

**PARK CITY COUNCIL STUDY SESSION
SUMMIT COUNTY, UTAH
OCTOBER 11, 2012**

Present: Mayor Dana Williams; Council members Andy Beerman; Alex Butwinski; Cindy Matsumoto; Dick Peek; and Liza Simpson

Matt Cassel, City Engineer; Thomas Eddington, Planning Manager; Diane Foster, Interim City Manager; and Mark Harrington, City Attorney

Steve Rush, Brian Bowles and Kevin Freestone, Rocky Mountain Power

1. **Rocky Mountain Power Substation.** Matt Cassel explained that this study session is to discuss RMP's potential expansion/relocation of the current substation located off of Woodbine Way. He introduced the representatives from RMP listed above. The staff report addresses the history of the project and he listed the topics to be covered today which will focus only on Phase 1, the substation. Overhead power lines are associated with Phase 2, and the Judge Substation upgrade is Phase 3.

Thomas Eddington pointed out that the *gives and gets* in the community vision statements are discussed a lot as part of the Bonanza Park Plan. There have been discussions about the redevelopment of the property RMP currently occupies to the south of the Recycle Center. RMP has been in discussions with Mark Fischer for quite some time about relocating to 1555 lower Iron Horse Drive. This concept has been part of the discussions relating to the Bonanza Park Plan. He displayed a map illustrating the 100 acre Bonanza Park area, the current substation location, and the proposed relocation area. These discussions have been identified in the draft Bonanza Park Plan submitted in January 2012, and staff feels this is the right location. There were probably five or six other locations considered.

Matt Cassel explained that one of the locations not included in the report was moving the substation out to the Park City Heights area. RMP considered the site but it was not feasible.

Mr. Eddington continued that the City has always envisioned an opportunity to redevelop the Bonanza Park area. He displayed concept renderings of a development with mixed uses and diverse residents. The need to relocate the substation is somewhat important to effectuate that kind of vision. The 2009 Visioning document highlights core values and part of the visioning process was to create a collaborative approach. The City has been working closely with Mark Fischer and RMP to try to accomplish this kind of relocation and there is only one chance to get it right. Mr. Eddington understood that the current substation was moved from the Coalition Building site on Park Avenue to the Recycle Utah location as development of Old Town

continued to the north. The substation has been part of both the Bonanza Park and the Redevelopment Plan.

Mayor Williams emphasized for the benefit of the audience that growth has nothing to do with the expansion or the movement of the substation. Matt Cassel stated that the expansion of the substation is not because of anticipated growth, but based on current needs and RMP's timeline for this project has passed.

Steve Rush, Customer Community Manager, pointed out a 2.5% to 3% increase per year in Park City and RMP's in-service date is 2015. Ms. Matsumoto asked if the power lines will take the same path into town in the preferred site location. Matt Cassel explained that wherever the substation ends up won't change where the power lines need to come in. Cindy Matsumoto brought up the Park City Heights location and it was pointed out that it would not eliminate power lines coming over the hill. Matt Cassel noted that a work session is scheduled on October 25 to cover any outstanding questions members may have.

Brian Bowles explained that there would be no expansion of the footprint. Iron Horse Option 1 is basically keeping all of the transmission on the east side of Bonanza, and inserting one or two more structures to maintain clearances. Iron Horse Option 2 is basically the same as the options in the existing alignment with the overhead structures crossing over Bonanza to the lower Iron Horse Substation. He referred to a map of the different substations in the area and where they serve. The Park City Substation which is increasing 3.1% per year has the most electrical demand growth. The Mayor pointed out that substations differ. Kevin Freestone relayed that additional capacity was added at Snyderville four years ago. One of the challenges with building a substation and feeding local distribution is the density of the load and getting away much more than two miles creates operating issues. The Park City substation is located on the outskirts of the edge limiting where it can be moved. Another challenge is the Judge Substation meeting its demand.

Matt Cassel emphasized that this project is not intended to meet demands elsewhere. The needs are here. Diane Foster interjected that making people conserve will not delay the need for the expansion and according to state law, RMP has an obligation to adequately serve the current needs of a community.

Brian Bowles displayed visuals of both locations. Matt Cassel stated that these renderings will be placed on-line for the public. Mr. Bowles explained that the design at the existing facility is typical for a 46 KV substation. Steve Rush explained that this means 46,000 volts and the other voltage referenced is 138 KV. Mr. Bowles displayed the overhead option for the current facility upgraded to 138 KV. The diameters of the towers are reduced although they are tall. He addressed the underground option where the transmission structures outside of the property are reduced but another set of structures are added just inside the substation. He described the path of the power lines for overhead and underground and lightning shields for overhead designs. In

response to a question from Dick Peek, Mr. Bowles described the use of capacitor banks to help support voltage but when upgrading to 138, this piece of equipment is no longer needed at the existing site. These are spread throughout the system. He displayed overhead and underground renderings of the Bonanza Drive locations and felt that the view from Fireside Condominiums can be mitigated with landscaping and trees.

Andy Beerman asked if the substation has to be located so close to Bonanza Drive. Kevin Freestone acknowledged that the site is tight and there is no additional space because of the triangular shapes of the properties and adequate clearance for maintenance vehicles has to be provided. Matt Cassel expressed that staff understands this but is still working on this issue. Steve Rush added that Mark Fischer acquired additional property which makes this location workable. The transformers are significantly larger. Andy Beerman pointed out that the five poles are side by side and asked if this configuration is required. Mr. Bowles answered that there is not enough room on the site to space them apart.

Mayor Williams remarked that undergrounding seems to remove two towers. Mr. Bowles explained the differences by displaying the renderings again. Cindy Matsumoto felt that the underground design is harsher than the overhead. Kevin Freestone explained that the renderings are layered making it difficult to see what is being removed with the underground. Access from Bonanza Drive was discussed as well as building a retaining wall. Matt Cassel believed the tallest wall is six to eight feet but staff would like the substation pushed farther into the hill and to build a road next to the creek. Diane Foster pointed out that the perspective from a car is not looking up. Matt Cassel stated that staff used RMP's drawings but added higher retaining walls and more landscaping to soften the view from the road level. Ms. Matsumoto questioned if there is enough room to plant trees. Mr. Rush pointed out that they can't be planted under transmission lines or adjacent to a fence which could provide access to the substation site. Mr. Cassel assured members that there is enough space. If the substation is expanded at its existing site, the plan for Bonanza Park would be difficult to accomplish. Kevin Freestone relayed that one side of the Gateway building in Salt Lake acts as a fence for the substation. Steve Rush pointed out that 138 KV is the standard and 46 KV substations are no longer being built.

Matt Cassel referred to the table of the breakdown of costs in the meeting packet which is attached to these minutes.

Kevin Freestone explained that the existing facilities have to remain in place while the upgrade is being installed before it is put in service. Expanding the existing facility can be phased. The transformer costs are the same for both locations and he addressed depreciation values. Brian Bowles explained that RMP estimated what it would cost to rebuild from Silver Creek to Park City and Silver Creek to lower Iron Horse and basically the cost difference is \$280,000. The lower Iron Horse west route receives a full credit of \$280,000; the lower Iron Horse east route receives a credit of \$112,000 for the transmission. The cost for internal labor for engineering, design, and project

management was pointed out. The design for the lower side distribution and also on the lower Iron Horse east route includes an extra transmission representing the difference in cost. He pointed out contract labor and design costs. There is an extra cost with the transmission on the east lower Iron Horse route compared to the west route. There is no low side construction needed at the existing site, but needed on both Iron Horse options. The distribution can be reused at the existing site and would cost about \$1 million to move it to lower Iron Horse. The cost associated with land acquisition at the existing site is \$350,000 to remove equipment so there is a buildable site. Moving to lower Iron Horse is more expensive because RMP would be removing the entire substation. Construction overhead is based on the total cost and he discussed financing costs. Iron Horse west or Option 2 represents a cost difference of \$2.5 million. RMP has committed to do something similar to a special service district wherein if that cost is paid up front, Park City receives a 7% discount on interest charges for either Iron Horse option. Mr. Bowles stated that there are no additional right-of-way costs associated with the west location but locating on the east side of road would require an 80 foot right-of-way. He acknowledged ownership confusion about whether the City or Mark Fischer owns the property. Through illustration of a map, Mr. Bowles described the location. He believed the current right-of-way is 40 to 50 feet and the 80 foot right-of-way is needed to provide adequate clearances because of the hill.

The Mayor pointed out that the cost projections are based on above-ground. He asked about financing options and Steve Rush responded that RMP does not offer a financing program. Kevin Freestone added that having a city ask RMP to relocate a substation is a unique situation and undergrounding utilities is dictated by the Legislature. Mr. Rush emphasized that Park City will have to come up with the money because RMP is not involved in special service districts. Diane Foster interjected that there might be other opportunities available in the future if approved by the Legislature.

The Mayor encouraged public input on this project and announced that on October 23 a community meeting will be held at The Yard from 5 p.m. to 7 p.m. On October 15, a stakeholders meeting will be held from 4 p.m. to 5:30 p.m. at The Yard. On October 24, the Bonanza Park form-based code will be presented at the Planning Commission meeting, but the substation will not be a focus of discussion. The City Council will hold another work session on this matter on October 25.

Alex Butwinski asked about the cost of undergrounding and Kevin Freestone responded that first the location of the substation needs to be determined. Matt Cassel estimated that undergrounding would cost \$5 to \$6 million per mile. Brian Bowles indicated that RMP is somewhat hesitant to estimate the cost of undergrounding this project. RMP just completed a project in the Gateway area where three lines were undergrounded for three blocks and he will share those costs with staff. Mr. Rush stated that state law is very specific about the customer paying for undergrounding transmission. Mr. Bowles felt he could provide more cost information on a RDA project in Salt Lake as well.

Ms. Matsumoto asked the cost of a terminating tower and Mr. Bowles advised that the structures are about \$100,000 apiece. He spoke about undergrounding and discovering unanticipated problems which add costs. Dick Peek asked about the bidding process and Mr. Bowles stated that many times RMP bids it. Steve Rush emphasized that price is dependent on the current cost of materials.

Mayor Williams described the community as very protective of its view sheds. He feared the substation will create adverse economic impacts with regard to property values. He felt that the towers are somewhat dwarfed by the hill but the look of the substation it is a lot different when the towers are located in a neighborhood.

Steve Rush stated that they will evaluate those options and spoke about a pre-rusted pole which would blend in better with the environment.

Prepared by Janet M. Scott, City Recorder

Park City Substation Relocation Cost Evaluation

Rocky Mountain Power Cost Evaluation

DRAFT v10.05.2012

	Park City Conversion
	RMP Costs
1 Substation Material	\$2,451,421
2 Substation Equipment not transformer)	\$486,991
3 Transformers	\$1,692,430
4 Equipment Salvage***	-\$8,000
5 Transmission Cost	\$280,000
6 Labor (Engineering, Project Management, Internal Crews)	\$450,924
7 Contract Labor	\$3,422,297
8 Distribution (Material, Labor, Construction)	
9 Land Acquisition	\$350,000
10 (1) Park City Substation Property (0.838 Acres @ \$30/sq ft. = \$1,095,090) Cost to Vacate Existing Property and Remove Equipment	
11 Cost to remove equipment and stay at Park City.	\$350,000
12 (2) Lower Iron Horse Property * Land Value Difference from Park City (2.06 Acres @ \$15/sq ft. = \$1,346,000)	
14 Construction Overhead	\$792,867
15 AFUDC (Interest During Construction)	\$516,916
16 Transmission ROW (Substation Interconnect Only)	\$0
17 Sub Totals	\$7,467,509
18 Actual Excess Cost for Relocating Substation	
19 Actual Excess Cost for Relocating Substation if Paid Upfront (~7% Cost Savings)	

Lower Iron Horse (East Route)	Variance to Park City (East Route)
RMP Costs	RMP Costs
\$3,294,208	\$842,787
\$1,443,778	\$956,787
\$1,692,430	-\$2,000
-\$10,000	-\$112,000
\$168,000	
\$596,714	\$145,790
\$4,045,698	\$623,401
\$1,077,165	\$1,077,165
\$500,000	\$150,000
\$500,000	\$500,000
\$0	-\$350,000
\$919,180	\$126,313
\$628,879	\$111,963
\$804,600	\$804,600
\$11,237,565	
	\$3,770,056
	\$3,506,152

Lower Iron Horse (West Route)	Variance to Park City (West Route)
RMP Costs	RMP Costs
\$3,126,209	\$674,788
\$1,443,779	\$956,788
\$1,692,430	-\$2,000
-\$10,000	-\$280,000
\$0	
\$558,806	\$107,882
\$3,882,210	\$459,913
\$1,077,165	\$1,077,165
\$500,000	\$150,000
\$500,000	\$500,000
\$0	-\$350,000
\$876,575	\$83,708
\$599,681	\$82,765
\$0	
\$10,020,965	
	\$2,553,456
	\$2,374,714

Numbers Provided By	Variability Driver
RMP	
RMP	Commodity Price
RMP	Transformer Market
RMP	Salvage Value
RMP	Commodity Price
RMP	Labor Rate
RMP	Labor Rate
RMP	Commodity Price / Labor Rate
RMP/Park City	
RMP	Land Value
RMP	Disposal Cost / Labor Rate
RMP	Land Value
RMP	
RMP	Land Value

* Park City/Mr. Fischer will be providing the Lower Iron Horse property + bank owned property as one parcel to RMP. The site is expected to be at grade, existing structures removed and the existing road relocated. The company will vacate the existing Park City Substation upon completion. Park City will be responsible for the cost difference between the Park City substation site and the Lower Iron Horse property.

** The site is expected to disturb 2777 cubic yards.

*** Transformers and distribution breakers will be kept as spare inventory. The remaining equipment will be salvaged. Current market price for scrap steel is \$200 a gross ton.

**** These costs do not reflect any costs associated with a block wall or landscaping at either site.

Draft – The figures represented are very high level estimates only and are strictly for discussion purposes only.

**PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
OCTOBER 11, 2012**

I ROLL CALL

Mayor Dana Williams called the regular meeting of the City Council to order at approximately 6 p.m. at the Marsac Municipal Building on Thursday, October 11, 2012. Members in attendance were Dana Williams, Andy Beerman, Alex Butwinski, Cindy Matsumoto, Dick Peek, and Liza Simpson. Staff present were Diane Foster, Interim City Manager; Mark Harrington, City Attorney; Clint McAfee, Water Manager; Blake Fannesbeck, Operations Manager; Thomas Eddington, Planning Manager; and Kirsten Whetstone, Planner.

II COMMUNICATIONS AND DISCLOSURES FROM COUNCIL AND STAFF

1. Public Works Operations Manager – Clint McAfee announced that Pace Erickson's position has been filled by Blake Fannesbeck who he introduced to Council. The Mayor welcomed him.

2. Council questions/comments – Cindy Matsumoto reminded the public of the annual Library luncheon which will be held on October 17 at Stein Eriksen's Lodge. Dick Peek stated that he attended the Historical Society meeting and mentioned that the Board is looking for storage space.

Andy Beerman reported that he and Mr. Butwinski attended the final Leadership session for this year's class on Monday night. Dr. Walter Wright gave an inspirational talk. He and Mayor Williams met with Mayor Becker and his staff during the week. Recycle Utah held its annual strategy meeting. Because of the availability of curbside recycling, it is focusing more on education, water and reuse. The Board is considering a name change and other modifications to its model. He also attended BOSAC this week.

Liza Simpson pointed out that the street lights on the Marsac stairs are not working and the street lights around the City Park recreation building are also not functioning.

Mayor Williams reported that the Council was planning to review a list of potential City Manager candidates on November 6 which is Election Day, but that date may be moved. He, Andy Beerman and Phyllis Robinson met with Mayor Becker and his staff about forming a committee on resort area expansions on the Wasatch Front and Back. Representatives from the associated counties and cities would be invited to participate and expansions will be reviewed comprehensively. He would like to participate on the committee and City Council members were supportive of holding a work session with Salt Lake on this.

III PUBLIC INPUT (*Any matter of City business not scheduled on the agenda*)

Proposed Land Management Code amendments – Resident Megan Ryan stated that she spoke to the Planning Commission last night on the same issues and referred to an email she sent Council members a couple of weeks ago about process. She encouraged using *MindMixer* on the City's website to gather public input. With regard to noticing the LMC amendments, the sections are listed but few people know what the content is and if information is clearer, it might make the meetings and the process a lot more effective. There are many changes proposed to the LMC currently being reviewed by the Planning Commission. She referred to the City Council meeting minutes of August 23, 2012 where changes to the MPD were put into the context of the Kimball Art Center expansion. Specifically, there was direction from the City Council to the Planning Commission to look at allowing MPDs in the Heber Avenue subzone and the Council wanted some criteria on how this could be met. There was also discussion about open space and a suggestion of holding a joint meeting. The minutes relayed that the Planning Commission should move forward with options to allow for MPDs in the subzone.

Ms. Ryan continued to state that the proposed LMC amendments draft allows for MPDs in the HRC plus eliminating from the HCB Zone, plus putting in open space provisions for limited or various ways to meet open space in the Main Street zones, as well as talking about developing an in-lieu open space purchase fund, and landscaping. She understands the Planning Commission is looking at global changes to the MPD which she encourages, but it doesn't appear like it is a global look, just a few changes in one area, but it's impacting the entire HRC Zone and might not be the right tool.

Her third issue is the expansion of the Kimball Art Center and the disconnect with the public who want to comment on a project that has not yet been submitted. She understands the City's position in trying to create opportunities for discussion but the HRC Zone with the Heber Avenue subzone includes five properties: Poison Creek, Sky Lodge, Zoom Plaza and the Kimball Art Center. The current HRC Zone requirements have the adequate tools for an application to be submitted and publicly processed.

Ms. Ryan strongly believed that the HRC Zone has a process and exemptions from parking and open space and City officials already have the tools. If the applicant needs some variations or amendments, but not a variance, the Heber Avenue subzone could be amended. Right now, a conditional use permit could be applied for, the Planning Director has flexibility for setbacks, there is no open space, no floor area ratio requirement and if changes are needed there is a public process to amend the specific zone. This also allows the ability to look at the Zoom Parcel which could potentially be developed.

Right now the MPD is being considered without knowing what to tweak or know if it will work and it also affects other parcels in the HRC Zone. Ms. Ryan suggested that an application be submitted under the current process that exists now and allow it to move forward. It seems like there is a lot of misinformation in the community about what is going on. She encouraged getting clearer information about the joint October 24, 2012

meeting and to consider providing the Planning Commissioners' email addresses on the website. She hopes the debate is clear and open. Ms. Ryan also urged *calling it what it is* to better move forward.

Tom Eddington explained that the Planning Commission has email addresses on-line and will make sure that it is clear. The public can find documents in Document Central and a specific page has been created for the LMC changes. The direction from Council was to have the Planning Commission look at MPDs in redevelopment areas reducing the open space requirement to create walkable developments. The Commission is also looking at the Heber Avenue subzone and not MPDs in the entire HRC Zone. Meg Ryan asked if that will be clear in future drafts and Mr. Eddington felt it would be. MPDs are being reviewed globally and specifically for the Heber Avenue subzone. Mayor Williams spoke about open space not being defined and different perceptions of what open space is. Ms. Ryan pointed out that there is no issue with open space in the HRC so there is already a vehicle that addresses the impacts of projects in that context. Thomas Eddington added that requiring open space in Bonanza Park doesn't make sense either because it won't work in terms of walkability.

Cindy Matsumoto relayed that the Council wanted the Kimball Art Center's proposed expansion to be presented in a public forum and it was suggested that the MPD process would provide that opportunity. She referred to Ms. Ryan's comments that the project could go through the CUP process. Thomas Eddington explained that if a proposal is submitted and doesn't meet the requirements of the HRC Zone it could not be processed and would be denied. Meg Ryan expressed that a CUP could be applied for but if an amendment to the Heber Avenue subzone is needed, the applicant can request that a legislative code change be considered. In this case, KAC could ask for a height change in the Heber Avenue subzone. She emphasized that this is a legislative process with public hearings and the CUP application adds another layer of process. Thomas Eddington explained that staff didn't want to increase height, but instead look at it through the criteria of the MPD so that it could be evaluated holistically rather than just allowing an increase in height in the zone.

Meg Ryan argued that the MPD isn't the vehicle to accomplish that because there are no height limitations and the criteria are nebulous. If the MPD is used, those provisions need to be tightened up. Mr. Eddington added that staff has been talking with the Commission about the possibility of implementing some sort of maximum height for MPDs. Ms. Ryan noted that she has not seen that proposal in any of the drafts.

Cindy Matsumoto understood that variances go to the Board of Adjustment. Ms. Ryan clarified that she is suggesting that the City Council and Planning Commission consider a legislative amendment to the Code for the Heber Avenue subzone. This process would require Planning Commission and the City Council to conduct public hearings. She reiterated her position that there are sufficient review criteria. She felt that it might be a good idea to revise MPDs in general but not for this zone.

Thomas Eddington explained that staff didn't want to amend the Heber Avenue subzone because it is actually an overlay and follows the underlying criteria of the HRC Zone. The opportunity to look at the MPD seemed like the most appropriate direction. Most of lower Main Street has been developed through a MPD process which resulted in the recommendation. Staff did not want to effectuate additional criteria or changes in the Heber Avenue subzone. Megan Ryan described her suggestion as a tool the City Council can use.

Mayor Williams explained that the intent of the process was to encourage public dialog and not to give direction to the Planning Commission *to make this happen*. Mr. Eddington stated that the Commission discussed this very issue and there are no guarantees that anything will be approved.

Hope Melville, Old Town resident, felt that amending the Heber Avenue subzone seems like an appropriate way to allow for the KAC to apply and receive a lot of public input on its application. The current idea of changing the MPD requirements seems unnecessary and not the best way to proceed. She stated that these changes to the MPD would apply across-the-board to other future projects.

With no further comments, the public input session was closed.

IV MINUTES OF MEETING OF SEPTEMBER 27, 2012

Dick Peek relayed that he submitted some minor corrections to the City Recorder, "I move approval of the meeting minutes and work session notes of September 27, 2012 (as corrected)". Alex Butwinski seconded. Motion unanimously carried.

V NEW BUSINESS

Consideration of an Ordinance approving the Stein Eriksen Lodge Common Area Second Supplemental Sheet for all phases, located at 7700 Stein Way, Park City, Utah – Russ Olsen, CEO of Stein Eriksen Lodge, introduced his architect Ron Jones from WPA Architecture. Planner Kirsten Whetstone explained that this is a request to amend the Stein Eriksen Condominium Plat to reflect a proposed 4,300 square foot addition to the support meeting space located above the existing ballroom. It also includes a porte cochere over the entry. The proposed additions are located within the common area of the plat and will remain as common. Unit equivalents and/or private areas will not be modified. These are support uses to the existing use. This project is subject to the Deer Valley Master Plan which allows them 5% of the total residential floor area for support meeting space. On September 26, 2012, the Planning Commission conducted a public hearing and there was no input. The vote was unanimous to forward a positive recommendation to the City Council.

In response to a question from Ms. Matsumoto, Kirsten Whetstone explained that the 4,300 square feet is the amount of floor area that counts as support; the actual addition

is about 9,000 square feet. Cindy Matsumoto understood that this project would max the Lodge out completely and the applicant agreed.

The Mayor opened the public hearing; there was no input and the public hearing was closed. Cindy Matsumoto asked if the porte cochere feature counts toward density. Ms. Whetstone explained that since it is not enclosed, it doesn't count as floor area or open space. Cindy Matsumoto, "I move that we approve an Ordinance for the Stein Eriksen Lodge Common Area Second Supplemental Sheet for all phases located at 7700 Stein Way, Park City, Utah". Alex Butwinski seconded. Motion unanimously carried.

VI ADJOURNMENT

With no further business, the regular meeting of the City Council was adjourned and a Redevelopment Agency meeting convened.

MEMORANDUM OF CLOSED SESSION

The City Council met in closed session at approximately 3:30 p.m. Members in attendance were Mayor Dana Williams, Andy Beerman, Alex Butwinski, Cindy Matsumoto, Dick Peek, and Liza Simpson. Staff present was Diane Foster, Interim City Manager; Clint McAfee, Water Manager; Jonathan Weidenhamer, Economic Development Manager; and Mark Harrington, City Attorney. Liza Simpson, "I move to close the meeting to discuss property and litigation". Alex Butwinski seconded. Motion carried unanimously. The meeting opened at approximately 4:40 p.m. Alex Butwinski, "I move to open the meeting". Andy Beerman seconded. Motion unanimously carried.

The meeting for which these minutes were prepared was noticed by posting at least 24 hours in advance and by delivery to the news media two days prior to the meeting.

Prepared by Janet M. Scott, City Recorder

