
MEMORANDUM

DATE: January 4, 2007
TO: City Council Members
FROM: Russell Weeks
RE: Resolution: Interlocal Agreement with Salt Lake County to Release Funds to Straighten Railroad Track Curve at Grant Tower
CC: Cindy Gust-Jenson, Steve Fawcett, DJ Baxter, Ed Rutan, Louis Zunguze, Dan Mulé, Alison McFarlane, Gary Mumford, Jennifer Bruno

This memorandum pertains to a resolution authorizing Mayor Ross C. Anderson to sign a proposed interlocal agreement between Salt Lake City and Salt Lake County that would allow the County to release \$3.5 million to help pay for the straightening of railroad lines near Grant Tower.

The proposed resolution and agreement are scheduled for a briefing and formal consideration at the January 9 City Council meeting.

OPTIONS

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

POTENTIAL MOTIONS

- I move that the City Council adopt a resolution authorizing the Mayor to sign an interlocal agreement between Salt Lake City and Salt Lake County for the purpose of reconfiguring the Grant Tower railroad curve.
- I move that the City Council consider the next item on the agenda.

KEY POINTS

- The proposed agreement would formalize Salt Lake County transferring up to \$3.5 million to help reconfigure Union Pacific Railroad rail lines at the Grant Tower curve roughly west of 500 West Street.
- The project is scheduled to start in about mid- to late-January and last about 18 months, according to the Administration.
- According to the Administration, Salt Lake County officials already have approved the agreement, and the agreement will take effect upon the Salt Lake City Council's approval.

- The Utah Legislature last year authorized the County to transfer the money as a one-time transfer of sales tax revenue allocated for transportation as part of the \$50 million project to straighten the rail lines.

BACKGROUND/DISCUSSION

The \$3.5 million in the proposed interlocal agreement is part of the estimated \$50 million project to reconfigure railroad lines owned by Union Pacific Railroad. Reconfiguring the railroad lines will result in perhaps five major goals. First, straighter tracks would allow Union Pacific Railroad trains to travel through Salt Lake City faster, eliminating what some consider an operational bottleneck for the railroad. Second, eliminating the bottleneck would eliminate the need to operate trains on what is known as the 900 South rail line. The line was activated in early 2002. Third, faster trains also require a series of connected safety projects at intersections. The safety projects ultimately will result in a city-wide “quiet zone” in which trains no longer will be required to blow their horns at the intersections. Fourth, reconfiguring the rail lines may result in the Utah Transit Authority reconfiguring its planned commuter rail line in a way that protects existing development in the Gateway area. Fifth, Union Pacific’s tracks going west from the city will be consolidated into a single alignment, thereby leaving a corridor in the Euclid neighborhood where the flow of City Creek could be brought to the surface, and a linear park created.

The following is a rough breakdown of the estimated \$50 million project:


- \$5 million – Federal appropriation to Salt Lake City and Union Pacific through the SAFETEA-LU transportation spending bill
- \$15 million – UTA contribution for work that must also be completed to accommodate commuter rail
- \$15 million – Union Pacific’s agreed contribution
- \$11.2 million – City share
- \$3.5 million – Utah Legislature authorized use of the transportation sales tax collected by Salt Lake County (one-time allowance).


The Legislature last year authorized the one-time use of Salt Lake County transportation sales tax for the project. According to the Administration, Salt Lake County has approved the interlocal agreement forwarded for Salt Lake City Council consideration. The agreement calls for Salt Lake County to transfer the funds to Salt Lake City as soon as they arrive at the County and continue to do so until the entire \$3.5 million is paid. According to the Administration, the County projects that the full amount will be paid in three to four months.

To review, Salt Lake City already has expended about \$4.4 million for the project. The remaining \$ 6.8 million of the City’s \$11.2 million commitment will be financed through issuing bonds later in 2007 and from \$1.2 million in previously-allocated RDA funds. The bonds will be paid off through about \$2.5 million in payments from the City general fund and \$3.1 million in payments by the Salt Lake City Redevelopment Agency.

Bonds for the railroad project will be will be part of a roughly \$30 million bond issue that includes \$21.6 million for a new fleet facility; the \$5.6 million for the railroad project; \$300,000 for controlling erosion on the 900 South and Folsom Street rail corridors; and \$2.81 million for extending light rail tracks from the Intermodal Hub at 200 South 600 West Street to the Arena Station at 400 West South Temple.

MEMORANDUM

To: Sam Guevara 
Chief of Staff

From: D.J. Baxter 
Senior Advisor

Date: January 3, 2007

Re: Interlocal Agreement with Salt Lake County for Release of \$3.5 million for Grant Tower

In its 2006 General Session, the Utah Legislature passed H.B.372, authorizing Salt Lake County to expend up to \$3.5 million of its $\frac{1}{4}$ of the $\frac{1}{4}$ sales tax revenue on the Grant Tower Reconfiguration project. Salt Lake County has recently asked the Tax Commission to divert the revenue stream to the County to enable the County to pay the funds to Salt Lake City. Salt Lake County anticipates it will take 3-4 months of diversions to reach \$3.5 million.

To effectuate this arrangement, Salt Lake City and Salt Lake County must enter an Interlocal Agreement outlining the terms under which these funds will be transferred to Salt Lake City for use on the Grant Tower project. Salt Lake County has already approved the attached Interlocal Agreement, which will take effect upon Salt Lake City's approval.

Under the terms of this Interlocal Agreement, Salt Lake County will expend the funds to Salt Lake City as they become available. The State Tax Commission makes monthly payments to the County of collected sales taxes. The Agreement calls for the County to transfer the funds to Salt Lake City as soon as they arrive at the County, and continue doing so until the \$3.5 million is paid in full. In any case, the County will pay the full amount to Salt Lake City no later than June 30, 2007.

In discussions between the County Mayor's Office and the State Tax Commission, both agreed that it would be more efficient for the Tax Commission to transfer the funds directly to Salt Lake City. The Tax Commission has confirmed it will begin making those payments to Salt Lake City this month.

The Salt Lake City Council created a budget for receiving these funds during its December 2006 Budget Amendment.

INTERLOCAL COOPERATION AGREEMENT
between
SALT LAKE CITY CORPORATION
and
SALT LAKE COUNTY
[For the purpose of reconfiguring the Grant Tower Railroad Curve]

THIS INTERLOCAL COOPERATION AGREEMENT ("Agreement") is made and entered into this _____ day of _____, 2006, by the between SALT LAKE COUNTY, a body corporate and politic of the State of Utah ("County"), and the SALT LAKE CITY CORPORATION, a municipal corporation of the State of Utah ("City"). The County and City are sometimes referred to as the "Parties".

W I T N E S S E T H:

WHEREAS, the 2006 General Session of the Utah Legislature enacted HB372 amending Section 59-12-502(5), Utah Code Ann., (1953, as amended), allowing a county of the first class to expend an amount not to exceed \$3,500,000.00 to reconfigure railroad curves to reduce rail congestion;

WHEREAS, Salt Lake County is a county of the first class;

WHEREAS, County and City desire to work cooperatively to reconfigure the Grant Tower Railroad Curve located in Salt Lake City and Salt Lake County;

WHEREAS, County desires to expend the \$3,500,000.00 of its ¼ of ¼ public transit tax revenue as authorized under HB372 by entering into an interlocal cooperation agreement with City to assist the City with the needed funding to perform and direct the actual construction and reconfiguration of the Grant Tower Railroad Curve; and

WHEREAS, City and County are public agencies as defined by the Utah Interlocal Cooperation Act, Section 11-13-101, et seq., Utah Code Ann., (1953, as amended), and are authorized to enter into this Agreement for joint and cooperative action to reconfigure the Grant Tower Railroad Curve.

NOW, THEREFORE, the County and City, in consideration of the promises and covenants contained in this Agreement, the receipt of which is acknowledged, covenant and agree as follows:

1. Project. City and County agree to cooperate to reconfigure the Grant Tower Railroad Curve located within the City and County boundaries in order to reduce rail congestion. County agrees to expend \$3,500,000.00 of its ¼ of ¼ public transit tax revenue towards this project as authorized by the 2006 Utah Legislature under HB372 which bill amended Utah Code Ann. § 59-12-502(5). City agrees to utilize these funds, with other funding sources, to contract for and reconfigure the Grant Tower Railroad Curve.

2. County Financial Contribution. The County agrees to expend \$3,500,000.00, as authorized by the 2006 Utah Legislature, to the City to be used by the City to reconfigure the Grant Tower Railroad Curve to reduce rail congestion. The County will expend these funds to the City immediately upon execution of this Agreement or as soon thereafter as the funds are available for the County to expend. In any event, County will expend these funds and make payment to the City in the full amount of \$3,500,000.00 no later than June 30, 2007.

3. Duration and Termination. This Agreement shall take effect upon execution by both Parties and terminate upon completion by the City of the Grant Tower Railroad Curve reconfiguration.

4. Liability and Indemnification. Both parties are governmental entities under the Governmental Immunity Act of Utah, Utah Code Ann. § 63-30d-101, et seq. Consistent with the terms of this Act, it is mutually agreed that each party is responsible and liable for its own wrongful or negligent acts which it commits or which are committed by its agents, officials, or employees. Neither party waives any defenses otherwise available under the Governmental Immunity Act.

5. Interlocal Cooperation Act Requirements. In satisfaction of the requirements of the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended (the "Act"), and in connection with this agreement, the parties agree as follows

a. This Agreement shall be authorized by resolution of the governing body of each party pursuant to Section 11-13-202.5 of the Interlocal Cooperation Act, Utah Code Title 11, Chapter 13, as amended (the "Act");

b. This Agreement shall be reviewed as to proper form and compliance with applicable law by a duly authorized attorney on behalf of each party, pursuant to Section 11-13-202.5 of the Act;

c. A duly executed original counterpart of this Agreement shall be filed with keeper of records of each party, pursuant to Section 11-13-209 of the Act;

d. Except as otherwise specifically provided herein, each party shall be responsible for its own costs of any action done pursuant to this Agreement, and for any financing of such costs; and

e. No separate legal entity is created by the terms of this Agreement. To the extent that this Agreement requires administration other than as set forth herein, it shall be

administered by the mayors of the City and the County. No real or personal property shall be acquired jointly by the parties as a result of this Agreement. To the extent that a party acquires, holds, or disposes of any real or personal property for use in the joint or cooperative undertaking contemplated by this Agreement, such party shall do so in the same manner that it deals with other property of such party.

6. Counterparts. This Agreement may be executed in counterparts by the City and the County. In such event, a duly executed original counterpart shall be filed with the keeper of records of each party pursuant to the Act.

7. **REPRESENTATION REGARDING ETHICAL STANDARDS FOR CITY OFFICERS AND EMPLOYEES AND FORMER CITY OFFICERS AND EMPLOYEES:** The County represents that it has not: (1) provided an illegal gift or payoff to a City officer or employee or former City officer or employee, or his or her relative or business entity; (2) retained any person to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, other than bona fide employees or bona fide commercial selling agencies for the purpose of securing business; (3) knowingly breached any of the ethical standards set forth in the City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code; or (4) knowingly influenced, and hereby promises that it will not knowingly influence, a City officer or employee or former City officer or employee to breach any of the ethical standards set forth in the City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code.

8. County Ethical Standards. City represents that it has not: (a) provided an illegal gift or payoff to any County officer or employee, or former County officer or employee, or to any relative or business entity of a County officer or employee, or relative or business entity of a former County officer or employee; (b) retained any person to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, other than bona fide employees of bona fide commercial agencies established for the purpose of securing business; (c) breached any of the ethical standards set forth in State statute or Salt Lake County's Ethics Code, Chapter 2.07, Salt Lake County Code of Ordinances, 2001; or (d) knowingly influenced, and hereby promises that it will not knowingly influence, any County officer or employee or former County officer or employee to breach any of the ethical standards set forth in State statute or Salt Lake County ordinances.

9. Governing Law. This Agreement shall be governed by the laws of the State of Utah both as to interpretation and performance.

10. Entire Agreement. This Agreement contains the entire agreement between the Parties, with respect to the subject matter hereof, and no statements, promises, or inducements made by either party or agents for either party that are not contained in this written contract shall be binding or valid; and this agreement may not be enlarged, modified, or altered except in writing, and signed by the parties.

and that the foregoing instrument was signed on behalf of the Salt Lake County, by authority of law.

[SEAL]

NOTARY PUBLIC
Residing in Salt Lake County, Utah

Approved as to Form and Legality:
Salt Lake County District Attorney

By _____
Deputy District Attorney
Date _____


SALT LAKE CITY CORPORATION

By _____
MAYOR

ATTEST:

City Recorder

APPROVED AS TO FORM AND LEGALITY


Salt Lake City Attorney
Date Jan. 2, 2007

RESOLUTION NO. _____ OF 2007

AUTHORIZING THE APPROVAL OF AN INTERLOCAL AGREEMENT
BETWEEN SALT LAKE CITY CORPORATION AND SALT LAKE COUNTY
TO RELEASE FUNDS TO STRAIGHTEN RAILROAD
TRACK CURVE AT GRANT TOWER

WHEREAS, the 2006 General Session of the Utah Legislature enacted HB372 amending Section 59-12-502(5), Utah Code Ann., (1953, as amended), allowing a county of the first class to expend an amount not to exceed \$3,500,000.00 to reconfigure railroad curves to reduce rail congestion;

WHEREAS, Salt Lake County ("County") is a county of the first class;

WHEREAS, County and Salt Lake City Corporation ("City") desire to work cooperatively to reconfigure the Grant Tower Railroad Curve located in Salt Lake City and Salt Lake County;

WHEREAS, County desires to expend the \$3,500,000.00 of its ¼ of ¼ public transit tax revenue as authorized under HB372 by entering into an interlocal cooperation agreement with City to assist the City with the needed funding to perform and direct the actual construction and reconfiguration of the Grant Tower Railroad Curve;

WHEREAS, Title 11, Chapter 13, Utah Code Ann., (1953, as amended), allows public entities to enter into cooperative agreements to provide joint undertakings and services;

WHEREAS, City and County are public agencies as defined by the Utah Interlocal Cooperation Act, Section 11-13-101, et seq., Utah Code Ann., (1953, as amended), and are authorized to enter into an Agreement for joint and cooperative action to reconfigure the Grant Tower Railroad Curve; and

WHEREAS, the attached agreement has been prepared to accomplish said purposes;

THEREFORE, BE IT RESOLVED by the City Council of Salt Lake City, Utah, as follows:

1. It does hereby approve the execution and delivery of the following:

AN INTERLOCAL AGREEMENT BETWEEN SALT LAKE CITY AND
SALT LAKE COUNTY TO RELEASE FUNDS TO STRAIGHTEN
RAILROAD TRACK CURVE AT GRANT TOWER.

2. Ross C. Anderson, Mayor of Salt Lake City, Utah, or his designee, is hereby authorized to approve and execute said agreement on behalf of Salt Lake City Corporation, subject to such minor changes which do not materially affect the rights and obligations of the City thereunder and as shall be approved by the Mayor, his execution thereof to constitute conclusive evidence of such approval.

Passed by the City Council of Salt Lake City, Utah, this _____ day of January, 2007.

SALT LAKE CITY COUNCIL

By: _____
CHAIRPERSON

ATTEST AND COUNTERSIGN:

CHIEF DEPUTY CITY RECORDER

APPROVED AS TO FORM:



SALT LAKE CITY ATTORNEY