

ORDINANCE NO. 003-48

AN ORDINANCE AUTHORIZING
EXECUTION OF AN AGREEMENT
WITH THE CITY OF CHICAGO FOR
OPERATION AND MAINTENANCE OF
THE SOUTHWEST TRANSIT PROJECT

WHEREAS, The Metropolitan Transit Authority Act, approved April 12, 1945, created the Chicago Transit Authority ("Authority") to operate and maintain for public service a transportation system in the metropolitan area of Cook County, Illinois; and

WHEREAS, The City of Chicago ("City"), by Ordinance passed by the City Council on April 23, 1945, granted the Authority exclusive rights to acquire, construct, reconstruct, maintain and operate facilities for local transportation within the City of Chicago; and

WHEREAS, By ordinance passed on October 1, 1984, at pages 9803 to 9807 of the Journal of Proceedings of the City Council ("Journal") of such date, the City Council of the City authorized the construction of a rapid transit rail facility from approximately the intersection of West 18th Street and South Federal Street in the City to a terminus located adjacent to the eastern boundary of Midway Airport in the City, which facility is known as the Southwest Transit Project ("SWTP"), for the purposes of improving the quality of transit service provided to the southwest corridor of the City, encouraging investment in the southwest corridor of the City, and increasing accessibility to employment opportunities for City residents; and

WHEREAS, The City obtained funds for the planning, design and construction of the SWTP in part from grants made by the Federal Transit Administration ("FTA") of the United States Department of Transportation, which is the successor agency to the Urban Mass Transit Authority ("UMTA"), under the terms and conditions of 23 U.S.C. 103(e)(4) pursuant to UMTA Project No. IL-23-9020, and in part from grants made by the Illinois Department of Transportation ("IDOT") under the provisions of 20 ILCS 5/51, 20 ILCS 2705/49 and 30 ILCS 415/1 et seq., as amended (formerly codified as Illinois Revised Statutes, Chapter 127, Sections 49 through 521 and 701 et seq., as amended) pursuant to IDOT CAP-83-200-IST (Contract No. 961) (collectively, the "Grant Agreements"); and

WHEREAS, The City held or acquired the entire right-of-way necessary for the construction, operation and maintenance of the SWTP in fee, by easement, by permit or otherwise; and

WHEREAS, On or about October 27, 1993, the City completed the construction of the SWTP; and

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WHEREAS, On or about October 31, 1993, the Authority began to maintain and operate the SWTP pursuant to a Letter of Understanding dated October 27, 1993, and executed by the City and the Authority; and

WHEREAS, The Authority's Orange Line utilizes the SWTP to provide transit service along the route of the SWTP; and

WHEREAS, The City desires to ratify the transfer of the operation and maintenance of the SWTP to the Authority pursuant to the Letter of Understanding, and to define more precisely the terms and conditions under which the Authority will operate and maintain the SWTP; and

WHEREAS, On October 9, 2002, the Chicago Transit Board (Ordinance No. 002-152) authorized a Qualified Technical Equipment financing which included, among other things, certain CTA-owned equipment located along the SWTP; and

WHEREAS, On December 6, 2002, the City and the Authority entered into an agreement ("Rights Agreement") that, among other things, verified that the Authority installed and owns certain technological equipment ("QTE Equipment") on the SWTP that replaced certain technological equipment originally installed by the City; and

WHEREAS, By ordinance passed by the City on October 2, 2002, at pages 93704 to 93717 of the Journal of such date, the City authorized the execution of an Operation and Maintenance Agreement (the "Agreement") with the Authority to govern the operation and maintenance of the SWTP; and

WHEREAS, The Agreement reserves for the City the rights necessary to enter into financing agreements utilizing the SWTP (with the exception of the Authority assets specified in the Rights Agreement); and

WHEREAS, The Authority desires to accept the responsibilities relating to the operation and maintenance of the SWTP, subject to the terms and conditions of the Agreement; now therefore,

BE IT ORDAINED BY CHICAGO TRANSIT BOARD
OF THE CHICAGO TRANSIT AUTHORITY:

SECTION 1. The Chicago Transit Board hereby authorizes the Chairman of the Board, or her designee, to execute an agreement, substantially in

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form and content as set forth in the agreement attached hereto as Exhibit A, with the City of Chicago for the operation and maintenance of the rapid transit facility referred to as the Southwest Transit Project.

SECTION 2. This ordinance shall be in full force and effect from and after its passage.

APPROVED:

PASSED:

Chairman

April 2, 2003

Assistant Secretary

April 2, 2003