

R940. Transportation Commission, Administration.

R940-5. Approval of Highway Facilities on Sovereign Lands.

R940-5-1. Authority.

This rule is required by Section 72-6-303 and is enacted under the authority of Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

R940-5-2. Purpose.

(1) This rule establishes minimum guidelines for the Commission to consider when reviewing a proposed plan to construct a highway facility over sovereign lakebed lands as part of an application to lease sovereign land through the Division of Forestry, Fire and State Lands of the Department of Natural Resources, as provided in Section 65A-7-5. (2) When considering a proposed plan to construct a highway facility over sovereign lakebed lands, it is the obligation of the Utah Transportation Commission to safeguard the public interest by thoroughly evaluating the financial viability of the project to ensure the project can be constructed and completed as proposed, that the project can be completed within the proposed time frame, to ensure the long-term viability and operability of the project by the proposer; and to ensure that the facility is safe and meets current engineering standards for design, construction, operation, and maintenance.

(3) Commission approval of a plan to construct a highway facility over sovereign lakebed lands does not constitute approval of an application to lease state lands by the Division of Forestry, Fire and State Lands as provided under Section 65A-7-5. Issuance of surface leases of state lands is determined separately under a process determined by the Division of Forestry, Fire and State Lands as provided under state law and administrative rule.

R940-5-3. Definitions.

Except as otherwise stated in this rule, terms used in this rule are defined in Section 72-6-302. The following additional terms are defined for this rule.

(1) "Commission" means the Utah Transportation Commission, created in Section 72-1-301.

(2) "Department" means the Utah Department of Transportation, created in Section 72-1-101.

(3) "Proposed plan" means a plan submitted by a private entity to the Commission for approval to construct a highway facility over sovereign lakebed lands.

(4) "Proposer" means the private entity that submits an application to the Commission.

R940-5-4. Submission of Proposed Plan and Application.

(1) The Commission may accept delivery of a proposed plan to construct a highway facility over sovereign lakebed lands as part of an application to lease sovereign land through the Division of Forestry, Fire and State Lands.

(2) The proposer must submit a minimum of 20 copies of the proposed plan to the Commission.

(3) The proposed plan must be submitted to the Commission in a format that corresponds to the required information contained within this rule and must contain the specific information requested under this rule. Any supporting documentation not required under this rule may be submitted in an appendix.

R940-5-5. Preliminary Review of the Qualifications and Financial Resources of the Proposer.

(1) The Commission will conduct a preliminary review of the proposed plan to determine the qualifications and financial resources of the proposer.

(2) The proposer must submit the following information:

(a) a description of the legal structure of the proposer, including equity ownership structure of the entity;

(b) information on third-party consultants (five page limit per entity), including investment bankers, lawyers, engineers, traffic consultants and other entities that will provide information necessary for the submission of the proposed plan. Consultant information must include the contact information, experience and a brief biography of each individual consultant, and must describe the prior experience of similar projects for each consulting firm (the submission must contain a letter, printed on company letterhead and signed by an officer of the respective firm, stating that the firm has been retained by the proposer to do the scope of work required and detail the elements of the said scope);

(c) a maximum two-page description of the physical elements of the proposed project;

(d) a maximum two-page description of the permitting and environmental elements of the proposed project;

(e) a maximum five-page description of the funding and finance plan for the proposed project;

(f) an explanation of whether the proposer plans to own the asset for at least the first 10 years of the operation. If not, provide a description of the proposer's plan to transfer or otherwise sell part or all of the asset to other entities;

(g) information describing the financial strength of the proposer, including:

(i) a comprehensive budget for the preliminary developmental elements of the proposed project, including but not limited to:

(A) preliminary design and engineering (30 percent);

(B) traffic and revenue study;

(C) financial plan and pro-formas for the life of the project;

(D) independent engineer's report;

(E) permitting and other preliminary environmental work;

(F) proposer staff budget, including a list of the staff members and proposed budget;

(G) an estimate of the cost to review the proposed plan by the Utah Department of Transportation; and

(H) a timeline of the aggregated development budget payments, including all elements required through financial close;

(ii) proof of financial sufficiency showing that the proposer's corporate entity has sufficient funds to pay for the items listed in the comprehensive development budget and at the required times shown in the budget timeline. If development funds are to come from third parties, present proof of financial sufficiency for those entities;

(h) a statement whether the proposer will indemnify the state and what resources are at the proposers disposal to backstop the indemnification;

(i) terms the proposer seek from the state for the sovereign state lands impacted by the proposed plan;

(j) the type and amount of insurance that will be carried by the proposer.

R940-5-6. Final Review of Final Statement of Qualifications and Financial Resources, and Final Review of Technical Proposal.

(1) As specified under section 72-6-303, the proposer must submit the following information:

(a) a map indicating the location and legal description of the highway facility and all proposed interconnections with other highway facilities;

(b) a description of the highway facility, including the conceptual design of the highway facility and a statement whether the facility will be operated and maintained as a tollway facility;

(c) a list of the major permits and approvals required for developing or operating improvements to the highway facility from local, state or federal agencies and a projected schedule for obtaining the permits and approvals;

(d) a description of the types of public utility facilities, if any, that will be crossed by the highway facility and a statement of the plans to accommodate the crossing;

(e) a description of the types of public utilities used, carried, or accommodated by the highway facility and a statement of the plans to use, carry or accommodate the public utilities;

(f) an estimate of the design and construction costs of the highway facility;

(g) a statement setting forth the private entity's general plans for constructing, operation, and maintaining the highway facility, including:

(i) the proposed date for development, operation, or both of the highway facility ;

(ii) the proposed term of the lease over sovereign lakebed lands; and

(iii) a demonstration by the private entity that the proposed plan is financially viable;

(h) the names and addresses of the persons who may be contacted for further information concerning the highway facility application.

(i) demonstration that the proposed highway facility is contained within the long-range highway plan prepared by the Department or by a metropolitan planning organization, including the visionary long-range highway plan.

(j) a statement whether or how the highway facility can safely accommodate recreational fishing or other recreational activities on the highway facility.

(2) The commission also requires the following information:

(a) a copy of the agreement entered into by the Department and the proposer, pursuant to Section 72-6-303, demonstrating that the proposed construction plan meets engineering and design standards specified by the Department, including authorization for the Department to assure the safety of the design, construction, operation, and maintenance of the facility;

(b) proof of a performance bond issued for the project pursuant to the provisions of Section 63G-6-505 and 507;

(c) verification of executed steps identified in the funding and finance plan required and submitted as part of the Preliminary Review required under RXXX necessary to complete proof of financial strength of the proposed plan (for example, if the funding and finance plan submitted under the Preliminary Review states that the proposer would have a letter of credit available for a portion of the funding and financing plan, and the proposer had demonstrated during the Preliminary Review that such proof is available, the Commission will likely require the letter of credit executed and delivered as part of Final Review required under this part);

(d) final submission of information requested by the Commission under the Preliminary Review; and

(e) any additional information required by the Commission and posted by the Commission on the Department's website necessary to determine the feasibility and financial viability of the proposal.

R940-5-7. Review of Proposal.

(1) As part of the Commission review of a proposed plan to construct a highway facility over sovereign lakebed lands, the Commission will consider the public interest to ensure the proposed plan is feasible, financially viable, and that the facility is safe by meeting current engineering standards. At the same time, the Commission will provide timely review of the proposed plan to help meet business time lines and provide greater certainty for the proposer.

(2) The Commission reserves the right to require or permit the proposer to submit revisions, clarifications, or supplementals of the proposal during the review process.

(3) The Commission may appoint a committee of its members to evaluate a proposal for recommendation to the full Commission.

(4) The Commission shall consider recommendations made by the Department, including whether the highway construction plan contained within the proposal meets engineering and design standards outlined in an agreement entered into by the Department and the proposer.

(5) The Commission may, at any time in its sole discretion, refuse to review an application if the proposal fails to meet the guidelines established in Section 72-6-303 and this rule.

R940-5-8. Approval of Proposed Plan.

(1) The Commission shall not approve any proposal until the proposer has entered into an agreement with the Department as required in Section 72-6-303.

(2) If the Commission approves a proposal:

(a) a notice will be given to the proposer;

(b) the notice will be posted on the Department's website; and

(c) a copy of the notice will be given to the Division of Forestry, Fire and State Lands.