

CITY OF NORTH SALT LAKE
PLANNING COMMISSION MEETING
OCTOBER 24, 2017

FINAL

Chairman Robert Drinkall called the meeting to order at 6:37 p.m. Commissioner Kirkham led those present in the Pledge of Allegiance.

PRESENT: Commission Chairman Robert Drinkall
Commissioner Ted Knowlton
Commissioner Lisa Watts Baskin
Commissioner Kent Kirkham
Council Member Ryan Mumford

EXCUSED: Commissioner Stephen Garn
Commissioner Leslie Mascaro

STAFF PRESENT: Sherrie Llewelyn, Community Development Director; Shannon Anderson, Planning Technician; Andrea Bradford, Minutes Secretary.

OTHERS PRESENT: Amy Bringhurst, West Haven resident; Rusty Dial, Tim Stanley, Global 1 Transportation.

1. PUBLIC COMMENTS

There were no public comments.

2. PUBLIC HEARING: CONSIDERATION OF A PROPOSED CONDITIONAL USE PERMIT FOR A PETROLEUM RAIL TERMINAL AT 150 WEST CENTER STREET, GLOBAL 1 TRANSPORTATION, APPLICANT

Sherrie Llewelyn reported that this application was for a rail terminal yard to be located at 150 West Center Street. The current property consists of a storage unit facility and Structural Steel Manufacturing on 29.9 acres. Global 1 Transportation moves crude oil, ethanol, and other refined products via railway cars. Currently the oil is shipped via truck from Vernal to the Salt Lake area refineries. The applicant has built a rail terminal in Wellington is proposing to ship the crude by railcars. The final phase of the project will be to transport the crude from the rail yard in North Salt Lake via pipeline constructed in the railroad right-of-way. This project would divert the trucking to rail of approximately 170 crude oil trucks per day along Interstates 40 and 80.

The first phase of the project would consist of the construction of underground pipeline for ethanol from the rail yard to be proved directly to Big West Oil, which will reduce the number of deliveries to Big West Oil that currently block traffic on Center Street. Several of the existing storage unit buildings would be converted into office space and the remaining units would be removed.

Commissioner Knowlton arrived at 6:42 p.m.

Staff was reported that until the pipeline was built that the ethanol would have to be transported by truck to the refineries. The applicant has proposed that the proposed delivery trucks would enter the rail yard at Center Street, travelling one way only and exit on 500 North at an existing crossing on the Woods Cross line. The DRC identified the possibility that the trucks could exit the site by traveling north along the existing access road to the Davis County regional detention. This would eliminate travel through the industrial area, with the trucks exiting directly on to 1100 North. The applicant is working with Davis County for a second and has agreed to upgrade that road to the satisfaction of the county.

Mrs. Llewelyn then said that the City has received letters in support of this project from State Senator David Hinkins, the Carbon County Board of Commissioners, and the Governor's Office of Energy Development. She commented that the DRC believes that this item should be forwarded with a Planning Commission recommendation to the City Council for final approval. She further reported that staff would like to have additional information regarding the number of train crossings that this application would eliminate and analysis of the actual reduction to traffic stops related to rail crossings. Staff believes this item be tabled to allow additional time to gather that information from the applicant.

Tim Stanley, Global 1 Transportation, said that he was the president of Global 1 Transportation and felt that this is a good site due to the proximity to the five refineries in the area, as well as proximity to the pipeline that runs to Nevada. He said it would also help to reduce the number of trucks on highway and also address the City's concern with the trains that currently block Center Street vehicle traffic. He explained that his company had met with Big West Oil earlier that day to assess the current issue related to Big West crossings. He stated that the primary issue is that the rail yard currently being used by Big West is too close to Center Street, is not long enough for the length of trains, and is complicated coupled with the fact that the rail switches must be thrown manually by a switchman to direct the railcars onto the proper lines. This switching is the primary cause of the delays to traffic. When Big West moves ethanol cars from their rail yard to the refinery, the train has to stop to allow the carman to get off the train and manually switch the rail lines, additionally even when the train clears center street, the train is still too close to Center Street and thus fouls the rail signal leaving the crossing arms in the down position while

they either hook up or detach cars or switch rails. Mr. Stanley explained that the Global 1 operation would have a dual tone multi-frequency switch which would allow their trains to automatically throw the switch without the need for any stops on the center street and would reduce the amount of time traffic would wait at the Center Street crossing.

Commissioner Knowlton asked how this would affect Big West Oil. Tim Stanley replied that Big West used 2.34 cars of ethanol per day or 854 cars per year. Union Pacific Railroad currently delivers 5 to 8 railcars per order. . Those UP deliveries are part of a manifest train deliver, meaning that those 5 to 8 railcars are combined with other deliveries of various railcars to various destination. Therefore when UP delivers it has a much longer train than 5 to 8 cars. Often UP fouls the line with longer trains while they disconnect the 5 to 8 cars to be delivered from the manifest train. They then move the cars from the main line to the Big West Oil rail yard north of center, switch the line manually to deliver the railcars, switch the line again to pick up empty cars, move the empty cars across center and add the empty cars to the manifest train. This causes significant delays to the traffic on Center Street. Big West Oil further causes delays when they have to move the 2-3 railcars from their yard to the refinery to empty the cars into their storage tanks and then back across again for storage and later pick up by UP. This amounts to each rail car crossing Center Street 4 times. There are about 107 to 171 UP switches per year for inbound and 107 to 171 switches per year for outbound empty loads. With the addition of the Big West activity this would equal 578 to 706 Center Street crossings per year with 1.5 to 2 crossing per day.

To contrast that activity, Global 1 would deliver what is called unit trains. Unit trains are trains that carry cars with a single commodity and would be up to 95 car lengths for ethanol. Delivery is estimated with 854 cars per year equating to 9 loaded and 9 empty unit trains, thus 18 Center Street crossings versus the current 578 to 706 Center street crossings. There would be a reduction in operating costs for Big West in that Unit Trains can ship the commodity for 25-30%, eliminate down time for the plant through direct pipeline delivery of a constant nature, and eliminate labor time in moving rail cars across Center to their tank. The proposed rail yard is a long term solution to reducing the number of trucks on the highways in Utah with the additional benefit to North Salt Lake in reducing the length of the traffic stops for Center Street. The delivery of unit trains would not stop on the Center Street crossing, as they can pull through the Global 1 rail yard entirely before disconnecting cars and arranging them in the yard. Even when trains are delivered that are longer than their yard have the advantage that they can pull through the rail yard, merge back on to the Woods Cross spur and completely clear Center Street and detach cars without fouling the signal and causing the crossing arms to stay down.

Sherrie Llewelyn commented that this was a conditional use permit review and that as there was significant investment in purchasing the property therefore the applicant will also be required to submit for site plan approval if granted the conditional use permit. That allows the applicant to have the assurance that the project would be permitted and time to complete the proper engineering and design work after the close on the sale of the property. The site plan will address any conditions set by the conditional use permit.. Many of the staff recommendations would address the specific issues to be mitigated including certain landscaping and delivery schedules to avoid rush hour times. Tim Stanley replied that Global 1 one would work with the railroad on scheduling the deliveries outside of the high traffic times. He explained that they cannot guarantee delivery times from UP trains, but would be able to schedule their trains leaving the Wellington rail yard to arrive in North Salt Lake at times that would have less impact.

Commissioner Drinkall opened the public hearing at 7:09 p.m. There were no public comments and he closed the public hearing at 7:10 p.m.

Commissioner Kirkham said he appreciated the efforts to lessen traffic on Center Street. He asked what would happen if permission was not granted for the second proposed exit. Sherrie Llewelyn replied that the 500 North access would be adequate but it would be preferred if there was an exit onto 1100 North. She said it would be a win-win situation if they were granted access as Global 1 would improve the County Road and would help reduce traffic using 500 North.

Council Member Mumford asked what refineries Global 1 would deliver to. Tim Stanley replied that they had discussed delivery with all of the refineries including Big West, Holly, Frontier, Chevron, etc.

Commissioner Drinkall asked what the timeline would be to complete the project. Tim Stanley replied that Phase 1 would be operational by July 2018. This would include the vacation of the storage facility, conversion to office space, and the building of a rail yard lines and switches. He said that contracts with each refinery would need to be in place to guarantee sufficient sales to justify the funding to build the pipeline in the rail right-of-way.

Tim Stanley commented that there would be a period of increased truck traffic resulting in less rail traffic to deliver the ethanol to the refineries. This process would be reversed once the pipeline was established.

Council Member Mumford said that Big West requires more than ethanol so the pipeline would not remove all train deliveries. Tim Stanley replied that it would reduce the number of trains and

said that they were starting with the ethanol delivery because it would allow them to break even on their investment and then further reduce the amount of switching until the bulk of all refined products would be moved through their facility. He said this process could take until 2020 for the pipeline to be completed.

Council Member Mumford commented that the refineries have a fire team on the premises and asked what the emergency response or safety protocols would be in place at this facility. Tim Stanley replied that they used WATCO which provided safety training for all employees, a foam system on the roof of the tanks which would engage during a fire, protocol with the fire department, and a required amount of fire hydrants.

Council Member Mumford asked when the safety review committee would review this item. Sherrie Llewelyn replied that the safety committee/Development Review Committee (DRC) would review these items as well as other items such as security cameras, gates in regards to homeland security/public safety. Mrs. Llewelyn asked Mr. Stanley to comment on how security would be addressed in their yard. Tim Stanley replied that they were staffed with security guards 24/7.

Commissioner Baskin asked what the return on investment would be for this project. Tim Stanley replied that it would take ten railcars per day to breakeven on the initial investment. The investment would also grow over time especially with the heated pipeline and tank installation. He explained that it was a low margin business and the only way to make money is by volume especially as the trucking companies have reduced transportation rates which made it difficult to compete.

Commissioner Baskin said that there are concerns due to the increase in crude coming into the City especially with the proximity to Interstate 15. Tim Stanley replied that the crude they transport is noncombustible with a high wax content. They do not transport the type of oil that has been related to the rail accidents and explosions in the eastern part of the United States and Canada. He said the waxy crude is removed from the ground at 160 degrees and once it reaches 110 degrees it sets up and does not allow for spontaneous combustion or explosive characteristics.

Commissioner Baskin asked if the railcars would need to be retrofitted to transport the crude to meet safety guidelines. Tim Stanley replied that the cars are already fitted with steel plates and insulation that met or exceeded Department of Transportation (DOT) guidelines. Those requirements were put into effect after train accidents that causes the tanks to derail from the wheels and crash into the next tank. The steel plates now prevent such accidents.

Commissioner Baskin said that while this may be the best location it does detract from the image the City is trying to create as an area that is more than just industrial and asked how the City would directly benefit. Tim Stanley replied that the City would get property tax revenue from the significant investment they will be making to the property but he had not considered a trans-loader fee per railcar as it was already difficult to keep this project cost effective. He explained that this option was better than bringing in the products by truck as they cause damage to the roads, air pollution, and traffic safety issues, which are more difficult to quantify. Mr. Stanley also said that the refineries would remain in the City for many years and Global 1's facility would help to make things better not only for the City but also the State.

Rusty Dial, Global 1 Transportation, commented that reducing the number of trucks on the road would not be lost jobs as those individuals would work in the basin at the injection site and on the pipeline with shorter delivery routes. This job creation which does not directly benefit North Salt Lake does help meet the Governor's rural jobs initiatives, which in turn helps the economy of the entire state.

Commissioner Drinkall clarified that the approval or denial of this application would be a recommendation to the City Council.

Sherrie Llewelyn commented that this would be a recommendation on the land use to operate a rail terminal. The applicant would need to return for site plan approval including landscaping, storm drainage, access, safety, parking, and the appearance of the buildings. She reminded the Planning Commission that under state law, conditional uses have the presumption of being approved if conditions can be established to mitigate any safety or public health impacts and said that this use is listed as a conditional use in the City code.

Council Member Mumford asked how the City could enforce certain conditions such as when the trains would cross Center Street. Tim Stanley replied that they could not dictate when Union Pacific used the rail lines however they could try to set specific pickup times. He said that the train crossing would be a lot faster after the automated switching is put in place.

Council Member Mumford commented on condition seven of the conditional use permit regarding a traffic study to determine the number of existing crossings/delays and to demonstrate that the proposed use would decrease the traffic impact; he specifically asked if the applicant's study was unable to demonstrate a decrease, if that would cause for the city to deny the application request. Sherrie Llewelyn replied that it would allow for denial and said that this study would provide actual data on the quantity and duration of the crossings.

Commissioner Knowlton asked if the trains were required to use their horns at crossings and suggested that a condition to understand horn noise impacts be put in the motion. Tim Stanley replied that he was unsure but said that they would meet any standard rail crossing requirements necessary.

Commissioner Kirkham moved that the Planning Commission recommends approval of a conditional use permit for a petroleum rail terminal at 150 West Center for Global 1 Transportation with the following listed conditions:

- 1) Delivery of unit trains will be restricted during the peak traffic hours, Monday through Friday from 7:00 a.m. to 10 a.m. and from 4:00 p.m. to 7:00 p.m. to reduce the impacts of rail crossings on the Center Street traffic flow;
- 2) The rail switch will be installed north of Center Street and no new rail crossing will be added to Center Street;
- 3) Substantial landscaping will be planted along the length of the eastern property line to create a visual buffer, using Poplar trees or similar trees and vegetation to buffer the view from the freeway and the front runner rail line;
- 4) Construction of the ethanol pipeline to Big West Oil will be completed with the construction of phase 1;
- 5) An analysis of the environmental impact of the project on the site, along with preventative measures that will be employed to protect the public and the environment from hazardous conditions or spills;
- 6) A plan describing what security will be provided for the site;
- 7) Submittal and approval of a site plan for the project in accordance with Chapter 20 of the land use code, including:
 - a. A landscape plan that creates a substantial visual landscape buffer along the east property line.
 - b. Traffic circulation that maintains a one way traffic access for tanker trucks from Center Street to 1100 North and improvements of the access road owned by the county if an agreement can be made.
 - c. A traffic study of Center Street at the rail crossing detailing the number of existing daily crossings, the time of day, and the delays to vehicle traffic and demonstrate a positive decrease in the number of crossings and delays.
 - d. A noise study assessing horn use requirements, frequency, and time of day.

Commissioner Knowlton seconded the motion. The motion was approved by Commissioners Drinkall, Knowlton, Baskin, Kirkham, and Council Member Mumford. Commissioners Garn and Mascaro were excused.

3. APPROVAL OF MINUTES

The Planning Commission meeting minutes of October 10, 2017 were reviewed and approved. **Council Member Mumford moved to approve the Planning Commission meeting minutes from October 10, 2017. Commissioner Kirkham seconded the motion. The motion was approved by Commissioners Drinkall, Knowlton, Baskin, Kirkham, and Council Member Mumford. Commissioners Garn and Mascaro were excused.**

Sherrie Llewelyn reported that surveys were sent to the Main Street Neighborhood regarding the Neighborhood Plan and asked the Commissioners to encourage residents to participate. She said the surveys would be retrieved on October 26th.

4. ADJOURN

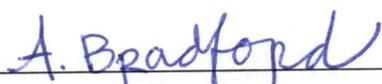
Commission Chairman Drinkall adjourned the meeting at 8:11 p.m.



Chairman



Recorder



Secretary