

SUPREME COURT OF UTAH

City of Grantsville v. Redevelopment Agency of Tooele City

233 P.3d 461 (Utah 2010) · No. No. 20080373 · Decided May 14, 2010

SUMMARY

The Utah Supreme Court considered claims arising from an interlocal agreement concerning redevelopment of former Tooele Army Depot property. The court held that Grantsville lacked traditional standing but had alternative standing to challenge alleged breaches of the agreement. It reversed summary judgment on the contractual claims because factual issues remained regarding integration and ambiguity, while affirming dismissal of the remaining fiduciary and equitable claims.

CASE DETAILS

COURT	Supreme Court of Utah
WRITING FOR THE COURT	Justice Parrish; Chief Justice Durham; Associate Chief Justice Durrant; Justice Nehring; Justice Wilkins
JURISDICTION	Utah
DECIDED	May 14, 2010
DOCKET	No. 20080373
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Grantsville appealed from the district court's grant of summary judgment to the defendants on all claims. The defendants cross-appealed the denial of their motion to amend their answer and counterclaim, and Grantsville challenged the denial of its motion for a change of venue.
STANDARD OF REVIEW	Summary judgment is reviewed for correctness, without deference to the district court's legal conclusions, viewing facts and reasonable inferences in the light most favorable to the nonmoving party. Standing is reviewed for correctness, with deference to factual determinations bearing on standing but minimal deference to the application of facts to law. Denial of a motion to amend and denial of a motion for change of venue are reviewed for abuse of discretion.
PRECEDENTIAL VALUE	Published precedential opinion of the Supreme Court of Utah
PARTIES	City of Grantsville, Town of Stockton v. Redevelopment Agency of Tooele City, City of Tooele, Tooele County Economic Development

TOPICS

breach of contract

contract interpretation

standing

summary judgment

municipal law

PRACTICE AREAS

Contracts

Municipal law

Civil procedure

Remedies

QUESTIONS PRESENTED

1. Whether Grantsville had standing to assert claims arising under the interlocal agreement.
2. Whether summary judgment was proper on Grantsville's breach-of-contract and implied-covenant claims, including whether the agreement was integrated, ambiguous, and sufficiently pleaded.
3. Whether summary judgment was proper on Grantsville's claims for breach of fiduciary duty, unjust enrichment, constructive trust, and accounting.
4. Whether the district court abused its discretion by denying defendants' motion to amend their answer and counterclaim to add an offset claim.
5. Whether the district court abused its discretion by denying Grantsville's motion for a change of venue.

HOLDINGS

1. Grantsville lacked traditional standing because it was not a party to the interlocal agreement and therefore had no legally protectable interest in that agreement.
2. Grantsville had alternative standing because it was an appropriate party to litigate the alleged breach and the redevelopment of the Base Property presented an issue of sufficient public importance.
3. Summary judgment was improper on Grantsville's breach-of-contract and implied-covenant claims because Grantsville raised a material factual issue regarding whether the interlocal agreement was integrated, and the district court prematurely determined that the agreement was unambiguous and narrowly construed the pleaded claims.
4. The district court properly dismissed Grantsville's breach-of-fiduciary-duty, unjust-enrichment, constructive-trust, and accounting claims.
5. The district court did not abuse its discretion by denying defendants' motion to amend their answer and counterclaim to add an offset claim.
6. The district court did not abuse its discretion by denying Grantsville's motion for a change of venue based on generalized allegations that an impartial jury could not be impaneled.

KEY QUOTATIONS

"A party that fails to meet traditional standing requirements may nonetheless qualify for alternative standing if the party is (1) an appropriate party to bring suit and (2) the issue being presented is one of 'sufficient public importance to balance the absence of the traditional standing criteria.'" (at 468)

“Whether a contract is integrated is a question of fact.” (at 469)

“The plaintiff must only give the defendant “fair notice of the nature and basis or grounds of the claim and a general indication of the type of litigation involved.”” (at 471)

FACTUAL BACKGROUND

In 1994, Tooele County, Tooele City, the Redevelopment Agency, and the Tooele County Council of Governments entered an interlocal agreement concerning redevelopment of property formerly belonging to the Tooele Army Depot. Grantsville signed the agreement as a member of the Council of Governments, but was not named as one of the contracting parties. After the Army conveyed the property to the Redevelopment Agency, the Agency sold part of it for \$15 million and paid the proceeds to Tooele City, which used the money for municipal projects and transferred interest to its general fund. Grantsville alleged that defendants breached the agreement by failing to develop the property for the benefit of the entire community and by retaining the sale proceeds.

PROCEDURAL HISTORY

Grantsville sued the City of Tooele, the Redevelopment Agency, and the Tooele County Economic Development Corporation over alleged contractual and fiduciary obligations concerning redevelopment of former Tooele Army Depot property and distribution or use of sale proceeds. The district court granted summary judgment to defendants on all claims, denied defendants' motion to amend their answer and counterclaim to add an offset claim, and denied Grantsville's motion for a change of venue. The Utah Supreme Court affirmed in part, reversed in part, and remanded.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

The district court must reconsider whether the interlocal agreement is integrated, including consideration of relevant extrinsic and parol evidence; then reconsider contractual ambiguity under the required sequence; and consider Grantsville's broader contract theories concerning failure to develop the property and improper retention of proceeds, including the implied covenant of good faith and fair dealing. The issue of reformation must also be reconsidered because it was premature to decide before resolving whether defendants breached the agreement. Proceedings are otherwise consistent with the opinion.

CASES CITED

- Bodell Construction Co. v. Robbins, 2009 UT 52, 215 P.3d 933
- First Equity Federal, Inc. v. Phillips Development, LC, 2002 UT 56, 52 P.3d 1137
- Cedar Mountain Environmental, Inc. v. Tooele County, 2009 UT 48, 214 P.3d 95
- Ball v. Public Service Commission, 2007 UT 79, 175 P.3d 545
- Jones v. Barlow, 2007 UT 20, 154 P.3d 808

- Utah Chapter of the Sierra Club v. Utah Air Quality Board, 2006 UT 74, 148 P.3d 960
- Jenkins v. Swan, 675 P.2d 1145 (Utah 1983)
- Hogs R Us v. Town of Fairfield, 2009 UT 21, 207 P.3d 1221
- Holmes Development, LLC v. Cook, 2002 UT 38, 48 P.3d 895
- Harper v. Great Salt Lake Council, Inc., 1999 UT 34, 976 P.2d 1213
- Tangren Family Trust v. Tangren, 2008 UT 20, 182 P.3d 326
- Bullfrog Marina, Inc. v. Lentz, 28 Utah 2d 261, 501 P.2d 266 (1972)
- Peterson v. Sunrider Corp., 2002 UT 43, 48 P.3d 918
- Daines v. Vincent, 2008 UT 51, 190 P.3d 1269
- Winegar v. Froerer Corp., 813 P.2d 104 (Utah 1991)
- Parrish v. Tahtaras, 7 Utah 2d 87, 318 P.2d 642 (1957)
- Amjacs Interwest, Inc. v. Design Associates, 635 P.2d 53 (Utah 1981)
- Canfield v. Layton City, 2005 UT 60, 122 P.3d 622
- Williams v. State Farm Insurance, 656 P.2d 966 (Utah 1982)
- Wardley Corp. v. Welsh, 962 P.2d 86 (Utah Ct. App. 1998)
- First Security Bank of Utah N.A. v. Banberry Development Corp., 786 P.2d 1326 (Utah 1990)
- Olson v. Gaddis Investment Co., 85 Utah 430, 39 P.2d 744 (1935)
- Engle v. District Court, 96 Utah 245, 85 P.2d 627 (1938)
- Bear River Valley Orchard Co. v. Hanley, 15 Utah 506, 50 P. 611 (1897)
- Allen v. Hall, 2006 UT 70, 148 P.3d 939
- Mattes v. Olearain, 759 P.2d 1177 (Utah Ct. App. 1988)
- Ashton v. Ashton, 733 P.2d 147 (Utah 1987)
- HCA Health Services, Inc. v. St. Mark's Charities, 846 P.2d 476 (Utah Ct. App. 1993)
- Estate of Thorley v. Thorley, 579 P.2d 927 (Utah 1978)
- Durham v. Duchesne County, 893 P.2d 581 (Utah 1995)
- State v. Lucero, 2002 UT App 135, 47 P.3d 107
- Ellis v. Swensen, 2000 UT 101, 16 P.3d 1233
- State v. Thomas, 961 P.2d 299 (Utah 1998)
- Midwest Realty v. City of West Jordan, 541 P.2d 1109 (Utah 1975)

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