
M E M O R A N D U M

DATE: February 6, 2003
TO: City Council Members
FROM: Russell Weeks
RE: Master Interlocal Agreement UTA Fixed Guideway Systems
CC: Cindy Gust-Jenson, Rocky Fluhart, Ed Rutan, DJ Baxter, Leroy Hooton, Jeff Niermeyer, Chris Bramhall, Gary Mumford, Mary Guy-Sell, Tim Harpst, Doug Dansie, John Naser

This memorandum involves the potential adoption of a resolution to authorize the execution and delivery of a proposed *Master Interlocal Agreement Regarding Fixed Guideway Systems Located within Railroad Corridors*. The agreement is the same agreement with the Utah Transit Authority that more than 40 Wasatch Front communities either are considering or already have adopted. The agreement relates to UTA's plans to build a commuter rail line between Brigham City and Payson.

The City Council received briefings from the Administration on January 6 and January 20 about issues relating to the agreement. A public hearing and formal consideration of the resolution are scheduled for the Council's February 10 meeting.

POTENTIAL OPTIONS

- Adopt the proposed resolution.
- Do not adopt the proposed resolution.

POTENTIAL MOTIONS

- I move that the City Council adopt the resolution authorizing the execution and delivery of a master interlocal agreement between Salt Lake City and the Utah Transit Authority.
- I move that the City Council decline to consider this item and move to the next item on the agenda.

KEY POINTS

- The interlocal agreement is the final draft prepared by UTA and the Utah League of Cities & Towns. Members of Mayor Ross C. Anderson's Administration were involved in discussions that led to the production of the final draft.
- As mentioned previously, the agreement is between UTA and more than 40 Wasatch Front communities. All the communities would have to adopt the agreement for UTA to

proceed with plans to build and operate a commuter rail line between Brigham City and Payson.

- If the City Council adopts the resolution, the City Attorney’s Office and the Administration would prepare an amendment to the City’s zoning ordinance that would reflect the terms of the proposed agreement. The zoning ordinance amendment then would go before the Planning Commission and the City Council for final consideration.
- The purpose of the agreement appears to be found on Page 3. According to part of the agreement’s preamble, UTA “desires to enter into this Interlocal Agreement for the purpose of (i) more accurately estimating the costs of the System, (ii) establishing the legal right to construct and operate the System within the Communities, (iii) establishing the parameters of the exercise by the Communities of their planning, zoning, regulatory, and police power authority, and (iv) establishing the extent of the Communities’ participation in the planning, design, construction, and operation of the System.”
- The term of the proposed agreement would be 50-years. UTA would negotiate another 50-year term after the agreement expires. (Section 4, Page 10.)
- The proposed agreement involves a corridor of land previously owned by Union Pacific Railroad. Under the agreement UTA would be exempt from zoning and other City regulations within the roughly 20-foot-wide corridor – to the extent that City regulations relate to operating the commuter rail system. City regulations still would apply to issues such as billboards, graffiti and nuisance abatement. UTA also would be exempt from administrative fees relating to regulating construction and operations within the corridor.
- According to the proposed agreement the exemptions would “apply solely within the boundaries of the Corridor.” The agreement goes on to say, “The planning, design, construction and operation of System-related facilities located outside the Corridor ... shall ... be governed by applicable Community ordinances, rules, practices and procedures, or any subsequent agreement between UTA and the affected Community.” (Section 6-a, Page 14.)
- According to the Administration, adopting the proposed agreement would result in the loss of about \$6,600 in fees through waivers of administrative fees. (Please see attachment.)
- According to the proposed agreement, “nothing in this Agreement is intended to modify the conditions of approval ... for the existing light rail TRAX line (including extensions), the terms or conditions of other agreements presently existing between the Parties, or existing Property rights.” (Section 5-i, Page 13.)
- The proposed agreement still includes what is known as the “Sugar House spur” within the Corridor defined by the agreement. The spur is about 2.75 miles of railroad track running from the commuter rail corridor to Granite Furniture in Sugar House. (Exhibit F, Paragraph f.)
- It should be noted that the language regarding station platforms – including light-rail platforms – within the corridor has been changed. The previous version of the proposed agreement that the City Council reviewed contained the following language: “UTA

represents that, to the best of its knowledge, the platform materials and design will be similar in quality, look and feel to the baseline reflected in the North/South light rail corridor operating in Salt Lake County.” The revised language reads: “The Platforms will be equal to or better in design and construction quality to the baseline reflected in the North/South light rail corridor operating in Salt Lake County.” According to the City Attorney’s Office, the revised language does not change UTA’s position that the criterion for building station platforms will be existing stations in Salt Lake County.

DISCUSSION/BACKGROUND

As mentioned earlier in this memorandum, the proposed agreement is under consideration for four reasons:

- The Utah Transit Authority says it would like to “identify to a reasonable certainty” all costs associated with building a commuter rail and light rail system largely along a railroad right of way that UTA purchased from Union Pacific Railroad in September 2002. UTA also would like to provide “evidence of its legal right” to build and operate the transit system “within the jurisdictions” of communities along the right of way. (Page 2.)
- UTA wants to accomplish both of the above items in connection with its petition for federal funds to build a transit system. (Page 2.) UTA contends that the items in the first bullet point would improve its chances to obtain federal funding.
- UTA contends that “certain planning, zoning, regulatory and police power authority” of cities and towns along the right of way “is limited by state and federal laws, rules and regulations.” (Pages 2 and 3.)

It might be noted that when UTA purchased the right of way from Union Pacific its main goal was to build a commuter rail line between Ogden and Payson. (UTA plans to share railroad tracks with Union Pacific between Brigham City and Ogden.) The purchase also included other lines and spurs that Union Pacific wanted to sell – including what is known as the Sugar House spur.

Under the proposed agreement, all cities that adopt it by resolution would waive:

1. “Any requirement to obtain a permit in connection with the planning, design, construction, operation or maintenance” of UTA’s rail system.
2. “Any and all administrative fees and other administrative charges otherwise payable by UTA in connection with the planning, design, construction, operation or maintenance of the System.”
3. “Any and all other planning, zoning, and regulatory authority under the exercise of its police power” to the extent that state or federal laws or regulations apply, or local authority “materially adversely affects the uniform operation of the System” or local authority “imposes a cost on UTA which constitutes Betterment under the terms of this Agreement.”

According to UTA and the proposed agreement, the waiver does not apply to Salt Lake City’s right to require a franchise agreement between the City and UTA. A franchise agreement would involve the planning, design, construction, operation and maintenance of UTA’s transit systems over Salt Lake City streets. According to UTA, the proposed agreement also would not affect existing light rail facilities and projects in Salt Lake City, including a proposed extension of light rail from the Delta Center stop to the intermodal hub on 600 West 200 South and future extensions to the Salt Lake City International Airport.

It is possible that the largest impact to the City could involve the future use of what is known as the Sugar House Spur. Again, the spur is about 2.75 miles of rail corridor from roughly behind Granite Furniture in Sugar House west to UTA's north-south commuter-rail corridor. It is Council staff's unconfirmed understanding that the spur is more likely to be developed as a light-rail spur connecting to the north-south light rail line than as a portion of UTA's commuter rail line.

If the spur is developed as part of the light-rail system, the proposed agreement would apply for two reasons:

First, as previously mentioned, the spur is depicted and defined in the proposed agreement as part of the agreement's "Corridor."

Second, the proposed agreement in part defines "System" as "a surface public transportation facility which occupies a separate railroad right-of-way exclusively for public transportation, or a shared railroad right-of-way with access rights for public transportation, including, by way of example, *light rail*, commuter rail, *trolleys*, guided busways, or similar technology for surface transportation purposes." (*Italics: Council staff.*) (Page 7.)

Despite Administration efforts to have the Sugar House spur removed from the proposed Agreement's definition of "Corridor," UTA retained the spur. Council Members may recall that at the January 20 briefing the Administration indicated that UTA did not want to remove the spur from the definition because it contended that Salt Lake City was using a "special case exemption" argument that could lead to other cities along the corridor to seek special case exemptions.

Finally, it should be noted that another part of the definition of "System" includes the following language: "System does not include construction or operation of public transportation facilities located outside a Corridor, such as passenger terminals, park and ride facilities, maintenance facilities, or other auxiliary construction; nor does System include development and use of facilities by UTA within a Corridor for purposes other than public transportation, such as billboards, telecommunication towers, and signage, provided further that any regulation of such facilities would not interfere with the operation of the System." (Pages 7 and 8.)

