain owners who fail to provide the Trustee with, and certify under penalties of perjury, a correct taxpayer identification number (employer identification number or Social Security number, as appropriate) or an exemption certificate on or before the date the Bonds are presented for payment. Each Bondholder should provide the appropriate certification when presenting Bonds for payment, unless the appropriate certificate has previously been provided.

Given by order of the Utah Transit Authority this ____ day of _____, 2017.

On behalf of the
UTAH TRANSIT AUTHORITY by:

ZB, NATIONAL ASSOCIATION, as
Trustee

By: _____

Title: _____

BOND PURCHASE CONTRACT

UTAH TRANSIT AUTHORITY

\$ _____
[Subordinated] Sales Tax Revenue [and Refunding] Bonds,
Series 2017

_____, 2017

Utah Transit Authority
669 West 200 South
Salt Lake City, Utah 84101

Ladies and Gentlemen:

_____, acting on behalf of itself and not as an agent or representative of you (the "Initial Purchaser"), offers to enter into this purchase contract (the "Purchase Contract") with the Utah Transit Authority (the "Issuer"), which will be binding upon the Issuer and the Initial Purchaser upon the acceptance hereof by the Issuer. This offer is made subject to its acceptance by the Issuer by execution of this Purchase Contract and its delivery to the Initial Purchaser, on or before 5:00 p.m., Utah time, on the date hereof. All terms used herein and not otherwise defined shall have the meanings given to such terms in the Official Statement (as hereafter defined).

1. Purchase and Sale. Upon the terms and conditions and in reliance upon the respective representations, warranties and agreements hereinafter set forth, the Initial Purchaser hereby agrees to purchase, and the Issuer hereby agrees to cause to be delivered to the Initial Purchaser, all (but not less than all) of \$ _____ aggregate principal amount of the Utah Transit Authority, [Subordinated] Sales Tax Revenue [and Refunding] Bonds, Series 2017 (the "Series 2017 Bonds"). The Series 2017 Bonds will mature in the amounts and on the dates, bear interest at the rates and be subject to redemption as set forth on Exhibit A hereto. The Initial Purchaser will purchase the Series 2017 Bonds for the aggregate purchase price of \$ _____ (representing the aggregate principal amount of the Series 2017 Bonds plus a premium of \$ _____ and less a Purchaser's Fee of \$ _____).

2. Description and Purpose of the Series 2017 Bonds. The Series 2017 Bonds shall be as described in the Official Statement of the Issuer dated _____, 2017, relating to the Series 2017 Bonds (which, together with all exhibits and appendices included therein or attached thereto and such amendments or supplements thereto which shall be approved by the Initial Purchaser, is hereinafter called the "Official Statement")

and shall be issued and secured under and pursuant to (a) the Public Transit District Act, Title 17B, Chapter 2a, Part 8, Utah Code Annotated 1953, as amended, the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, and the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended (collectively, the “Act”); (b) a resolution of the Issuer adopted on December 13, 2017 by the Board of Trustees of the Issuer (the “Board”) providing for the issuance and sale of the Series 2017 Bonds (the “Resolution”), and [a Subordinate General Indenture of Trust, dated as of July 1, 2006][an Amended and Restated General Indenture of Trust, dated as of September 1, 2002], as previously supplemented and amended (the “General Indenture”), and as further supplemented by a [Twelfth][Eleventh] Supplemental [Subordinate] Indenture of Trust, dated as of _____ 1, 2017 (the “Supplemental Indenture” and, together with the General Indenture, the “Indenture”) between the Issuer and ZB, National Association dba Zions Bank, as trustee (the Trustee”). The proceeds of the sale of the Series 2017 Bonds will be used for the purpose of (i) financing a portion of the costs associated with additions and improvements to the System (collectively, the “Project”), (ii) [refunding a portion of the Issuer’s outstanding Series ___ Bonds (the “Refunded Bonds”)], (iii) [funding a debt service reserve fund] and (iv) paying certain costs of issuing the Series 2017 Bonds.

The Series 2017 Bonds are special obligations of the Issuer payable solely from and secured solely by the Pledged Revenues and to the extent provided in the Indenture. The Series 2017 Bonds are not general obligations of the Issuer, the State of Utah, or any other political subdivision, and the full faith and credit of the Issuer is not pledged to the payment of the Series 2017 Bonds.

3. Purchase of Bonds. The Initial Purchaser agrees to purchase all the Series 2017 Bonds at the offering prices (or yields) set forth in Exhibit A. Subsequent to the initial purchase, the Initial Purchaser reserves the right to sell or transfer the Series 2017 Bonds to certain dealers and other investors at prices higher or lower than such initial purchase prices.

4. Delivery of Official Statement. The Issuer hereby authorizes the Initial Purchaser to use and distribute, in connection with any offer and sale of the Series 2017 Bonds: the Official Statement, the Indenture, the Resolution, and the Continuing Disclosure Undertaking (as hereinafter defined), and other documents or contracts to which the Issuer is a party in connection with the transactions contemplated by this Purchase Contract, including this Purchase Contract and all information contained herein, and all other documents, certificates and statements furnished by the Issuer to the Initial Purchaser in connection with the transactions contemplated by this Purchase Contract

5. The Closing. At 9:00 a.m., Utah time, on _____, 2017, or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the Issuer and the Initial Purchaser, the Issuer will cause to be executed and delivered (i) the Series 2017 Bonds in book-entry form through the facilities of The Depository Trust Company, or its agent, on behalf of the Initial Purchaser, and (ii) the closing documents hereinafter mentioned at the offices of Gilmore & Bell, P.C. (“Bond Counsel”) in Salt Lake City, Utah, or another place to be mutually agreed upon by the Issuer and the Initial

Purchaser. The Initial Purchaser will accept such delivery of the Series 2017 Bonds and pay the purchase price of such Series 2017 Bonds as set forth in Section 1 hereof in immediately available funds to the order of the Issuer. This payment for and delivery of the Series 2017 Bonds, together with the execution and delivery of the aforementioned documents, is herein called the “Closing.”

6. Issuer Representations, Warranties and Covenants. The Issuer represents, warrants and covenants to the Initial Purchaser that:

(i) Due Organization, Existence and Authority. The Issuer is duly organized and validly existing under the laws of the State of Utah (the “State”), with full right, power and authority to execute, deliver and perform its obligations under this Purchase Contract, the Indenture, and the Continuing Disclosure Undertaking (collectively, the “Issuer Documents”) and to carry out and consummate the transactions contemplated by the Issuer Documents and the Official Statement.

(ii) Resolution. The Issuer has and will have on the Closing Date the power and authority to adopt the Resolution, perform its obligations thereunder and collect the Pledged Revenues.

(iii) Due Authorization and Approval. By all necessary official action of the Issuer, the Issuer has duly authorized and approved the execution and delivery of, and the performance by the Issuer of the obligations contained or described in the Official Statement, the Issuer Documents, and the Resolution and as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered, the Issuer Documents, and the Resolution will constitute the legally valid and binding obligations of the Issuer enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or similar laws or equitable principles relating to or affecting creditors’ rights generally or by the exercise of judicial discretion in appropriate cases or by limitations on legal remedies against public agencies in the State.

(iv) Official Statement Accurate and Complete. The Official Statement is, and at all times subsequent to the date of the Official Statement up to and including the Closing will be, true and correct in all material respects, and the Official Statement contains, and up to and including the Closing, will contain no misstatement of any material fact and does not, and up to and including the Closing, will not omit any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading (except no representation is made with respect to information relating to DTC or DTC’s book-entry system).

(v) Initial Purchaser's Consent to Amendments and Supplements to the Official Statement. The Issuer will advise the Initial Purchaser promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Initial Purchaser, which consent will not be unreasonably withheld. The Issuer will advise the Initial Purchaser promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Series 2017 Bonds.

(vi) Issuer Agreement to Amend or Supplement the Official Statement. If after the date of this Purchase Contract and until 25 days after the end of the period described in paragraph (f)(2) of Section 240 15c2-12 in Chapter II of Title 17 of the Code of Federal Regulations (“Rule 15c2-12”), any event occurs as a result of which the Official Statement as then amended or supplemented would include an untrue statement of a material fact, or omit to state any material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading, and, in the reasonable opinion of the Initial Purchaser, an amended or supplemented Official Statement should be delivered in connection with the offers or sales of the Series 2017 Bonds to reflect such event, the Issuer promptly will prepare at its expense an amendment or supplement which will correct such statement or omission and the Issuer shall promptly furnish to the Initial Purchaser a reasonable number of copies of such amendment or supplement. The Initial Purchaser hereby agrees to deposit the Official Statement with the Municipal Securities Rulemaking Board (the “MSRB”). The Initial Purchaser acknowledges that the end of the period described above will be the date of Closing unless the Initial Purchaser otherwise notifies the Issuer.

(vii) No Material Change in Finances. Except as otherwise described in the Official Statement, there shall not have been any material adverse changes in the financial condition of the Issuer since the end of the fiscal year of its most recent audited financial report.

(viii) No Breach or Default. As of the time of acceptance hereof, (A) the Issuer is not in default, nor has it been in default, as to principal or interest with respect to an obligation issued by the Issuer, and (B) the Issuer is not and will not be, in any manner which would materially adversely affect the transactions contemplated by the Issuer Documents or the Resolution, in breach of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Issuer is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of

notice, or both, would constitute, in any manner which would materially adversely affect the transactions contemplated by the Issuer Documents or the Resolution, a default or event of default under any such instrument; and, as of such time, the authorization, execution and delivery of the Issuer Documents, the adoption of the Resolution, and compliance with the provisions of each of such agreements or instruments do not and will not, in any manner which would materially adversely affect the transactions contemplated by the Issuer Documents or the Resolution, conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Issuer (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties is bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be provided by the Issuer Documents.

(ix) No Litigation. As of the time of acceptance hereof and as of the date of Closing, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, is pending or, to the best knowledge of the Issuer after due investigation, threatened (A) in any way questioning the corporate existence of the Issuer or the titles of the officers of the Issuer to their respective offices; (B) affecting, contesting or seeking to prohibit, restrain or enjoin the execution or delivery of any of the Series 2017 Bonds, or in any way contesting or affecting the validity of the Series 2017 Bonds or the Issuer Documents or the Resolution or the consummation of the transactions contemplated thereby, or contesting the exclusion of the interest component of Series 2017 Bonds from gross income for federal income tax purposes or contesting the powers of the Issuer to enter into the Issuer Documents or to adopt the Resolution; (C) which, except as described in the Official Statement, may result in any material adverse change to the financial condition of the Issuer; or (D) contesting the completeness or accuracy of the Official Statement or any supplement or amendment thereto or asserting that the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (A) through (D) of this sentence.

(x) No Prior Liens on Revenues. Except for the Issuer's Senior Bonds (as defined in the General Indenture), there are no bonds, notes or other obligations of the Issuer that are secured by a pledge of the Pledged

Revenues that is prior to the pledge made in favor of the Series 2017 Bonds pursuant to the Indenture. Between the time of acceptance hereof and the Closing Date, the Issuer will not, without the prior written consent of the Initial Purchaser, issue any revenue bonds or securities payable from the Revenues (as defined in the Indenture) other than the Series 2017 Bonds.

(xi) Further Cooperation: Blue Sky. The Issuer will furnish such information, execute such instruments and take such other action in cooperation with the Initial Purchaser as the Initial Purchaser may reasonably request in order (A) to qualify the Series 2017 Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Initial Purchaser may designate and (B) to determine the eligibility of the Series 2017 Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Series 2017 Bonds; provided, however, that the Issuer shall not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction.

(xii) Consents and Approvals. All authorizations, approvals, licenses, permits, consents and orders of or filings with any governmental authority, legislative body, board, agency or commission having jurisdiction in the matters which are required for the due authorization of, which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the Issuer of its obligations in connection with, the Issuer Documents or the collection by the Issuer of the Pledged Revenues as contemplated in the Official Statement have been duly obtained or made, except as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Series 2017 Bonds.

(xiii) No Other Obligations. Between the date of this Purchase Contract and the date of Closing and except as otherwise disclosed in the Official Statement, the Issuer will not, without the prior written consent of the Initial Purchaser, offer or issue any bonds, notes or other obligations for borrowed money, or incur any material liabilities, directly or contingently payable from the Pledged Revenues.

(xiv) Series 2017 Bonds. Any certificate signed by any official of the Issuer and delivered to the Initial Purchaser shall be deemed to be a representation and warranty by the Issuer to the Initial Purchaser as to the statements made therein.

(xv) Compliance with Rule 15c2-12. The Issuer has delivered the Official Statement to the Initial Purchaser (attached hereto as Exhibit B, which the Issuer has deemed final. The Issuer hereby covenants and agrees

that, within two business days from the date hereof, it shall cause such additional copies of the Official Statement as may be requested by the Initial Purchaser to be delivered to the Initial Purchaser in sufficient quantity to comply with paragraph (b)(4) of Rule 15c2-12 and Rules of the MSRB.

(xvi) Continuing Disclosure. During the past five years, the Issuer has not failed to comply in any material respect with any continuing disclosure undertaking previously entered into by the Issuer pursuant to Rule 15c2-12 of the Securities and Exchange Commission. The Issuer will undertake, pursuant to a continuing disclosure undertaking (the “Continuing Disclosure Undertaking”), to provide annual reports and notices of certain events in accordance with the requirements of Rule 15c2-12. A form of the Continuing Disclosure Undertaking is set forth in Appendix F to the Official Statement.

7. Closing Conditions. The Initial Purchaser has entered into this Purchase Contract in reliance upon the representations, warranties and covenants herein and the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the date of the Closing. The Initial Purchaser’s obligations under this Purchase Contract are and shall be subject to the following additional conditions:

(a) Bring-Down Representation. The representations, warranties and covenants of the Issuer contained herein, shall be true, complete and correct at the date hereof and at the time of the Closing, as if made on the date of the Closing.

(i) Executed Agreements and Performance Thereunder. At the time of the Closing (i) the Issuer Documents shall be in full force and effect, and shall not have been amended, modified or supplemented except with the written consent of the Initial Purchaser, (ii) the Resolution and any other resolutions or ordinances as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated by the Official Statement and the Issuer Documents shall be in full force and effect, (iii) the Issuer shall perform or have performed its obligations required or specified in the Issuer Documents and the Resolution to be performed at or prior to Closing, (iv) the Official Statement shall not have been supplemented or amended, except pursuant to Paragraphs 6(a)(v) and 6(a)(vi) hereof or as otherwise may have been agreed to in writing by the Initial Purchaser.

(ii) No Default. At the time of the Closing, no default, or any event that with the passage of time would be reasonably likely to result in default, shall have occurred or be existing under the Resolution, the Issuer Documents, or any other agreement or document pursuant to which any of the Issuer’s financial obligations were issued and the Issuer shall not be in default in the payment of principal or interest on any of its financial obligations which default would materially adversely impact the ability of the Issuer to collect the Pledged Revenues.

(b) Termination Events. The Initial Purchaser shall have the right to terminate this Purchase Contract, without liability therefor, by written notification to the Issuer if at any time at or prior to the Closing:

(i) an event shall occur which makes untrue or incorrect in any material respect, as of the time of such event, any statement or information contained in the Official Statement or which is not reflected in the Official Statement but should be reflected therein in order to make the statements contained therein not misleading in any material respect and, in either such event, the Issuer refuses to permit the Official Statement to be supplemented to supply such statement or information or the effect of the Official Statement as so supplemented is, in the judgment of the Initial Purchaser, to materially adversely affect the market for the Series 2017 Bonds; or

(ii) legislation shall be introduced in, enacted by, reported out of committee, or recommended for passage by the State, either House of the Congress, or recommended to the Congress or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation is proposed for consideration by either such committee by any member thereof or presented as an option for consideration by either such committee by the staff or such committee or by the staff of the Joint Committee on Taxation of the Congress of the United States, or a bill to amend the Code (which, if enacted, would be effective as of a date prior to the Closing) shall be filed in either House, or a decision by a court of competent jurisdiction shall be rendered, or a regulation or filing shall be issued or proposed by or on behalf of the Department of the Treasury or the Internal Revenue Service of the United States, or other agency of the federal government, or a release or official statement shall be issued by the President, the Department of the Treasury or the Internal Revenue Service of the United States, in any such case with respect to or affecting (directly or indirectly) the taxation of interest received on obligations of the general character of the Series 2017 Bonds which, in the opinion of the Initial Purchaser, materially adversely affects the market for the Series 2017 Bonds; or

(iii) a stop order, ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering, sale or distribution of obligations of the general character of the Series 2017 Bonds is in violation or would be in violation of any provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended or the Trust Indenture Act of 1939, as amended; or

(iv) legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Series 2017 Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended (the “Securities Act”), or that the Indenture is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended, or that the issuance, offering, or sale of obligations of the general character of the Series 2017 Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect;

(v) there shall have occurred any outbreak or escalation of hostilities, declaration by the United States of a national or international emergency or war or other calamity or crisis the effect of which on financial markets is such as to make it, in the reasonable judgment of the Initial Purchaser, impractical or inadvisable to proceed with the reselling of the Series 2017 Bonds as contemplated in the Official Statement; or

(vi) there shall have occurred a general suspension of trading, minimum or maximum prices for trading shall have been fixed and be in force or maximum ranges or prices for securities shall have been required on the New York Stock Exchange or other national stock exchange whether by virtue of a determination by that Exchange or by order of the Securities and Exchange Commission or any other governmental agency having jurisdiction or any national securities exchange shall have: (i) imposed additional material restrictions not in force as of the date hereof with respect to trading in securities generally, or to the Series 2017 Bonds or similar obligations; or (ii) materially increased restrictions now in force with respect to the extension of credit by or the charge to the net capital requirements of underwriters or broker-dealers such as to make it, in the judgment of the Initial Purchaser, impractical or inadvisable to proceed with the reselling of the Series 2017 Bonds as contemplated in the Official Statement; or

(vii) a general banking moratorium shall have been declared by federal or New York or State authorities or a major financial crisis or a material disruption in commercial banking or securities settlement or clearances services shall have occurred such as to make it, in the judgment of the Initial Purchaser, impractical or inadvisable to proceed with the reselling of the Series 2017 Bonds as contemplated in the Official Statement; or

(viii) a downgrading or suspension of any rating (without regard to credit enhancement) by Moody's Investors Service ("Moody's"), S&P Global Ratings ("S&P"), or Fitch Ratings ("Fitch") of any debt securities issued by the Issuer, or (ii) there shall have been any official statement as to a possible downgrading (such as being placed on "credit watch" or "negative outlook" or any similar qualification) of any rating by Moody's, S&P or Fitch of any debt securities issued by the Issuer, including the Series 2017 Bonds; or

(ix) the commencement of any action, suit or proceeding described in Paragraph 6(ix) hereof which, in the reasonable judgment of the Initial Purchaser, materially adversely affects the market for the Series 2017 Bonds.

(c) Closing Documents. At or prior to the Closing, the Initial Purchaser shall receive with respect to the Series 2017 Bonds the following documents:

(i) Bond Opinion. An approving opinion of Gilmore & Bell, P.C., Bond Counsel, dated the date of the Closing and substantially in the form included as Appendix E to the Official Statement, together with a letter from such counsel, dated the date of the Closing and addressed to the Initial Purchaser, to the effect that the foregoing opinion addressed to the Issuer may be relied upon by the Initial Purchaser to the same extent as if such opinion were addressed to it.

(ii) Supplemental Opinion. A supplemental opinion or opinions of Bond Counsel addressed to the Initial Purchaser, in form and substance acceptable to the Initial Purchaser, and dated the date of the Closing substantially to the following effect:

(A) The Purchase Contract has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the other parties thereto is a valid and binding agreement of the Issuer enforceable in accordance with its terms, except that the rights and obligations under the Purchase Contract are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State;

(B) The statements contained in the Official Statement on the cover page and under the captions ["THE 2017 BONDS" (except under the caption "Sources and Uses of Funds," "Debt Service on the 2017 Bonds," and "Book-Entry System"), "SECURITY AND SOURCES OF PAYMENT FOR THE SENIOR

AND SUBORDINATE BONDS—Flow of Funds” and “—Issuance of Additional Senior Bonds and Additional Subordinated Bonds,” and “LEGAL MATTERS—Federal Income Tax Matters” and “—State of Utah Income Tax” and in Appendix B and Appendix C thereto], insofar as such statements purport to summarize certain provisions of the Series 2017 Bonds, the Indenture, and Bond Counsel’s opinions concerning certain tax matters relating to the Series 2017 Bonds, present a fair and accurate summary of such provisions; and

(C) Because the primary purpose of such counsel’s professional engagement was not to establish factual matters and because of the wholly or partially non-legal character of many determinations involved in the preparation of the Official Statement, such counsel is not passing upon and does not assume any responsibility for the accuracy, completeness or fairness of any of the statements contained in the Official Statement other than those set forth in the immediately preceding paragraph above and makes no representation that it has independently verified the accuracy, completeness or fairness of any such statements. However, in such counsel’s capacity as bond counsel, it met in conferences with representatives of and counsel for the Issuer the financial advisor to the Issuer, the Initial Purchaser, and others, during which conferences the contents of the Official Statement and related matters were discussed. Based on such counsel’s participation in the above-mentioned conferences, and in reliance thereon and on the documents, certificates and opinions herein mentioned, such counsel advises that no information came to the attention of the attorneys of such firm rendering legal services in such connection, which caused them to believe that the Official Statement as of its date and as of the date of the opinion contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that no opinion or belief is expressed as to (i) the financial statements, numerical, financial, economic, demographic and statistical data, forecasts, charts, estimates, projections, assumptions or expressions of opinion; (ii) any information about book-entry and The Depository Trust Company; and (iii) information contained under the captions or under the tables entitled, [“Sales and Use Tax Rates” and “Historical Sales and Use Tax Collections,” contained under the caption “SECURITY AND SOURCES OF PAYMENT FOR THE SENIOR AND SUBORDINATE BONDS” (except as noted in the paragraph (B) above), or under the sections entitled, “HISTORICAL DEBT SERVICE COVERAGE,” “PROJECTED DEBT SERVICE COVERAGE,” “THE AUTHORITY,” “FINANCIAL INFORMATION REGARDING UTAH TRANSIT

AUTHORITY,” and “LEGAL MATTERS” (except as noted above in paragraph (B) above), and Appendices A, E and F to the Official Statement).]

(iii) Opinion of Counsel to the Issuer. An opinion of General Counsel to the Issuer, dated the Closing Date, addressed to the Initial Purchaser, the Issuer, the Trustee and to Bond Counsel, in substantially the form set forth in Exhibit C hereto;

(iv) Opinion of Counsel to the Initial Purchaser. An opinion of Chapman and Cutler, as counsel to the Initial Purchaser, dated the Closing Date;

(v) Issuer Certificate. A certificate of the Issuer, dated the date of the Closing, signed on behalf of the Issuer by a duly authorized officer of the Issuer to the effect that:

(A) The representations, warranties and covenants of the Issuer contained in the Purchase Contract are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing and the Issuer has complied with all of the terms and conditions of the Purchase Contract required to be complied with by the Issuer at or prior to the date of the Closing;

(B) No event affecting the Issuer has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto which event should be disclosed in the Official Statement in order to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading (except no representation is made with respect to information relating to DTC or DTC’s book-entry system); and

(C) No event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute an event of default under the Issuer Documents.

(vi) Trustee’s Certificate. A certificate, dated the date of Closing, signed by a duly authorized official of the Trustee satisfactory in form and substance to the Initial Purchaser, to the effect that:

(A) The Trustee is duly organized and existing as a national banking association under the laws of the United States of America, having the full corporate power and authority to enter into and perform its duties under the Indenture;

(B) The Trustee is duly authorized to enter into the Indenture and has duly executed and delivered the Indenture, and

assuming due authorization and execution by the other parties thereto, the Indenture is legal, valid and binding upon the Trustee, and enforceable against the Trustee in accordance with its terms;

(C) The Trustee has duly executed the Series 2017 Bonds under the Indenture and delivered the Series 2017 Bonds to or upon the order of the Initial Purchaser; and

(D) No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the banking or trust powers of the Trustee that has not been obtained is or will be required for the execution and delivery of the Series 2017 Bonds or the consummation by the Trustee of its obligations under the Indenture.

(vii) Transcripts. A copy of the transcript of all proceedings relating to the authorization, execution and delivery of the Series 2017 Bonds.

(viii) Official Statement. The Official Statement and each supplement or amendment, if any, thereto, executed on behalf of the Issuer by duly authorized officers thereof.

(ix) Documents. An original executed copy of each of the Issuer Documents.

(x) Resolution. A certified copy of the Resolution.

(xi) Trustee Resolution. A certified copy of the general resolution of the Trustee authorizing the execution and delivery of certain documents or other evidence of the authority to execute and deliver documents by certain officers and employees of the Trustee, which resolution or evidence authorizes the execution and delivery of the Indenture.

(xii) 8038-G. Evidence that the federal tax information form 8038-G has been prepared for filing.

(xiii) Tax Certificate. A tax certificate in form satisfactory to Bond Counsel.

(xiv) Ratings. Evidence from Moody's, Fitch, and S&P, that the Series 2017 Bonds have been assigned ratings of "___," "___," and "___," respectively.

(xv) Continuing Disclosure Undertaking. An executed copy of the Continuing Disclosure Undertaking.

(xvi) Additional Documents. Such additional certificates, instruments and other documents as the Initial Purchaser may reasonably deem necessary.

If the Issuer shall be unable to satisfy the conditions contained in this Purchase Contract, or if the obligations of the Initial Purchaser shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Initial Purchaser nor the Issuer shall be under further obligation hereunder, except as further set forth in Section 8 hereof.

8. Expenses. The Initial Purchaser shall be under no obligation to pay and the Issuer shall pay or cause to be paid the expenses incident to the performance of the obligations of the Issuer hereunder including but not limited to (a) the fees and disbursements of any counsel, financial advisors, accountants or other experts or consultants retained by the Issuer; (c) the fees and disbursements of Bond Counsel and disclosure counsel; (d) the fees and disbursements of the rating agencies; and I Trustee fees.

The Initial Purchaser shall pay and the Issuer shall be under no obligation to pay (a) all expenses incurred by it in connection with the initial purchase of the Series 2017 Bonds, including any costs or expenses related to CUSIP Service Bureau fees and Initial Purchaser's Counsel. The Issuer acknowledges that a portion of the Initial Purchaser's purchase fee is intended to reimburse the Initial Purchaser for any incidental expenses (including, but not limited to, transportation, lodging and meals of Issuer and Initial Purchaser personnel) incurred by the Initial Purchaser (on behalf of Initial Purchaser personnel and Issuer personnel and advisors, as applicable) in connection with the execution of the transaction contemplated by this Purchase Contract.

9. Notice. Any notice or other communication to be given to the Issuer under this Purchase Contract may be given by delivering the same in writing to at its address set forth above, and any notice or other communication to be given to the Initial Purchaser under this Purchase Contract may be given by delivering the same in writing to

[Purchaser]

Attention: _____

10. Entire Agreement. This Purchase Contract, when accepted by the Issuer, shall constitute the entire agreement among the Issuer and the Initial Purchaser with respect to the subject matter hereof and is made solely for the benefit of the Issuer and the Initial Purchaser (including the successors of the Initial Purchaser). No other person shall acquire or have any right hereunder by virtue hereof, except as provided herein. All of the representations, warranties and agreements of the Issuer in this Purchase Contract shall remain operative and in full force and effect except as otherwise provided herein, regardless of any investigations made by or on behalf of the Initial Purchaser and shall survive the delivery of and payment for the Series 2017 Bonds.

11. No Advisory or Fiduciary Role. The Issuer acknowledges and agrees that (i) the purchase and sale of the Series 2017 Bonds pursuant to this Purchase Contract is an arm's-length commercial transaction between the Issuer and the Initial Purchaser, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Initial Purchaser is and has been acting solely as a principal and is not acting as the agent, advisor or fiduciary of the Issuer, (iii) the Initial Purchaser has not assumed an advisory or fiduciary responsibility in favor of the Issuer with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Initial Purchaser has provided other services or is currently providing other services to the Issuer on other matters) and the Initial Purchaser has no obligation to the Issuer with respect to the offering contemplated hereby except the obligations expressly set forth in this Purchase Contract and (iv) the Issuer has consulted its own legal, financial and other advisors to the extent deemed appropriate.

12. Counterparts. This Purchase Contract may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

13. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

14. STATE LAW GOVERNS. THE VALIDITY, INTERPRETATION AND PERFORMANCE OF THIS PURCHASE CONTRACT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF UTAH.

15. No Assignment. The rights and obligations created by this Purchase Contract shall not be subject to assignment by the Initial Purchaser or the Issuer without the prior written consent of the other party hereto.

[PURCHASER]

By: _____

Accepted as of the date
first stated above:

UTAH TRANSIT AUTHORITY

By _____
Chair

ATTEST AND COUNTERSIGN:

By _____
Vice President of Finance/Secretary/Treasurer

APPROVED AS TO FORM:

Legal Counsel for the Utah Transit Authority

EXHIBIT A

Utah Transit Authority

\$ _____

[Subordinated] Sales Tax Revenue [and Refunding] Bonds,
Series 2017

Maturity Date (December <u>15</u>)	Principal <u>Amount</u>	Interest <u>Rate</u>	<u>Price</u>	<u>Yield to Call</u>
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REDEMPTION PROVISIONS

The Series 2017 Bonds maturing on _____ are subject to redemption at the option of the Authority on _____, and on any date thereafter prior to maturity, in whole or in part, from such maturities or parts thereof as may be selected by the Authority, at a redemption price equal to 100% of the principal amount of the Series 2017 Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption.

EXHIBIT B

OFFICIAL STATEMENT

(See Transcript Document No. ____)

EXHIBIT C

FORM OF OPINION OF ISSUER’S COUNSEL

_____, 2017

[Purchaser]

Gilmore & Bell, P.C.
15 W. South Temple, Suite 1450
Salt Lake City, Utah 84101

ZB, National Association
One South Main Street, #1200
Salt Lake City, Utah 84133

I have acted as General Counsel for the Utah Transit Authority (the “Issuer”) in connection with the issuance and sale of its \$ _____ [Subordinated] Sales Tax Revenue [and Refunding] Bonds, Series 2017 (the “Bonds”). The Bonds will be payable from certain revenues that the Issuer has pledged and assigned for the benefit of the owners from time to time of the Bonds pursuant to the Indenture (hereinafter defined).

In this connection, I, or other staff attorneys working under my direction, have examined: (i) an executed counterpart of that certain [Subordinate General Indenture of Trust, dated as of July 1, 2006][Amended and Restated General Indenture of Trust, dated as of September 1, 2002], as supplemented and amended (the “General Indenture”), between the Issuer and ZB, National Association dba Zions Bank, as trustee (the “Trustee”); (ii) an executed counterpart of that certain [Twelfth][Eleventh] Supplemental [Subordinate] Indenture of Trust, dated as of _____, 2017, between the Issuer and the Trustee (the “Tenth Supplemental Indenture” and together with the General Indenture, the “Indenture”); (iii) all laws, proceedings and documents relating to the organization, rights, powers, authorities and procedures of and other legal requirements applicable to the Issuer, including without limitation the Public Transit District Act, Title 17B, Chapter 2a, Part 8, Utah Code Annotated 1953, as amended (the “Transit Act”); Title 17B, Chapter 1, Part 11, Utah Code Annotated 1953, as amended, the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, and the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended (collectively, the “Act”); (iv) an executed counterpart of the Continuing Disclosure Undertaking, relating to the Bonds (the “Continuing Disclosure Undertaking”); (v) the proceedings of the Issuer, including without limitation, the resolution of the Issuer adopted by its Board of Trustees on September 27, 2017 (the “Resolution”), relating to the issuance of the Bonds and the sale of the Bonds to _____ (the “Initial Purchaser”), pursuant to that certain Bond Purchase Contract dated _____, 2017 (the “Purchase Contract”), between the Issuer and the Initial Purchaser; (vi) an executed counterpart of the Purchase Contract; and (vii) such other documents and matters of law as I have deemed relevant and necessary in rendering this opinion.

This opinion is delivered to you in satisfaction of the requirements of Section 7(c)(iii) of the Purchase Contract. Based on the foregoing examination, I am of the opinion that:

1. The Issuer is a public transit district duly organized and validly existing under the Constitution and laws of the State of Utah, including the Transit Act, with full power and authority under the Act to issue the Bonds, to execute, deliver and perform its obligations under the Indenture, the Continuing Disclosure Undertaking, and the Purchase Contract, and to receive the Sales and Use Taxes (as defined in the Indenture).

2. The Resolution has been duly adopted by the Board of Trustees of the Issuer in public meetings held in compliance with the laws of the State of Utah, including the Utah Open Meeting Law, Title 52, Chapter 4, Utah Code Annotated 1953, as amended, and is in full force and effect as of the date hereof.

3. Based upon my participation in the transaction as General Counsel to the Issuer, and without having undertaken to determine independently or assuming any responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement dated _____, 2017 relating to the Bonds (the "Official Statement"), in connection with the issuance and sale of the Bonds, nothing has come to my attention that would lead me to believe that the Official Statement, as of the date thereof or hereof, contained or contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect, except that I express no view as to financial statements and statistical data contained in the Official Statement.

4. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, which is pending or, to the best of my knowledge, threatened against the Issuer (a) contesting compliance with the Open and Public Meetings Act, Title 52, Chapter 4, Utah Code Annotated 1953, as amended, with respect to the adoption of the Resolution, (b) to restrain or enjoin the issuance or delivery of any of the Bonds, the collection or allocation of Pledged Revenues (as defined in the Indenture) or the deposit and application of Pledged Revenues under the Indenture, (c) in any way contesting or affecting the authority for the issuance of the Bonds, the validity of the Bonds, the Indenture, the Continuing Disclosure Undertaking, the Resolution, or the Purchase Contract or the power or authority of the Issuer to perform the covenants or undertakings contained therein, or the excludability from gross income for federal income tax purposes of interest on the Bonds, or (d) in any way contesting the organization, existence or powers of the Issuer, nor, to the best of my knowledge, is there any basis for any such action, suit, proceeding, inquiry or investigation wherein an unfavorable decision, ruling or finding would materially adversely affect the financial condition of the Issuer, the security for the Bonds, the validity or enforceability of the Act, or the ability of the Issuer to maintain and operate its transit system, or the authorization, execution, delivery or performance by the Issuer of the Bonds, the Indenture, the Continuing Disclosure Undertaking, the Resolution, or the Purchase

Contract; provided that opinions relating to the enforceability of any instrument are subject to applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, and to general principles of equity.

5. The execution and delivery of the Bonds, the Indenture, the Continuing Disclosure Undertaking, and the Purchase Contract, and compliance with the provisions thereof and of the Resolution by the Issuer, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the Issuer a breach of or default under any agreement or other instrument to which the Issuer is a party or by which it is bound or any existing law, regulation, court order, or consent decree to which the Issuer is subject.

6. No approval or other action by any governmental authority or agency is required in connection with the issuance and sale of the Bonds or the execution, delivery or performance by the Issuer of the Indenture, the Continuing Disclosure Undertaking, or the Purchase Contract.

7. The Indenture has created a valid pledge of the Pledged Revenues for the benefit of the owners of the Bonds and the other bonds issued on a parity with the Bonds under the Indenture, junior and subordinate only to the lien of the Senior Indenture (as defined in the Indenture), valid against any and all other creditors of the Issuer.

8. The Indenture, the Continuing Disclosure Undertaking, and the Purchase Contract have been duly authorized, executed and delivered by the Issuer, and each constitutes a valid and binding obligation of the Issuer.

9. The Issuer owns, or is in the process of identifying and acquiring, all real property or interests in real property, structures, equipment, easements, permits (other than certain road construction permits from the Utah Department of Transportation, which are obtained as construction progresses), rights of way and licenses necessary for the operation of the System (as defined in the Indenture) as it currently exists.

Very truly yours,

General Counsel
Utah Transit Authority

UTAH TRANSIT AUTHORITY BOARD OF TRUSTEES
Agenda Item Coversheet

DATE:	December 5, 2017
CONTACT PERSON:	Bob Biles, Vice President Finance
SUBJECT:	Resolution R2017-12-01 Establishing the 2018 Budget
BACKGROUND:	<p>At its meeting of October 25, 2017, the Board adopted a Tentative 2018 Budget. Notice of the November 15, 2017 public hearing and budget information were provided to UTA stakeholders, each city and county in the UTA service area, and numerous other stakeholders. This information was also posted on UTA's website. The public hearing was held on November 15, 2017 with no comments received.</p> <p>The public comment period concluded on November 30, 2017. Staff will provide a summary of the public comments received at the December 5, 2017 Executive Committee meeting.</p> <p>The 2018 Final Budget in Exhibit A reflects three changes from the Tentative 2018 budget. They are:</p> <ul style="list-style-type: none">• Operating revenue and expense have been increased by \$500,000 in anticipation of increased service on routes in Salt Lake County.• An overall FTE reduction of 1.5 positions reduced overall personnel expense by \$184,798. An operating expense increase of \$173,000 was offset by a capital expense decrease of \$357,798. The contribution from operating revenues was decreased by \$173,000.• Project estimate changes in the capital budget include the following (net increase of \$250,761):<ul style="list-style-type: none">○ A \$400,000 increase for positive train control.○ A \$200,000 increase for electric bus implementation.

	<ul style="list-style-type: none"> ○ A \$349,239 decrease for replacement bus costs. ● The net impact of all of the above changes is an increase in operating revenue and expense of \$500,000. Capital revenue and expense decreased by \$107,000. <p>The resolution adopts the 2018 budget.</p>
PREFERRED ALTERNATIVE:	Approve forwarding the resolution to the Board of Trustees.
EXHIBITS:	<ul style="list-style-type: none"> ● Resolution R2017-12-01 ● Exhibits A, B, and C – 2018 Final Budget ● Exhibit D - Changes from 2018 Tentative to Final Budget – Operating ● Exhibit E – Changes from 2018 Tentative to Final Budget - Capital

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE UTAH TRANSIT
AUTHORITY RATIFYING THE ADOPTION OF THE 2018 BUDGET**

No. R2017-12-01

December 13, 2017

WHEREAS, the Utah Transit Authority (the "Authority") is a public transit district organized under the laws of the State of Utah and was created to transact and exercise all of the powers provided for in the Utah Limited Purpose Local Government Entities-Local Districts Act and the Utah Public Transit District Act; and

WHEREAS, the Board of Trustees (the "Board") of the Authority is charged by the State of Utah to complete a budget process and establish an annual budget of the Authority;

WHEREAS, as part of that budget process, the Board approved a tentative budget, provided notice for and held a public hearing, and provided copies of that budget and notice to interested persons and to those entities identified by Statute; and

WHEREAS, the Board has reviewed the budget as proposed by the Authority staff, and believes that the budget reasonably fulfills the needs of the Authority and is in keeping with its responsibility for fiscal conservancy;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Utah Transit Authority:

1. That the Board hereby ratifies the adoption of the Authority's 2018 Budget, a copy of which is attached to this Resolution as Exhibit A.
2. That this Resolution stay in full force and effect until superseded by further action of the Board.
3. That the corporate seal be attached hereto.

APPROVED AND ADOPTED this 13th day of December, 2017.

Robert W. McKinley, Chair
Board of Trustees

ATTEST:

Robert K. Biles, Secretary/Treasurer

(Corporate Seal)

CERTIFICATE

The undersigned duly qualified Chair of the Board of Trustees of the Utah Transit Authority certifies that the foregoing is a true and correct copy of a resolution ratifying adoption at a legally convened meeting of the Board of Trustees held on the 13th day of December, 2017.

Robert W. McKinley, Chair
Board of Trustees

Robert K. Biles, Secretary/Treasurer

Approved As To Form:

Legal Counsel

**UTAH TRANSIT AUTHORITY
FINAL 2018 OPERATING BUDGET
December 5, 2017**

Exhibit A

	Actual 2016	Budget 2017	Final Budget 2018
<u>Revenue</u>			
1 Sales Tax	\$ 245,008,417	\$ 258,109,000	\$ 278,909,000
2 Federal Prevent. Maint	63,334,769	60,676,000	60,827,000
3 Passenger Revenue	50,624,354	53,175,000	50,337,000
4 Advertising	2,266,667	2,333,000	2,483,000
5 Investment Income	1,732,939	2,098,000	3,732,000
6 Other Revenues	3,108,191	6,391,000	4,865,000
7 Motor Vehicle Registration		1,823,000	1,907,000
8 2015 Crossover Refunding Reserve		4,485,000	-
9 Total Revenue	<u>\$ 366,075,337</u>	<u>\$ 389,090,000</u>	<u>\$ 403,060,000</u>
<u>Operating Expense</u>			
10 Bus	\$ 82,476,517	\$ 90,762,000	\$ 97,522,000
11 Commuter Rail	29,076,765	27,700,000	27,375,000
12 Light Rail	39,857,000	48,553,000	48,964,000
13 Paratransit Service	19,172,673	21,795,000	23,010,000
14 Rideshare/Vanpool	2,796,086	2,576,000	3,210,000
15 Operations Support	36,248,482	42,154,000	45,154,000
16 General & Administrative	32,311,210	30,911,000	32,394,000
17 Total Operating Expense	<u>\$ 241,938,733</u>	<u>\$ 264,451,000</u>	<u>\$ 277,629,000</u>
<u>Non-Operating Expense</u>			
18 Contribution to Reserves	\$ -	\$ 4,752,000	\$ -
19 Planning/Real Estate/TOD/Major Program Development	4,245,093	6,060,000	5,505,000
20 Total Non-operating Expense	<u>\$ 4,245,093</u>	<u>\$ 10,812,000</u>	<u>\$ 5,505,000</u>
<u>Debt Service</u>			
21 Principal and Interest	\$ 95,991,432	\$ 107,002,000	\$ 113,977,000
22 Contribution to Early Debt Retirement Reserve	4,323,000	2,842,000	5,949,000
23 Total Debt Service	<u>100,314,432</u>	<u>109,844,000</u>	<u>119,926,000</u>
24 Total Expense	<u>\$ 346,498,258</u>	<u>\$ 385,107,000</u>	<u>\$ 403,060,000</u>

**UTAH TRANSIT AUTHORITY
FINAL 2018 CAPITAL BUDGET - SUMMARY
December 5, 2017**

Funding Sources

	<u>2018 Budget</u>
25 Provo Orem TRIP Funding	\$ 30,000,000
26 UTA Current Year Funding	\$ 20,823,000
27 2017 UTA Carryover Funding	\$ 27,883,000
28 Grants	\$ 26,115,000
29 Local Partner Contributions	\$ 11,968,000
30 State Contribution	\$ 2,350,000
31 Bonding	\$ 88,526,000
32 Leasing	\$ 21,163,000
33 Total Funding Sources	<u>\$ 228,828,000</u>

Expense

34 Provo-Orem TRIP	\$ 40,227,000
35 Airport Station Relocation	22,902,000
36 State of Good Repair	62,822,000
37 Other Capital Projects	65,229,000
38 Total Expense	<u>\$ 191,180,000</u>

**UTAH TRANSIT AUTHORITY
FINAL 2018 CAPITAL BUDGET - DETAIL
December 5, 2017**

Exhibit B

	Tentative 2018 Budget		
	2018 Capital - New	2017 Capital Carryover	2018 Budget
1 <u>Provo-Orem TRIP</u>	\$ 40,227,000	\$ -	\$ 40,227,000
2 <u>Airport Station Relocation</u>	\$ 20,000,000	\$ 2,901,499	\$ 22,901,499
<u>State of Good Repair</u>			
<u>Revenue / Service Vehicles</u>			
3 Replacement Buses	\$ 15,450,761	\$ -	\$ 15,450,761
4 Replacement Paratransit	2,856,000	-	2,856,000
5 Ogden Trolley Cars	1,195,000	-	1,195,000
6 Van pool 11-Pass Van replacement	954,429	-	954,429
7 Van pool 12-Pass Van replacement	572,658	-	572,658
8 Van pool 7-Pass Van replacement	501,078	-	501,078
9 Van pool 15-Pass Van replacement	336,996	-	336,996
10 Bus Engine and Transmission Replacement	-	1,350,000	1,350,000
11 Non-Rev Service Vehicle Replacement	300,000	-	300,000
12 Total Revenue/Service Vehicles	\$ 22,166,922	\$ 1,350,000	\$ 23,516,922
<u>Information Technology</u>			
13 Trapeze Enhancements	\$ 25,000	\$ 50,000	\$ 75,000
14 Electronic Fare Collection	40,000	250,000	290,000
15 MDC Next Generation Design and Prototype (Code and HW Design)	50,000	-	50,000
16 JDE Tools Release Upgrade	75,000	75,000	150,000
17 Server, Storage Infrastructure Equipment and Software	75,000	200,000	275,000
18 JDE Time / Labor Improvements	80,000	-	80,000
19 SIRE/ECM Replacement (AKA Legal Software)	100,000	500,000	600,000
20 Fares - Reader Replacement	100,000	2,562,850	2,662,850
21 IT Pool	100,000	400,000	500,000
22 New MS SQL Server Licenses	150,000	-	150,000
23 Radio Communication Infrastructure	250,000	-	250,000
24 EFS On-Prem Hosting (move from VIX Hosting)	250,000	-	250,000
25 FarePay Card Provider Alternative (replacement and RFP of INCOM)	325,000	-	325,000
26 Rail Communication On-Board Technology	365,000	-	365,000
27 Network Infrastructure Equipment & Software	400,000	-	400,000
28 Information Security Equipment & Software (PCI Compliance and Cyber Security)	400,000	-	400,000
29 Bus Communication On-Board Technology	640,000	-	640,000
30 Rail Passenger Info	300,000	300,000	600,000
31 Mobility Management	-	617,649	617,649
32 Wi-Fi for light rail vehicles	-	1,250,000	1,250,000
33 Application Development and Enhancements	-	200,000	200,000
34 Enterprise Security Replacement	-	150,000	150,000
35 Paratransit software enhancements	-	39,319	39,319
34 Expense Underspend	(1,725,000)	-	(1,725,000)
35 Total Information Technology	\$ 2,000,000	\$ 6,594,818	\$ 8,594,818
<u>Facilities, Safety, & Admin Equip.</u>			
36 Safety and Security	\$ 480,000	\$ 555,796	\$ 1,035,796
37 Total Facilities, Safety, & Admin Equip.	\$ 480,000	\$ 555,796	\$ 1,035,796
<u>Infrastructure State of Good Repair Projects</u>			
38 Main St/4th S interlocking - Rehab switches/frogs	\$ 6,100,000	\$ -	\$ 6,100,000
39 LRT Stray Current Control	500,000	250,000	750,000
40 650 South TRAX Station	200,000	-	200,000
41 American Fork P&R bus pull out removal	10,000	-	10,000
42 Vehicle Overhauls	5,150,202	10,395,102	15,545,304
43 SD Light Rail Vehicle Rehab	1,092,000	-	1,092,000
44 Pedestrian Crossing Updates	-	220,000	220,000
45 Paint Room at Meadowbrook	-	299,681	299,681
46 Prime mover engine rebuild and turbocharger replacement (Commuter Rail)	-	1,713,646	1,713,646
47 Comet Car Tires	-	653,700	653,700
48 Transit Asset Management	125,000	140,000	265,000
49 Commuter Rail Grade Crossing Program	275,000	-	275,000
50 Roof Replacements	287,500	-	287,500

51 Bus Lift Replacements	212,500	-	212,500
52 450 East Crossover	400,000	-	400,000
53 Office Equipment	100,000	-	100,000
54 Timp Fit factory remodel and equip replacement	35,000	-	35,000
55 Replace Vertical Lift Modules - warehouse	686,000	460,000	1,146,000
56 JR Rail Vehicle Maintenance	-	300,000	300,000
57 Other state of good repair	2,000,000	68,810	2,068,810
58 Project under runs assumed	(2,000,000)	-	(2,000,000)
59 Total State of Good Repair	\$ 15,173,202	\$ 14,500,939	\$ 29,674,141
60 Total State of Good Repair	\$ 39,820,124	\$ 23,001,553	\$ 62,821,677

Capital Projects

Capital Projects

61 Tiger Grant Projects (w/o Prop#1)	\$ 9,337,089	\$ 3,705,989	\$ 13,043,078
62 Sandy Parking Structure	5,400,000	-	5,400,000
63 Positive Train Control (PTC)	4,400,000	2,000,000	6,400,000
64 Sugar House double track	4,000,000	-	4,000,000
65 South Davis BRT	1,200,000	-	1,200,000
66 Signal Pre-emption Projects w/UDOT	732,000	-	732,000
67 UDOT I-15 widening/7200 South bridge	2,000,000	-	2,000,000
68 MOW Building - Clearfield	350,000	-	350,000
69 SW SLCounty ROW preservation	600,000	-	600,000
70 Weber Cnty CR ROW Preservation	500,000	-	500,000
71 Depot District - Phase 1	3,919,928	319,928	4,239,856
72 System -wide ADA bus stop impr.	100,000	-	100,000
73 Box Elder Right-of-Way	2,050,000	-	2,050,000
74 Wayfinding Signage Plan	1,000,000	-	1,000,000
75 DSI Inventory software & scanners	104,200	-	104,200
76 Bus Bay expansion - Provo Station	-	150,000	150,000
77 Downtown TRAX signal improvements	-	199,507	199,507
78 Red Light Signal Enforcement	-	5,076,193	5,076,193
79 FLHQ Generator	-	120,000	120,000
80 FL 2015 ROW	-	447,500	447,500
81 Electric Bus Implementation	-	6,318,500	6,318,500
81 Other Capital Projects	-	69,536	69,536
82 Total Capital Projects	\$ 35,693,217	\$ 18,407,153	\$ 54,100,370

Prop 1 Projects

83 Mt Ogden Expansion Buses	\$ 2,647,645	\$ -	\$ 2,647,645
84 Mt Ogden Expansion Facility	-	1,247,915	1,247,915
85 Prop 1 Passenger Imp. Weber/Davis County	1,462,200	2,393,907	3,856,107
86 Ogden-WSU BRT/Weber Intermodal	785,400	-	785,400
87 Prop 1 Passenger Imp - Tooele County	50,000	30,000	80,000
88 Prop #1 for Tiger - Tooele	61,216	-	61,216
89 Tooele Bus Facility Purchase/Upgrade	2,450,000	-	2,450,000
90 Total Prop 1 Projects	\$ 7,456,461	\$ 3,671,822	\$ 11,128,283
91 Total Other Capital Projects	43,149,678	22,078,975	65,228,653
92 Total Capital Budget	\$ 143,196,802	\$ 47,982,027	\$ 191,178,829

**UTAH TRANSIT AUTHORITY
FINAL 2018 CAPITAL BUDGET - DETAIL
December 5, 2017**

Exhibit C

<u>Bonded Projects</u>	
1 PTC	\$ 29,983,000
2 Depot District - Phase 1	7,989,800
3 Airport	25,300,000
4 700 South Curve Replacement	1,400,000
5 Red light signal enforcement	5,076,200
6 Main and 4th interlocking	6,100,000
7 Tooele Bus Facility	2,450,000
8 Provo-Orem BRT	10,227,000
	<hr/>
	\$ 88,526,000
	<hr/> <hr/>

UTAH TRANSIT AUTHORITY
FINAL 2018 OPERATING BUDGET - ADJUSTMENTS FROM TENTATIVE BUDGET
December 5, 2017

Exhibit D

		<u>Adjustments for Final 2018 Budget</u>				
<u>Revenue</u>		Tentative Budget 2018	Headcount Moves	Headcount Adjust	Service Changes	Final Budget 2018
1	Sales Tax	\$ 278,909,000				\$ 278,909,000
2	Federal Prevent. Maint	60,827,000				60,827,000
3	Passenger Revenue	50,337,000				50,337,000
4	Advertising	2,483,000				2,483,000
5	Investment Income	3,732,000				3,732,000
6	Other Revenues	4,365,000			500,000	4,865,000
7	Motor Vehicle Registration	1,907,000				1,907,000
8	2015 Crossover Refunding Reserve	-				-
9	Total Revenue	<u>\$ 402,560,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ 403,060,000</u>
<u>Operating Expense</u>						
10	Bus	\$ 97,133,000		\$ (111,000)	\$ 500,000	\$ 97,522,000
11	Commuter Rail	27,334,000		41,000		27,375,000
12	Light Rail	48,951,000	(109,000)	122,000		48,964,000
13	Paratransit Service	22,929,000		81,000		23,010,000
14	Rideshare/Vanpool	3,315,000	(105,000)			3,210,000
15	Operations Support	45,044,000	54,000	56,000		45,154,000
16	General & Administrative	32,250,000	144,000			32,394,000
17	Total Operating Expense	<u>\$ 276,956,000</u>	<u>\$ (16,000)</u>	<u>\$ 189,000</u>	<u>\$ 500,000</u>	<u>\$ 277,629,000</u>
<u>Non-Operating Expense</u>						
18	Contribution to Reserves	\$ -				\$ -
19	Planning/Real Estate/TOD/Major Program Development	5,505,000				5,505,000
20	Total Non-operating Expense	<u>\$ 5,505,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,505,000</u>
<u>Debt Service</u>						
21	Principal and Interest	\$ 113,977,000				\$ 113,977,000
22	Contribution to Early Debt Retirement Reserve	6,122,000	16,000	(189,000)		5,949,000
23	Total Debt Service	<u>120,099,000</u>	<u>16,000</u>	<u>(189,000)</u>	<u>-</u>	<u>119,926,000</u>
24	Total Expense	<u>\$ 402,560,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ 403,060,000</u>

**UTAH TRANSIT AUTHORITY
FINAL 2018 CAPITAL BUDGET - ADJUSTMENTS FROM TENTATIVE BUDGET
December 5, 2017**

Exhibit E

	Tentative 2018 Budget			Adjustments for Final 2018 Budget		Final 2018 Budget		
	2018 Capital - New	2017 Capital Carryover	2018 Budget	2018 Capital - New	2017 Capital Carryover	2018 Capital - New	2017 Capital Carryover	2018 Budget
Funding Sources								
1 Provo Orem TRIP Funding	\$ 30,000,000	\$ -	\$ 30,000,000			\$ 30,000,000	\$ -	\$ 30,000,000
2 UTA Current Year Funding	20,716,170		20,716,170	(195,221)	301,600	20,520,949	301,600	20,822,549
3 2017 Carryover UTA Funds		27,882,855	27,882,855			-	27,882,855	27,882,855
4 Grants	16,750,609	9,475,856	26,226,465	(111,816)		16,638,793	9,475,856	26,114,649
5 Local Partner Contributions	11,697,087	373,000	12,070,087		(101,600)	11,697,087	271,400	11,968,487
6 State Contribution	2,350,000		2,350,000			2,350,000		2,350,000
7 Bonds	78,475,690	10,050,316	88,526,006			78,475,690	10,050,316	88,526,006
8 Leasing	21,163,045		21,163,045			21,163,045		21,163,045
9 Total Funding Sources	\$ 181,152,601	\$ 47,782,027	\$ 228,934,628	\$ (307,037)	\$ 200,000	\$ 180,845,564	\$ 47,982,027	\$ 228,827,591
Expense								
10 Provo-Orem TRIP	\$ 40,227,000		\$ 40,227,000			\$ 40,227,000	\$ -	\$ 40,227,000
11 Airport Station Relocation	\$ 20,000,000	\$ 2,901,499	\$ 22,901,499			\$ 20,000,000	\$ 2,901,499	\$ 22,901,499
State of Good Repair Revenue / Service Vehicles								
12 Replacement Buses	\$ 15,800,000		\$ 15,800,000	(349,239)		\$ 15,450,761	\$ -	\$ 15,450,761
13 Replacement Paratransit	2,856,000		2,856,000			\$ 2,856,000	\$ -	\$ 2,856,000
14 Ogdan Trolley Cars	1,195,000		1,195,000			\$ 1,195,000	\$ -	\$ 1,195,000
15 Van pool 11-Pass Van replacement	954,429		954,429			\$ 954,429	\$ -	\$ 954,429
16 Van pool 12-Pass Van replacement	572,658		572,658			\$ 572,658	\$ -	\$ 572,658
17 Van pool 7-Pass Van replacement	501,078		501,078			\$ 501,078	\$ -	\$ 501,078
18 Van pool 15-Pass Van replacement	336,996		336,996			\$ 336,996	\$ -	\$ 336,996
19 Bus Engine and Transmission Replacement		1,350,000	1,350,000			\$ -	\$ 1,350,000	\$ 1,350,000
20 Non-Rev Service Vehicle Replacement	300,000		300,000			\$ 300,000	\$ -	\$ 300,000
21 Total Revenue/Service Vehicles	\$ 22,516,161	\$ 1,350,000	\$ 23,866,161	\$ (349,239)	\$ -	\$ 22,166,922	\$ 1,350,000	\$ 23,516,922
Information Technology								
22 Trapeze Enhancements	\$ 25,000	\$ 50,000	\$ 75,000			\$ 25,000	\$ 50,000	\$ 75,000
23 Electronic Fare Collection	40,000	250,000	290,000			\$ 40,000	\$ 250,000	\$ 290,000
24 MDC Next Generation Design and Prototype (Code and HW Design)	50,000		50,000			\$ 50,000	\$ -	\$ 50,000
25 JDE Tools Release Upgrade	75,000	75,000	150,000			\$ 75,000	\$ 75,000	\$ 150,000
26 Server, Storage Infrastructure Equipment and Software	75,000	200,000	275,000			\$ 75,000	\$ 200,000	\$ 275,000
27 JDE Time / Labor Improvements	80,000		80,000			\$ 80,000	\$ -	\$ 80,000
28 SIRE/ECM Replacement (AKA Legal Software)	100,000	500,000	600,000			\$ 100,000	\$ 500,000	\$ 600,000
29 Fares - Reader Replacement	100,000	2,562,850	2,662,850			\$ 100,000	\$ 2,562,850	\$ 2,662,850
30 IT Pool	100,000	400,000	500,000			\$ 100,000	\$ 400,000	\$ 500,000
31 New MS SQL Server Licenses	150,000		150,000			\$ 150,000	\$ -	\$ 150,000
32 Radio Communication Infrastructure	250,000		250,000			\$ 250,000	\$ -	\$ 250,000
33 EFS On-Prem Hosting (move from VIX Hosting)	250,000		250,000			\$ 250,000	\$ -	\$ 250,000
34 FarePay Card Provider Alternative (replacement and RFP of INCOM)	325,000		325,000			\$ 325,000	\$ -	\$ 325,000
35 Rail Communication On-Board Technology	365,000		365,000			\$ 365,000	\$ -	\$ 365,000
36 Network Infrastructure Equipment & Software	400,000		400,000			\$ 400,000	\$ -	\$ 400,000
37 Information Security Equipment & Software (PCI Compliance and Cyber Security)	400,000		400,000			\$ 400,000	\$ -	\$ 400,000
38 Bus Communication On-Board Technology	640,000		640,000			\$ 640,000	\$ -	\$ 640,000
39 Rail Passenger Info	300,000	300,000	600,000			\$ 300,000	\$ 300,000	\$ 600,000
40 Mobility Management		617,649	617,649			\$ -	\$ 617,649	\$ 617,649
41 Wi-Fi for light rail vehicles		1,250,000	1,250,000			\$ -	\$ 1,250,000	\$ 1,250,000
42 Application Development and Enhancements		200,000	200,000			\$ -	\$ 200,000	\$ 200,000
43 Enterprise Security Replacement		150,000	150,000			\$ -	\$ 150,000	\$ 150,000
44 Paratransit software enhancements		39,319	39,319			\$ -	\$ 39,319	\$ 39,319
43 Expense Underspend	(1,725,000)		(1,725,000)			\$ (1,725,000)	\$ -	\$ (1,725,000)
44 Total Information Technology	\$ 2,000,000	\$ 6,594,818	\$ 8,594,818	\$ -	\$ -	\$ 2,000,000	\$ 6,594,818	\$ 8,594,818
Facilities, Safety, & Admin Equip.								
45 Safety and Security	\$ 480,000	\$ 555,796	\$ 1,035,796			\$ 480,000	\$ 555,796	\$ 1,035,796
46 Total Facilities, Safety, & Admin Equip.	\$ 480,000	\$ 555,796	\$ 1,035,796	\$ -	\$ -	\$ 480,000	\$ 555,796	\$ 1,035,796
Infrastructure State of Good Repair Projects								
47 Main St/4th S interlocking - Rehab switches/frogs	\$ 6,100,000		\$ 6,100,000			\$ 6,100,000	\$ -	\$ 6,100,000
48 LRT Stray Current Control	500,000	250,000	750,000			\$ 500,000	\$ 250,000	\$ 750,000
49 650 South TRAX Station	200,000		200,000			\$ 200,000	\$ -	\$ 200,000
50 American Fork P&R bus pull out removal	10,000		10,000			\$ 10,000	\$ -	\$ 10,000
51 Vehicle Overhauls	5,508,000	10,395,102	15,903,102	(357,798)		\$ 5,150,202	\$ 10,395,102	\$ 15,545,304
52 SD Light Rail Vehicle Rehab	1,092,000		1,092,000			\$ 1,092,000	\$ -	\$ 1,092,000
53 Pedestrian Crossing Updates		220,000	220,000			\$ -	\$ 220,000	\$ 220,000
54 Paint Room at Meadowbrook		299,681	299,681			\$ -	\$ 299,681	\$ 299,681
55 Prime mover engine rebuild and turbocharger replacement (Commuter Rail)		1,713,646	1,713,646			\$ -	\$ 1,713,646	\$ 1,713,646
56 Comet Car Tires		653,700	653,700			\$ -	\$ 653,700	\$ 653,700
57 Transit Asset Management	125,000	140,000	265,000			\$ 125,000	\$ 140,000	\$ 265,000
58 Commuter Rail Grade Crossing Program	275,000		275,000			\$ 275,000	\$ -	\$ 275,000
59 Roof Replacements	287,500		287,500			\$ 287,500	\$ -	\$ 287,500
60 Bus Lift Replacements	212,500		212,500			\$ 212,500	\$ -	\$ 212,500
61 450 East Crossover	400,000		400,000			\$ 400,000	\$ -	\$ 400,000
62 Office Equipment	100,000		100,000			\$ 100,000	\$ -	\$ 100,000
63 Timp Fit factory remodel and equip replacement	35,000		35,000			\$ 35,000	\$ -	\$ 35,000
64 Replace Vertical Lift Modules - warehouse	686,000	460,000	1,146,000			\$ 686,000	\$ 460,000	\$ 1,146,000
65 JR Rail Vehicle Maintenance		300,000	300,000			\$ -	\$ 300,000	\$ 300,000
66 Other state of good repair	2,000,000	68,810	2,068,810			\$ 2,000,000	\$ 68,810	\$ 2,068,810
67 Project under runs assumed	(2,000,000)		(2,000,000)			\$ (2,000,000)	\$ -	\$ (2,000,000)
68 Total State of Good Repair	\$ 15,531,000	\$ 14,500,939	\$ 30,031,939	\$ (357,798)	\$ -	\$ 15,173,202	\$ 14,500,939	\$ 29,674,141
69 Total State of Good Repair	\$ 40,527,161	\$ 23,001,553	\$ 63,528,714	\$ (707,037)	\$ -	\$ 39,820,124	\$ 23,001,553	\$ 62,821,677
Capital Projects								
Capital Projects								
70 Tiger Grant Projects (w/o Prop#1)	\$ 9,337,089	\$ 3,705,989	\$ 13,043,078			\$ 9,337,089	\$ 3,705,989	\$ 13,043,078
71 Sandy Parking Structure	5,400,000		5,400,000			\$ 5,400,000	\$ -	\$ 5,400,000
72 Positive Train Control (PTC)	4,000,000	2,000,000	6,000,000	400,000		\$ 4,400,000	\$ 2,000,000	\$ 6,400,000
73 Sugar House double track	4,000,000		4,000,000			\$ 4,000,000	\$ -	\$ 4,000,000
74 South Davis BRT	1,200,000		1,200,000			\$ 1,200,000	\$ -	\$ 1,200,000
75 Signal Pre-emption Projects w/UDOT	732,000		732,000			\$ 732,000	\$ -	\$ 732,000
76 UDOT I-15 widening/7200 South bridge	2,000,000		2,000,000			\$ 2,000,000	\$ -	\$ 2,000,000
77 MOW Building - Clearfield	350,000		350,000			\$ 350,000	\$ -	\$ 350,000
78 SW SLCounty ROW preservation	600,000		600,000			\$ 600,000	\$ -	\$ 600,000

	Tentative 2018 Budget			Adjustments for Final 2018 Budget		Final 2018 Budget		
79 Weber Cnty CR ROW Preservation	500,000		500,000			\$ 500,000	\$ -	\$ 500,000
80 Depot District - Phase 1	3,919,928	319,928	4,239,856			\$ 3,919,928	\$ 319,928	\$ 4,239,856
81 System-wide ADA bus stop impr.	100,000		100,000			\$ 100,000	\$ -	\$ 100,000
82 Box Elder Right-of-Way	2,050,000		2,050,000			\$ 2,050,000	\$ -	\$ 2,050,000
83 Wayfinding Signage Plan	1,000,000		1,000,000			\$ 1,000,000	\$ -	\$ 1,000,000
84 DSI Inventory software & scanners	104,200		104,200			\$ 104,200	\$ -	\$ 104,200
85 Bus Bay expansion - Provo Station		150,000	150,000			\$ -	\$ 150,000	\$ 150,000
86 Downtown TRAX signal improvements		199,507	199,507			\$ -	\$ 199,507	\$ 199,507
87 Red Light Signal Enforcement		5,076,193	5,076,193			\$ -	\$ 5,076,193	\$ 5,076,193
88 FLHQ Generator		120,000	120,000			\$ -	\$ 120,000	\$ 120,000
89 FL 2015 ROW		447,500	447,500			\$ -	\$ 447,500	\$ 447,500
90 Electric Bus Implementation		6,118,500	6,118,500	200,000		\$ -	\$ 6,318,500	\$ 6,318,500
90 Other Capital Projects		69,536	69,536			\$ -	\$ 69,536	\$ 69,536
91 Total Capital Projects	\$ 35,293,217	\$ 18,207,153	\$ 53,500,370	\$ 400,000	\$ 200,000	\$ 35,693,217	\$ 18,407,153	\$ 54,100,370
Prop 1 Projects								
92 Mt Ogden Expansion Buses	\$ 2,647,645		\$ 2,647,645			\$ 2,647,645	\$ -	\$ 2,647,645
93 Mt Ogden Expansion Facility		1,247,915	1,247,915			\$ -	\$ 1,247,915	\$ 1,247,915
94 Prop 1 Passenger Imp. Weber/Davis County	1,462,200	2,393,907	3,856,107			\$ 1,462,200	\$ 2,393,907	\$ 3,856,107
95 Ogden-WSU BRT/Weber Intermodal	785,400		785,400			\$ 785,400	\$ -	\$ 785,400
96 Prop 1 Passenger Imp - Tooele County	50,000	30,000	80,000			\$ 50,000	\$ 30,000	\$ 80,000
97 Prop #1 for Tiger - Tooele	61,216		61,216			\$ 61,216	\$ -	\$ 61,216
98 Tooele Bus Facility Purchase/Upgrade	2,450,000		2,450,000			\$ 2,450,000	\$ -	\$ 2,450,000
99 Total Prop 1 Projects	\$ 7,456,461	\$ 3,671,822	\$ 11,128,283	\$ -	\$ -	\$ 7,456,461	\$ 3,671,822	\$ 11,128,283
100 Total Other Capital Projects	42,749,678	21,878,975	64,628,653	400,000	200,000	43,149,678	22,078,975	65,228,653
101 Total Capital Budget	\$ 143,503,839	\$ 47,782,027	\$ 191,285,866	\$ (307,037)	\$ 200,000	\$ 143,196,802	\$ 47,982,027	\$ 191,178,829