

**MEMORANDUM OF UNDERSTANDING
BETWEEN PIONEER VALLEY TRANSIT AUTHORITY AND
SPRINGFIELD REDEVELOPMENT AUTHORITY
FOR THE REDEVELOPMENT OF UNION STATION**

This Memorandum of Understanding is made and entered into as of this ____ day of June, 2009, by and between the PIONEER VALLEY TRANSIT AUTHORITY, a body politic and corporate, and a political subdivision of the Commonwealth of Massachusetts, established pursuant to the provisions of Chapter 161B of the General Laws of Massachusetts, with a usual address of 2808 Main Street, Springfield, Massachusetts 01107 (“PVTA”), and the SPRINGFIELD REDEVELOPMENT AUTHORITY, a public body politic and corporate established pursuant to Chapter 121B of the General Laws of Massachusetts, with a usual place of business located at the Municipal Building, 36 Court Street, Springfield, Massachusetts 01103 (“SRA”) (together, the “Parties”).

WHEREAS, the Parties plan to redevelop Springfield’s Union Station into a modern intermodal transportation center and appurtenant and adjacent facilities, including transit and transit-oriented activities, an off-street public parking garage, intercity and future commuter rail service and regional transit and intercity bus service, and commercial office space (the “Union Station Project”);

WHEREAS, the Parties have complementary capabilities and wish to work together to achieve a successful redevelopment project; and

WHEREAS, the Parties desire to form a joint venture for the term and upon the conditions hereinafter set forth to carry out the Union Station Project;

NOW THEREFORE, in consideration of the mutual covenants hereinafter contained, it is agreed as follows:

I. Project Description

1.1 The Union Station Project is a significant redevelopment project under M.G.L. c. 121B and is located within the Court Square Urban Renewal Area with funding proposed and committed from a number of public and private sources. The Union Station Project is also a joint development improvement under 49 USC 5301, et seq., and is subject to Federal Transit Law and the requirements of the FTA Guidance on the Eligibility of Joint Development Improvements Under Federal Transit Law.

1.2 The Union Station Project site encompasses the existing Union Station parcel and the former Hotel Charles site. The existing Union Station parcel is comprised of two landmark structures both built in 1926: (1) the 120,000 sq. ft. three-story Terminal Building; and (2) the 92,600 sq. ft. two-story Baggage Building. The former Hotel Charles site is comprised of 34,000 square feet. The Project site also currently houses the existing Amtrak passenger rail station.

1.3 The Union Station Project involves restoration and reactivation of the Terminal Building substantially as set forth in the Redevelopment Plan prepared by HDR dated October 7, 2008, for use by the PVTA, Amtrak, planned commuter rail operations, operations of inter-city and charter bus operators, planned transit related office and retail space, including PVTA administrative offices, community services including a day care facility, as well as commercial opportunity space for future economic development. The existing Baggage Building is to be removed and replaced with a multi level parking garage constructed over at-grade bus berths for the transit operations of the PVTA and possible future operations of inter-city and charter bus operators. A 6,300 square foot passenger tunnel is to be reopened to provide a pedestrian connection between the Terminal Building and the Amtrak intercity rail platforms as well as a connection between the Terminal Building and Lyman Street. The Amtrak rail platforms are to be upgraded for compliance with the American's with Disabilities Act for intercity passenger rail

and future commuter rail service. The Union Station Project is intended to spur and enhance economic development within the City of Springfield and regionally; to improve and enhance the use of, connectivity with and access to public transportation and other modes of transportation, and to provide certain community services.

1.4 The Union Station Project is estimated to cost approximately \$65.2 million in 2010 dollars.

II. The Joint Venture

2.1 The joint venture will finance, develop, design, permit, construct, market, and operate the Union Station Project substantially as described in the Redevelopment Plan (Attachment A).

2.2 The Parties shall develop, execute and implement a Joint Development Agreement for the Project that meets the criteria of 49 U.S.C. 5301 et seq., and is consistent with the FTA Master Agreement applicable to the Project, the FTA Guidance, M.G.L. c. 121B, the urban renewal plan, the requirements of all funding entities, local, state and /or federal, and the terms of this Memorandum of Understanding.

2.3 Pending execution of a Joint Development Agreement, the joint venture shall operate pursuant to this Memorandum of Understanding which is intended to be valid, binding and enforceable. During this period, and until the Project Entity referred to in paragraph 2.4 is created and all project funding and responsibility is transferred to it or it is designated as a subgrantee as provided herein, decisions with respect to the Union Station Project shall be made under the direction of a committee (the "Committee") comprised of the Administrator of the PVTa, the Administrator of the SRA/City of Springfield Chief Development Officer, and the Mayor of the City of Springfield. The Mayor may serve on the Committee or he may authorize a designee to act on his behalf and subject to his direction. On matters of particular importance,

upon written request of any member of the Committee, the Mayor shall himself participate in the discussion and decision-making process. Decisions of the Committee shall be by majority vote. If the Committee remains the decision-making body during construction, final design of PVTA improvements shall require the affirmative vote of the PVTA member. During construction of the Union Station Project improvements, any change orders involving such PVTA improvements, whether or not requiring additional funding, shall require the prior approval of the PVTA member.

2.4 The Parties intend forthwith to seek a special act of the Massachusetts Legislature which will create a body politic and corporate to undertake the joint venture (the “Project Entity”). The legislation creating the Project Entity shall provide that its authority is circumscribed by the laws and other requirements set forth in paragraph 2.2, above. Pending the creation of the Project Entity, the Parties intend to pursue the Union Station Project as a joint venture of the PVTA and the SRA under the direction of the Committee, pursuant to this Memorandum of Understanding and, upon its execution, the Joint Development Agreement.

2.5 The Parties will be equal partners in the Project Entity which will be governed by a Board of Directors. The Board shall consist of three members: the Administrator of the PVTA, the Administrator of the SRA/City of Springfield Chief Development Officer, and the Mayor of the City of Springfield, or his designee, with authority as set forth in Section 2.3, above. Decisions of the Board shall be by majority vote, except that final design of PVTA improvements shall require the affirmative vote of the PVTA member. During construction of the Union Station Project improvements, any change orders involving such PVTA improvements, whether or not requiring additional funding, shall require the prior approval of the PVTA member.

2.6 Once created under Massachusetts law, the Project Entity will apply for direct award or transfer of Federal Transit Administration (FTA) Project funds as the Project grantee/recipient. Similarly, the Project Entity will seek approval from the Executive Office of Transportation and Public Works (EOTPW) and the Executive Office of Administration and Finance (A&F) for the transfer of all State project funding to it as the grantee/recipient. The intent is for the Project Entity to serve as the project Sponsor and grantee/recipient for project funding from all sources and to assume sole responsibility for implementation of the Union Station Project.

2.7 To the extent that the Project Entity cannot be designated as the project Sponsor and grantee/recipient of the all Federal and State project funding as contemplated above, the Parties shall seek approval from the funding agencies of designation of the Project Entity to act as subgrantee pursuant to their respective funding agreements. In the event that the Project Entity is designated as a subgrantee, the Parties acknowledge and agree that each of them shall remain responsible for compliance with their respective funding agreements, the Project Entity shall be responsible for compliance with its subgrantee agreements and the Project Entity shall also be responsible for compliance and reporting to the SRA and PVTA, as the case may be, with respect to the administration of federal and state funds granted to each.

III. Management

3.1 The day-to-day management of the Union Station Project shall be provided by the PVTA Manager of Capital Projects and the SRA's Union Station Coordinator. These two individuals (together, the "Project Team") shall work jointly and cooperatively and shall work with the Owner's Project Manager, project designer and project contractor(s), and such other employees of the PVTA and SRA as may be able to provide relevant assistance for each stage of the Union Station Project. The Project Team shall be subject to the direction and control of the

Committee or the Board, depending on whether the Project Entity is in existence, and the Committee or Board shall define the limits of authority of these individuals and shall identify issues that will require consultation with it, or its prior approval. A general outline of the roles and responsibilities of the Committee/Board of Directors and the Project Team, respectively, is set forth in Attachment B.

3.2 Certain administrative services to the Union Station Project or Project Entity required during development will be provided by the PVRTA and/or the SRA. Once in existence, the Project Entity will be responsible for all grant administration and compliance. Until then, on behalf of the joint venture, grant administration will be provided as follows:

- (a) PVRTA will be responsible for grant administration including ensuring that the FTA funds and state matching and/or state transportation bond funds awarded to the Union Station Project are expended in accordance with the applicable federal and state laws and regulations, and that all reporting requirements are complied with.
- (b) SRA will be responsible for grant administration including ensuring that all state off-street parking grant and other funds originally awarded to the Union Station Project are expended in accordance with the applicable laws and regulations, and that all reporting requirements are complied with.

3.3 Prior to the creation of the Project Entity and its assumption of responsibility for implementation of the Union Station Project, the Parties acknowledge and agree that each of them shall remain responsible for grant administration and compliance with their respective existing funding agreements. Once the Project Entity is created and grant responsibility is

transferred to it, Union Station grant administration services described in Paragraph 3.2 shall be subject to the direction and control of the Board.

3.4 The Committee/Board also shall engage professional property management services and other services as it deems necessary for oversight of the on-going management and operation of the Union Station Project.

IV. Term

4.1 The joint venture shall commence upon the execution of this Memorandum of Understanding and shall continue until all purposes for which the venture has been undertaken have been accomplished and completed, including any final audit or administrative review of the Project by any of the public funding agencies or until terminated by written agreement of the Parties.

PIONEER VALLEY TRANSIT
AUTHORITY

SPRINGFIELD REDEVELOPMENT
AUTHORITY

By _____

Its

Date: _____

By _____

Its

Date: _____

As to the Rights and Obligations
of the City of Springfield

Domenic J. Sarno, Mayor

ATTACHMENT A
REDEVELOPMENT PLAN

ATTACHMENT B

Roles and Responsibilities of Committee/Board of Directors:

- Supervise Project Team
- Policy decisions on the general program, framework, and direction of the Project
- Approval of the following upon review of the recommendation of the Project Team:
 - Project Master Plan
 - Project Timetable
 - Financial Plan
 - Land acquisitions (if any)
 - Project-related RFPs and contracts (Owners Project Manager, Designer, Contractor, etc.)
 - Selection of Project-related attorneys and auditors
 - Selection of consultants, Project managers, property managers, etc.
 - Selection of Project architects and engineers (including environmental engineers)
 - Grant applications and grant agreements
 - Tenant selection and approval of leases
 - Marketing plan
- Project Monitoring and Oversight
 - Review of monthly progress reports from the Project Team
 - Review of monthly financial reports from the Project Team
- Fiscal oversight, including commissioning an annual independent audit

Project Team Responsibilities:

- Day-to-day project management, including preparing, executing, recommending and/or maintaining:
 - Project Master Plan
 - Project Timetable
 - Financial Plan
 - Land acquisitions (if any)
 - Project-related RFPs and contracts (Owners Project Manager, Designer, Contractor, etc.)
 - Master lease between SRA and PVTA (if any)
 - Tenant selection of leases
 - Marketing plan
 - Public relations and marketing plan
- Manage compliance with statutes, rules and regulations
- Preparation of all required progress and monitoring reports
- Monthly reports to Committee/Board of Directors