PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
SEPTEMBER 26, 1996

PUBLIC NOTICE IS HEREBY GIVEN that the City Council of Park City, Utah will hold its regularly scheduled meeting at the Marsac Municipal Building, 445 Marsac Avenue, Park City, Utah for the purposes and at the times as described below on Thursday, September 26, 1996.

AGENDA

Work Session

5:20 p.m. Council questions and comments
5:40 p.m. Review of regular meeting
Contracts
Bonds

Regular Meeting - To be held in work session room

6:00 p.m.

I ROLL CALL

II PUBLIC INPUT

III COMMUNICATIONS FROM COUNCIL AND STAFF

IV WORK SESSION NOTES AND MINUTES OF MEETING OF SEPTEMBER 12, 1996

V CONSENT AGENDA

1. Agreements with U S West for upgraded communications services and Internet connection

2. Lease assumption for the remainder of the lease term of 15 months for Cole Sports at Park City Racquet Club, 1200 E. Little Kate Road and purchase of inventory

3. Authorization for staff to negotiate a contract for parking enforcement in an amount not to exceed $120,000

VI RESIGNATIONS AND APPOINTMENTS

1. Acceptance of resignation of Jana Bauman from the Library Board

2. Appointment of Frank Normile to the Library Board to fill Jana Bauman's unexpired term to July 1998

VII NEW BUSINESS

A Resolution of the City Council, (the "City Council") of Park City, Utah (the "City") authorizing and approving the execution of a second amendment to lease agreement, by and

between the City and the Municipal Building Authority of Park City, Utah (the "Authority"); authorizing and approving the execution of a ground lease agreement, by and between the City and the Authority; authorizing the issuance and sale by the Authority of its lease revenue bonds, Series 1996, in the aggregate principal amount of approximately $8,400,000 to finance the costs of construction, furnishing and equipping of a public works building and related facilities, improvements to the Marsac Municipal Building, improvements to certain open space property, and the acquisition of water rights and related land; authorizing the execution of a second supplemental indenture by and between the Authority and Zions First National Bank, certain security documents, a bond purchase agreement, an official statement, and other documents required in connection therewith; authorizing the taking of all other actions necessary to the consummation of the transaction contemplated by this Resolution; and related matters

VIII ADJOURNMENT

A Municipal Building Authority meeting will convene

Posted: 9/23/96

PARK CITY WORK SESSION NOTES
SUMMIT COUNTY, UTAH
SEPTEMBER 26, 1996

Present: Mayor Brad Olch; Council members Hugh Daniels, Chuck Klingenstein, and Paul Sincock

Toby Ross, City Manager; Jodi Hoffman, City Attorney; Beth Sunday, Technical Services Director; Rod Daughtee, Data Processing; Bob Stephens, Administrative Services Director; Hope Bleecker, Transportation Director; and Frank Bell, Chief of Police

Kathy Dopp, Directell, Inc.

Absent: Roger Harlan and Shauna Kerr

1. **Council questions and comments.** Paul Sincock reported that he received many calls on the Flagstaff annexation as a result of the distributed flyer. Chuck Klingenstein thanked Lloyd Evans, Eric DeHaan and UDOT for hosting a productive community meeting on traffic concerns. He referred to a letter from Jim Powell regarding the Olympic planning trip to Europe suggesting that Council talk to people in Europe that weren't pro-Olympics. Mayor Olch felt that it would be helpful to ask questions about what Olympic communities would have done differently. He explained that many resort communities close down in the off-season. Mr. Klingenstein continued that the County is revising its General Plan for the West Mountain area which wraps around Park City. Toby Ross indicated that Rick Lewis has arranged a meeting with the County on October 11.

2. **Review of regular meeting.**

U S West services contracts. Beth Sunday explained that the Technical Services staff is recommending upgrading its 56K line to a T-1 line which would currently meet bandwidth needs. She distributed a frame relay cost breakdown and explained that the City is currently paying $749 per month for our spring relay communication line. The T-1 intra-state line would be $1,209 per month. She stressed that the City has very limited Internet access through the library. She clarified that there is a port charge to get on the Internet. U S West at $825 outbid AT&T at $2,095; Sprint at $2,062 and MCI at $2,040. To obtain the U S West pricing, the term of the contract must be three years. This will provide unlimited Internet access, no time or user limit, etc. She continued that if the City acquires Internet access, we are then eligible for an inter-state frame relay rate. Currently, the city is on a intra-state network and as an inter-state user by being on Internet, the City receives FCC pricing which is considerable less. Ms. Sunday recommended U S West for the upgraded lines and the Internet as there are benefits with going with one provider, especially in the event of down-time.

Paul Sincock pointed out that the T-1 line is a designated data line which would accommodate the Internet. Beth Sunday responded that this brings up a good point. If the City were to hook up for Internet services with another provider, the City would have to drop another data line. Not only would the City be paying for the Internet access, but also paying an additional charge for that line. In response to a question from Paul Sincock, Rod Daughtee explained that the City houses its own e-mail server and that there are over 10,000 Internet providers nationally. Staff is proposing that instead of contracting with an Internet service provider to enter into an agreement with U S West who is an Internet carrier and can provide a reduced rate to the City. Mr. Sincock asked how the City can take advantage of local providers as opposed to contracting with U S West who just started up an Internet service and doesn't know that much about it. Mr. Daughtee indicated that U S West claims that it has been in the Internet business a long time, but hasn't been a service provider until recently and are now in competition with independent service providers (ISP).

Kathy Dopp alleged that Directell, Inc. could save the City quite a bit of money by providing the Internet locally as opposed to a company just starting up like U S West. Because Directell is connected to U S West, there is no additional charge beyond what the City would pay already to connect to the Internet. Mr. Sincock asked if U S West would provide the same support services as Directell. Ms. Dopp assumed that U S West would provide the full range of services as Directell, but the connection fees will remain the same if the City connects to Directell from what her U S West representative has told her. Chuck Klingenstein asked if this contract was put out to bid. Beth Sunday indicated that staff went through state pricing and the state uses U S West. The rates are tied to a deadline of September 30. There was discussion about the installation of the T-1 line and the additional need to connect to Directell. Beth Sunday pointed out that the City would be sharing services with other users of Directell as opposed to independently receiving direct services with U S West, a main provider. She again discussed the savings with a three-year contract. Paul Sincock stated that he didn't like a monopoly business competing with local business in providing services. There was discussion of the additional cost in going with a local ISP. Mr. Daughtee explained that the proposal is to directly tie into the Internet as it is a business communication pipeline which is needed today and for the City's future. Web development is not the staff's expertise and that is not being considered tonight. Based on his information, there would be a $30 hook-up fee with Directell, although Ms. Dopp is being quoted different information. Ms. Dopp added that Directell has redundancy; U S West goes through U U Net and her provider goes through U U Net and through MCI, so if one goes down, they're still up. She stated that they have had more up-time in the state than any other provider. Hugh Daniels understood that the City has severely outstripped what it can currently do and asked what the T-1 line could accommodate. Rod Daughtee explained the number of users with this bandwidth and the physical connection. Ms. Dopp didn't feel that the City would need the T-1 line at $850 for a couple of years and in the meantime could save thousands with a lesser bandwidth. She indicated that she would guarantee her prices for a couple of years. Bob Stephens, Administrative Services Director, explained that the discrepancy is that Ms. Dopp is claiming that since they are on the same frame relay that the City wouldn't have to have a separate T-1 line to hook into the frame relay and U S West is telling staff that we would.

He added that staff has been trying to reach her people and our agents, but offices are closed and that question can't be answered right now; there needs to be a decision tonight. The Mayor pointed out that Ms. Dopp may be wrong and the City would have missed an opportunity where rates were guaranteed. Ms. Dopp felt that this could be clarified tomorrow. Beth Sunday pointed out that the U S West contract would save the City $400 a month for the next three years, otherwise the contract would be extended to one year and subject to new rate increases. Rod Daughtee asked Ms. Dopp if she could guarantee a bandwidth capacity. She responded that she is not sure that Directell couldn't and felt that they have a superior network connection than U S West at this time. The Mayor felt that U S West has the resources to upgrade and will become a major player in the Internet area. Mr. Sincock recommended that the Administrative Services Department proceed with U S West with the caveat that staff explore local services. The City Manager clarified that the Council would be delegating authority to the staff to go either way. Paul Sincock explained that he wants to protect the City's best interests but provide local businesses opportunities.

Parking enforcement contract. Hope Bleecker explained that this is the first year of expanded parking enforcement and illustrated the following table:

Annual Costs for Parking Enforcement

	Contract	City
Labor	$ 86,150	$ 22,300
Equipment	9,600	7,350
Materials	4,000	4,000
Administration/overhead	20,000	40,000
Total	$119,750	$173,750

Staff is recommending hiring a private contractor and feels that the City can save some money as opposed to handling in-house. Labor rates are based on standard City two full-time equivalent officers, a contract manager, and several part-time equivalents. Equipment costs on the contract are slightly higher because the providers will charge up to $5,000 in amortized costs for the use of the computer terminal. Ms. Bleecker estimated materials and calculated overhead at 30% of the total project costs. Two providers have bid on the project and are working on projects in Park City at this time. Ampco has contracted with the Gateway Center and would like to expand its operations to Main Street. Diamond worked on the valet service last winter and is also managing the Ski Area's parking this winter. She emphasized that the City would be saving about 33% by privatizing the service. Ms. Bleecker discussed photographing violations in the event that citations are contested. Hugh Daniels felt that the ability to video tape may be less expensive. Electronic ticketing was discussed and Ms. Bleecker added that the City would probably want to move to in-house enforcement from a customer service perspective. Before valet parking services are

implemented, Hugh Daniels stressed that Council should discuss this has a group. He requested that staff perform reference checks with other municipalities with these providers and urged staff to consider the difficulties with valet parking with Diamond. In response to a question from Hugh Daniels regarding delegating authority to issue tickets, Chief Bell stated that parking tickets are civil violations. The tickets are not processed through the circuit court; there would be no need to deputize individuals, and an ordinance amendment is not contemplated. The Mayor recommended that enforcement be extended to 8 p.m. but it was decided to maintain enforcement until 6 p.m. Council discussed the six day contract services and wanted enforcement continued on Sundays. With regard to revenues, Ms. Bleecker indicated that the City wrote 3,700 tickets last year and it is anticipated that 5,000 will be written this year. A conservative estimate contemplates collecting $10 per ticket and assuming a 60% collection rate, totals $30,000. Collections will be completely assumed by the City for 20 days; all of the collection efforts are turned over to the contractor, and the revenue is split after that time. A data base will be kept on violations and the escalating fine was described.

Chuck Klingenstein pointed out that there were complaints about the valet parking last year and emphasized the importance of customer service. He felt it important that the contractor have an office in the Main Street area.

See regular meeting minutes.

Prepared by Janet M. Scott

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
SEPTEMBER 26, 1996

I ROLL CALL

Mayor Brad Olch called the regular meeting of the City Council to order at approximately 6 p.m. at the Marsac Municipal Building on Thursday, September 26, 1996. Members in attendance were Brad Olch, Hugh Daniels, Chuck Klingenstein, and Paul Sincock. Roger Harlan and Shauna Kerr were excused. Staff present were Toby Ross, City Manager; Rick Lewis, Community Development Director; Tom Bakaly, Finance Manager; and Jodi Hoffman, City Attorney.

II PUBLIC INPUT

The Mayor invited the public to comment on any matter of City business not on the agenda. Hearing none, the public input session was closed.

III COMMUNICATIONS FROM COUNCIL AND STAFF

Brookside annexation - Rick Lewis informed Council that Brookside is now being reviewed by Summit County. There are key issues including protecting the stream corridor, 40 acres of open space, setbacks, heights of structures, etc. that were negotiated when this annexation was before the City. He suggested sending a letter to the Planning Commission or the County Commission. The Mayor suggested that besides stating the issues, to request a response with regard to the City's concerns. He added that it would also be good to get a sense of the County's intent with other annexations. Hugh Daniels felt that it would be helpful to include the conditions of approval for Brookside. Nora Seltenrich interjected that she attended a County Planning Commission meeting and discussed many of these issues. At a Planning Commission level, there was support of the City's concerns. Rick Lewis added that there also has been communication with the planning staff. Toby Ross continued that the County is looking at another access which may be better; the City didn't have that option. Chuck Klingenstein discussed the contiguous open space and felt that annexations should be discussed at the interagency or quarterly dinner meeting. Jodi Hoffman explained that the reason Brookside is being reviewed at this time rather than in a year, is because application was made two years ago. She suggested that the City be informed of how those applications will be factored in, especially in light of the Flagstaff annexation.

IV WORK SESSION NOTES AND MINUTES OF MEETING OF SEPTEMBER 12, 1996

Chuck Klingenstein, "I move approval". Paul Sincock seconded. Motion carried.

Hugh Daniels	Aye
Roger Harlan	Absent
Shauna Kerr	Absent
Chuck Klingenstein	Aye
Paul Sincock	Aye

V CONSENT AGENDA

Hugh Daniels, "I move approval of Consent Agenda Items 1, 2, and 3". Paul Sincock seconded "with the amendment to Item 1 to reflect our approval and consent for staff to make any amendments to the decision to go with U S West to allow staff the authority to proceed at their own discretion with the Internet provider. If it's different than U S West, we will go with whatever the staff recommendation is". Hugh Daniels accepted the amendment to the motion. Motion carried.

Hugh Daniels	Aye
Roger Harlan	Absent
Shauna Kerr	Absent
Chuck Klingenstein	Aye
Paul Sincock	Aye

1. Agreements with U S West for upgraded communications services and Internet connection - See staff report and work session notes.

2. Lease assumption for the remainder of the lease term of 15 months for Cole Sports at Park City Racquet Club, 1200 E. Little Kate Road and purchase of inventory - See staff report.

3. Authorization for staff to negotiate a contract for parking enforcement in an amount not to exceed $120,000 - See staff report and work session notes.

VI RESIGNATIONS AND APPOINTMENTS

1. Acceptance of resignation of Jana Bauman from the Library Board - Chuck Klingenstein, "I so move". Paul Sincock seconded. Motion carried.

Hugh Daniels	Aye
Roger Harlan	Absent
Shauna Kerr	Absent
Chuck Klingenstein	Aye
Paul Sincock	Aye

2. Appointment of Frank Normile to the Library Board to fill Jana Bauman's unexpired term to July 1998 - Hugh Daniels, "I move approval". Chuck Klingenstein seconded. Motion carried.

Hugh Daniels	Aye
Roger Harlan	Absent
Shauna Kerr	Absent
Chuck Klingenstein	Aye
Paul Sincock	Aye

VII NEW BUSINESS

A Resolution of the City Council, (the "City Council") of Park City, Utah (the "City") authorizing and approving the execution of a second amendment to lease agreement, by and between the City and the Municipal Building Authority of Park City, Utah (the "Authority"); authorizing and

approving the execution of a ground lease agreement, by and between the City and the Authority; authorizing the issuance and sale by the Authority of its lease revenue bonds, Series 1996, in the aggregate principal amount of approximately $8,400,000 to finance the costs of construction, furnishing and equipping of a public works building and related facilities, improvements to the Marsac Municipal Building, improvements to certain open space property, and the acquisition of water rights and related land; authorizing the execution of a second supplemental indenture by and between the Authority and Zions First National Bank, certain security documents, a bond purchase agreement, an official statement, and other documents required in connection therewith; authorizing the taking of all other actions necessary to the consummation of the transaction contemplated by this Resolution; and related matters - See following staff report. Tom Bakaly explained that the actual amount priced yesterday is $8,260,000 which is less than shown on the agenda and staff report. The difference will be made up through interest earned. He pointed out that the affected funds are described in the staff report. The net interest cost is slightly lower than in the report due to fact that the federal government didn't raise short term interest rates and also due to the work of the underwriter and bringing in a selling group. The interest rate is 5.48%. He reported that the City has heard back from Standard & Poors who confirmed Moody's upgrade. Standard & Poors designated the City at an A+ and an A- on the MBA debt. The bonds will be insured and the improved rating decreased the cost of the insurance premium.

The Mayor requested a motion to approve. Chuck Klingenstein, "I so move". Hugh Daniels seconded. Motion carried.

Hugh Daniels	Aye
Roger Harlan	Absent
Shauna Kerr	Absent
Chuck Klingenstein	Aye
Paul Sincock	Aye

VIII ADJOURNMENT

With no further business, the meeting of the City Council was adjourned and a Municipal Building Authority meeting convened.

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

Prepared by Janet M. Scott

Janet M. Scott, Deputy City Recorder

PARK CITY
1884

DATE: September 23, 1996

DEPARTMENT: Administrative Services

AUTHOR: Elizabeth A. Sunday

TITLE: Contract with US West for upgraded frame relay service to Marsac building and direct access to Internet backbone

TYPE OF ITEM: Administrative

SUMMARY RECOMMENDATIONS: The Administrative Services Department recommends that City Council approve two proposed contracts with US West Communications which will provide the City with an upgraded frame relay line to the Marsac building and provide City staff with Internet service directly through the Internet backbone.

DESCRIPTION:

A. Topic: In order to provide adequate computer service to City staff, Technical Services recommends upgrading frame relay service (data communications) to the Marsac building as well as acquiring Internet service. To do this, staff proposes entering into two 36-month contracts with US West for such services. The contract for upgraded frame relay service totals $10,119.24 per year; the contract for unlimited Internet service totals $9,900 per year. This represents an additional of $11,019.72 above fees already paid to US West.

B. Background: Frame Relay: In 1994, the City implemented a frame relay network throughout the city to deliver computer services to remote sites, thereby creating a Wide Area Network (WAN). The City is currently in a contractual relation with US West to provide this service to city buildings These buildings include Marsac, Public Works, Racquet Club, Water, Library, and Miners Hospital. These connections allow staff to access the financial system (purchase orders, general ledger) and electronic mail. The current contract expires in September of 1997. The staff, in its annual Data Processing Plan, planned to upgrade the data communications services during the current budget year by upgrading the communications to the Marsac building from a 56K line to a T1 line (24 times the capacity of a 56K line). The purpose of this upgrade is to improve data throughput to the other City sites.

Internet Service: The Technical Services Department has received requests for Internet services by City staff from every department. This allows departments to receive information, data, and other programs via the Internet rather than waiting for costly and time delayed CD/printed form subscriptions. In addition, the City is interested in having an Internet presence. The Library receives limited Internet service through the Utah Educational Network (UEN). This service is funded by educational grants and intended for the Library only. However, on a test basis, we received permission to allow very limited access to the Internet by City staff. At this point the requests for service far exceed our capabilities and the test period has ended.

C. Analysis: Frame Relay Service Contract: Our current capacity of 56 kilobytes per second is not sufficient to meet the current bandwidth demands (bandwidth regulates the amount of data that can travel through a line). The next level of service that is economically reasonable is 1.55 megabits per seconds, commonly known as a T1 line. US West is and still remains the cost efficient way of providing frame relay service in the Park City area. US West was the only carrier to provide frame relay service in 1994 (when PCMC purchased their services). As a result, US West has the majority of clients throughout the region, allowing them to provide better pricing through economies of scale. Please note that the pricing quoted of $843.27 per month is based on interstate pricing for 36 months. The City can receive this pricing as an Internet customer. Alternatively, the intrastate price would be $1202.29. The City is currently paying $749.96 per month for lower bandwidth. Note that these US West rates are FCC tariffs. All frame relay pricing will be increasing on October 1 by 20% to 80%. We can lock in the lower rates for a three year period with these contracts. Otherwise, our rates will increase next September (approx 70-80% for the higher service lines we use). Also, the contract states that if the FCC tariffs are lowered, we will be charged the lower rate.

Other carriers have entered the market but their rates a still significantly higher. Sprint and AT&T now provide frame relay service in Park City at the rate of $2,062.10 and $2,076.50 per month, respectively.

Internet Access Contract: While multiple Internet service providers (ISPs) exist, US West acts as both an Internet service provider & Internet carrier. In other words, they own the Internet lines and sub-lease the lines to other Internet ISPs. Because of the number of users requesting Internet service, individual subscriptions to Internet services is impractical and more costly than one unlimited monthly connection to the City WAN. The following are the major Internet carriers and the rates they offer to ISPs and governments.

US West - $825 per month under a 36 month contract plus T1 fee of $843.27; $1000 month by month plus T1 fee.

Sprint - $721 per month plus $2,062.10 T1 fee.

AT&T - Internet fees range from $845 to $1200 per month plus a monthly fee for 128K line. The access line can be provided at $2,076.50 per month or purchased through US West. A discount is available for a 2-3 year contract.

MCI - not currently prepared to offer service in Park City.

All providers listed require that a T1 line be contracted through the same service or we purchase

a T1 through US West.

An alternative is to purchase service through an ISP. Through further research, we found the ISP model to be the following: We buy a line from an Internet carrier at a comparable or lower monthly fee. The ISP then shares their bandwidth with the City and we do not receive a dedicated line to the Internet. This all means that we receive slower service. We did receive a quote from a local provider at $850 per month. Also, using one service providers eliminates confusion among service when there is an interruption in service, i.e. it avoids finger pointing among vendors.

Additionally, the US West solution integrates seamlessly with our current network.

* Technical Services proposes charging out a portion of the cost of the Internet charges to the departments using the service. This would be done through a charge per connection.

D. Department Review:

The Administrative Services and Legal Departments have reviewed these contracts.

ALTERNATIVES:

A. Approve the Request:

1. Direct staff to enter in both contracts with US West.
2. Direct staff to enter into amended contract to add T1 service for remainder of current contract period. Eliminate Internet service.
3. Direct staff to enter into amended contract to add T1 service for remainder of current contract period. Direct staff to investigate alternatives for a few Internet connections.

B. Deny the Request: Staff will limit access to Financial system to conserve bandwidth and allow Internet service to terminate.

C. Continue the Item: Direct staff to investigate the issue at another time at future pricing and available technologies.

CONSEQUENCES OF NOT TAKING THE RECOMMENDED ACTION:

Technical Service's staff will not be able to meet the current departmental needs for WAN access. Continuing frame relay service after the expiration of the current contract would be at a much higher rate. Staff would lose access to Internet services. Denial of this proposal would set back staff effort to use current technology to provide better service to City employees through improved efficiency.

RECOMMENDATION: The Administrative Services Department recommends that the City Council approve both the frame relay and Internet contracts negotiated with US West at the September 26, 1996 meeting.

Purchase Order No. ***SEA-960820-0084***

U S WEST COMMUNICATIONS, INC. PURCHASE ORDER

CUSTOMER NAME & BILLING ADDRESS: Park City Municipal
445 Marsac
Park City, Utah 84060

SERVICE ORDERED: Frame Relay Service ("Service")
Your Service has been ordered for 3 years at these locations:

(1) City Hall , 445 Marsac, Park City, Utah

(2) Public Works, 10 Iron Horse, Park City, Utah

(3) Raquet Club, 1200 Little Kate Rd., Park City, Utah

(4) Water Treatment Plant, 1800 Three Kings Drive, Park City, Utah

(5) Library, 1255 Park Ave, Park Ciity, Utah

(6) Miners Hospital, 1354 Sullivan Rd, Park City, Utah

Your total monthly rate is ~~$1,738.27~~ 843.27 plus any applicable taxes and governmental surcharges.

In addition, for your initial Service, you will pay a Private Line Transport mileage charge of 0 per month, plus any applicable taxes and governmental surcharges. Such mileage charge is not a part of Service and is governed by the Tariff, Price List or Catalog ("Tariff") for Private Line Transport. If there are any conflicts between Private Line Transport Tariff and the Tariff governing Service, the Private Line Transport Tariff shall govern and prevail for the mileage portion. Any additional charges (including termination charges) resulting from changes to your Service locations, shall be billed to you in accordance with the then current applicable Private Line Transport Tariff.

Installation will begin on or about Oct 1 and be completed on or about Oct 30 . You will be charged $505.00 for installation, plus tax, if applicable.

Your Service is being provided under the terms of a Federal Tariff or a State Tariff, Price List, and/or Catalog. Your Service is being provided under the terms and conditions of the FCC- Federal tariff rates.

CUSTOMER	***U S WEST Communications, Inc.***
Signature	Signature
Name Printed or Typed	Kenneth B. Gardner Name Printed or Typed
Title	Sales Manager Title
Date	August 20, 1996 Date

March 18, 1996

!NTERACT INTERNET SERVICE AGREEMENT

This is an Agreement between **City of Park City** ("CUSTOMER") and **U S WEST Communications Services, Inc.** ("USWCS") for the provision of !NTER**PRISE** !nteract Internet Service ("!nteract") through the !NTER**PRISE** Networking Services Division. This Agreement may refer to CUSTOMER or to USWCS as a "Party" to this Agreement; or may refer to CUSTOMER and USWCS together as "Parties" to this Agreement.

1. ABOUT THE SERVICE. !nteract is an information service which provides the CUSTOMER with access to the Internet and their own network. Connections are made using CUSTOMER provided dedicated or switched network connections that route through the USWCS !nteract platform. CUSTOMER may query their own servers, the !NTER**PRISE** !nteract servers or other servers connected to the Internet computer network.

2. USWCS RESPONSIBILITIES. USWCS will provide (1) CUSTOMER with !nteract; (2) Router connections to support CUSTOMER provided wide area connections that terminate on the !nteract platform, (3) Password(s), if applicable; (4) Individual !nteract address(es) for all users; and (5) Toll-free calls to the !NTER**PRISE** Customer Support Center, to obtain technical assistance with !nteract. USWCS will provide CUSTOMER with interface compatibility for 1.544 Mbps full Internet access. !nteract does not include the transport circuit.

3. PRIVACY OF RECORDS. Except in response to a court issued subpoena, or on demand of other lawful authority, and upon receiving written consent from customer's legal counsel, USWCS shall not release or publish the existence, contents, or substance of CUSTOMER's communications or distribution lists, or use such information for any purpose ~~other than processing and storing CUSTOMER's communication.~~ (as other)

4. CUSTOMER RESPONSIBILITIES.

4.1. CUSTOMER is solely responsible for the security of its own network, including without limitation, any defects (i.e. "bugs/viruses") caused by acts of third parties which are imported to its network through the Internet.

4.2. CUSTOMER is responsible for notifying USWCS of any changes to CUSTOMER's TCP/IP and IPX address.

4.3. CUSTOMER shall not sell !nteract to others. Resale of !nteract by CUSTOMER shall be cause for USWCS to terminate this Agreement.

5. TERM. This Agreement shall become effective upon execution by both Parties and shall expire thirty-six (36) months from the date of Service is provisioned on the USWCS Server as evidenced by USWCS records. Should USWCS continue to provide Service after this term without a further agreement, the Service charges will convert to the applicable month to month rate.

6. PAYMENT AND CHARGES.

6.1. CUSTOMER shall pay USWCS a nonrecurring installation charge and monthly fees as defined below in accordance with the terms and conditions on the monthly bill and the price schedule in effect at the time of installation.

Total Monthly Charge:	**$900.00**
Total Installation Charge:	**$ 0.00**

6.2. CUSTOMER shall pay each bill by the payment due date on each bill. Late payments are subject to a charge of one and one-half percent (1 1/2%) per month, or the maximum allowed by law, whichever is less.

6.3. Charges shall be guaranteed against any increase initiated by USWCS during the term of the Agreement. However, if the Monthly Charges for Service decrease for !nteract during the term of this Agreement, such decrease shall be automatically applied for the remainder of the term of this Agreement.

7. OUT-OF-SERVICE CREDIT. If USWCS causes an error, delay, defect, breakdown or failure in !nteract (Service interruption), an out-of-service credit will be calculated based on a daily prorated credit (1/30) of any monthly service fee CUSTOMER paid for !nteract during the period of Service interruption, provided Service interruption lasts for more than four (4) consecutive hours after USWCS receives notice of the interruption from CUSTOMER. The maximum credit allowed shall not exceed the monthly rate for the Service interrupted.

8. TERMINATION.

8.1. Either Party may terminate this Agreement for cause provided written notice specifying the cause for termination and requesting correction within thirty (30) days is given the other Party and such cause is not corrected within such thirty (30) day period. Cause is any material breach of the terms of this Agreement. If USWCS terminates this Agreement for cause, or if CUSTOMER terminates this Agreement WITHOUT cause, CUSTOMER shall pay discontinuance charges as defined in Section 8.2. below. If termination is prior to installation of Service, discontinuance charges shall be those reasonable costs incurred by USWCS through the date of termination.

8.2. If CUSTOMER terminates this Agreement prior to the termination date, CUSTOMER shall pay a termination charge equal to 15% of the current monthly billing multiplied times the number of months remaining in the term of this Agreement, plus the balance of all billed but unpaid recurring and all outstanding non-recurring charges.

9. LIMITATION OF LIABILITY. USWCS SHALL NOT BE LIABLE TO CUSTOMER FOR ANY INCIDENTAL, INDIRECT, SPECIAL, OR CONSEQUENTIAL DAMAGES OF ANY KIND INCLUDING BUT NOT LIMITED TO ANY LOSS OF USE, LOSS OF BUSINESS, LOSS OF PROFIT, OR LOSS OF INFORMATION OR DATA. ANY USWCS LIABILITY TO CUSTOMER FOR ANY DAMAGES RELATED TO SERVICE SHALL BE GOVERNED BY SECTION 7 ABOVE AND SHALL NOT EXCEED, IN AMOUNT, A SUM EQUIVALENT TO THE APPLICABLE CREDIT FOR INTERRUPTIONS TO SERVICE UNDER THIS AGREEMENT. REMEDIES UNDER THIS AGREEMENT ARE EXCLUSIVE AND LIMITED TO THOSE EXPRESSLY DESCRIBED IN THIS AGREEMENT.

10. PERSONAL INJURY; PROPERTY DAMAGE. Each party shall be responsible for any actual physical damages it directly causes in the course of its performance under this Agreement, limited to damages resulting from personal injuries, death, or property damage arising from negligent acts or omissions; PROVIDED HOWEVER, THAT NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY INCIDENTAL, CONSEQUENTIAL, INDIRECT, OR SPECIAL DAMAGES OF ANY KIND, INCLUDING BUT NOT LIMITED TO ANY LOSS OF USE, LOSS OF BUSINESS, LOSS OF PROFIT, OR LOSS OF INFORMATION OR DATA.

11. LIMITED WARRANTY; LIMITED REMEDY. USWCS warrants that !nteract will be provided in good working order and will perform substantially in accordance with technical specifications. In the event of an error, delay, defect, breakdown, or failure in !nteract, including, but not limited to, loss or delay in storing or processing data or messages, USWCS's obligation shall be limited to the use of reasonable diligence under the circumstances to restore !nteract. CUSTOMER's sole and exclusive remedy in the event of an error, delay, defect, breakdown or failure in !nteract shall be limited to a daily prorated credit of any monthly service fee CUSTOMER paid for !nteract during the period of said event. USWCS shall have

no obligation to retrieve or reconstruct lost messages or data. USWCS makes no warranty of compatibility with any hardware or software. No credit shall be available for difficulties such as CUSTOMER equipment failure, slow dialtone, busy circuits, other local telephone company or long distance company network failures, or other causes beyond USWCS's reasonable control.

CUSTOMER UNDERSTANDS AND AGREES THAT EXCEPT AS STATED IN THIS AGREEMENT, NO OTHER WARRANTIES, WRITTEN OR ORAL, STATUTORY, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE APPLY.

12. UNCONTROLLABLE CIRCUMSTANCES. Neither Party shall be deemed in violation of this Agreement if it is prevented from performing any of the obligations under this Agreement by reason of severe weather and storms; earthquakes or other natural occurrences; strikes or other labor unrest; power failures; nuclear or other civil or military emergencies; acts of legislative, judicial, executive or administrative authorities; or any other circumstances which are not within its reasonable control.

13. DISPUTE RESOLUTION.

13.1. Other than those claims over which a regulatory agency has exclusive jurisdiction, all claims, regardless of legal theory, whenever brought and whether between the Parties or between one of the Parties to this Agreement and the employees, agents or affiliated businesses of the other Party, shall be resolved by arbitration. A single arbitrator engaged in the practice of law and knowledgeable about telecommunications law shall conduct the arbitration in accordance with the then current rules of the American Arbitration Association ("AAA").

13.2. All expedited procedures prescribed by the AAA shall apply. The arbitrator's decision shall be final and binding and judgment may be entered in any court having jurisdiction thereof.

13.3. Other than the determination of those claims over which a regulatory agency has exclusive jurisdiction, federal law (including the provisions of the Federal Arbitration Act, 9 U.S.C. Sections 1-16) shall govern and control with respect to any issue relating to the validity of this Agreement to arbitrate and the arbitrability of the claims.

13.4. If any Party files a judicial or administrative action asserting claims subject to arbitration, and another Party successfully stays such action and/or compels arbitration of such claims, the Party filing the action shall pay the other Party's costs and expenses incurred in seeking such stay or compelling arbitration, including reasonable attorney's fees.

14. LAWFULNESS.

14.1 This Agreement and the Parties' actions under this Agreement shall comply with all applicable federal, state, and local laws, rules, regulations, court orders, and governmental agency orders. This Agreement shall be governed by the laws of the state where Service is provided. Any change in rates, charges or regulations authorized by the legally constituted authorities will act as a modification of any contract to that extent without further notice.

14.2 CUSTOMER retains the responsibility to use !nteract in compliance with all federal, state and local laws and regulations including those statutes, rules and regulations governing the content of information sent over the Internet computer network. USWCS reserves the right to immediately terminate this Agreement upon notification that CUSTOMER is in violation of any federal, state or local statutes, rules or regulations.

15. SEVERABILITY. In the event that a court, governmental agency, or regulatory agency with proper jurisdiction determines that this Agreement or a provision of this Agreement is unlawful, this Agreement, or that provision of the Agreement to the extent it is unlawful, shall terminate. If a provision of

this Agreement is terminated but the Parties can legally, commercially and practicably continue without the terminated provision, the remainder of this Agreement shall continue in effect.

16. INDEMNITY. CUSTOMER AGREES TO BE SOLELY RESPONSIBLE FOR USE OF !NTERACT IN ACCORDANCE WITH ALL LAWS PROHIBITING THE USE OF TELECOMMUNICATIONS FACILITIES TO TRANSMIT ILLEGAL, OBSCENE, THREATENING, HARASSING, OTHER OFFENSIVE MESSAGES, OR OTHERWISE UNLAWFUL MATERIAL. SUBSCRIBER AGREES THAT NO MATERIAL OF ANY KIND (IN CUSTOMER MESSAGES OR DATA) WILL VIOLATE, PLAGIARIZE OR INFRINGE UPON THE RIGHTS OF ANY THIRD PARTY INCLUDING BUT NOT LIMITED TO COPYRIGHT, TRADEMARK, PRIVACY OR OTHER PERSONAL OR PROPRIETARY RIGHTS OR CONTAIN LIBELOUS OR OTHERWISE UNLAWFUL MATERIAL. CUSTOMER HEREBY INDEMNIFIES USWCS, ITS AFFILIATES, THEIR OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS HARMLESS FROM AND AGAINST ANY LIABILITY AND COSTS INCURRED IN CONNECTION WITH ANY CLAIM ARISING OUT OF ANY BREACH BY CUSTOMER.

17. GENERAL.

17.1. CUSTOMER shall not assign or transfer any interest in this Agreement without the prior written consent of USWCS. USWCS may assign or transfer this Agreement to any parent, subsidiary, successor or affiliated company without the prior written consent of CUSTOMER.

17.2. This Agreement, together with the applicable !nteract current published price list constitutes the entire understanding between CUSTOMER and USWCS with respect to the !nteract provided herein and supersedes any prior Agreement or understanding(s).

17.3 This Agreement benefits CUSTOMER and USWCS. There are no third Party beneficiaries.

17.4. Failure or delay by either Party to exercise any right, power, or privilege hereunder, will not operate as a waiver hereto.

18. EXECUTION. The Parties have read, understand and agree to all of the above terms and conditions of this Agreement and hereby execute and authorize this Agreement as of the latest date shown below.

City of Park City	**U S WEST Communications Services, Inc.**
_____	Kenneth B. Gardner
Signature	Signature
_____	Kenneth B. Gardner
Name Typed Or Printed	Name Typed Or Printed
_____	Sales Manager
Title	Title
_____	August 28, 1996
Date	Date
_____	357 E 200 S #300 SLC UT 84111
Address For Notices	Address For Notices

STAFF REPORT

DATE: September 23, 1996
DEPARTMENT: Recreation Services
AUTHOR: Kathy Kelly, Recreation Services Manager
TITLE: Racquet Club Pro Shop
TYPE OF ITEM: Lease Assumption

SUMMARY RECOMMENDATIONS:

Authorize: 1) the Mayor to execute the Assumption of the Lease Agreement attached hereto which provides for the Recreation Services Department to assume the Cole Sport Lease; and 2) the Recreation Services Department to borrow up to $35,000 from the venture fund to purchase inventory and fixtures and to begin operating the pro shop.

DESCRIPTION:

A. Topic:

Consideration of the acquisition by Recreation Services of the space that Cole Sport now occupies in the Racquet Club

B. Background:

When the City purchased the Racquet Club is 1987, Cole Sport was already on premises. They have continued to operate a retail store on site since that time.

For the past several weeks, Cole Sport and the Recreation Services Department have discussed assumption by Recreation Services of the lease that Cole Sport now has in the Racquet Club. While the store has been generally profitable for Cole Sport, it is their only location which carries tennis equipment and clothes, and the store is very small (270 square feet). Both Cole Sport and Recreation Services feel that it would be a good business venture for the space to become a Racquet Club Pro Shop. Cole Sport would not sublet to another private business at this time. The current inventory including merchandise on order is valued at approximately $23,000 (at cost). The inventory will decline at $1,000 to $2,000 per week. The City would purchase the remaining inventory, new inventory and fixtures (not to exceed $3,000) for $30,000 to $35,000. The pro shop would become a part of the Racquet Club, just as the Golf Pro Shop is a part of the Municipal Golf Course.

C. **Analysis:**

According to the proposal, the Venture Fund would buy the current inventory, new inventory and fixtures for approximately $35,000. This purchase would be paid back during the course of the fiscal year from the Recreation Fund. The product mix would be changed: more mid and lower price clothing would be offered. We would also carry more "hard" products such as goggles, swim caps, and tennis accessories. For the first time ever, we would be able to sell Park City and Racquet Club "logo" items: tee-shirts, sweatshirts, hats and other items which customers frequently request. Our Tennis Pros could become commissioned salespeople for racquet sales and restringing.

To increase sales from their current level, we would be open more hours per day. The shop would be staffed by a dedicated salesperson 8 hours per day. However, the shop would also be accessible to customers during all the hours the Racquet Club is open, by training and utilizing the Front Desk staff. The cost of the additional staff person would be assumed within the Recreation Enterprise Fund and staff is projecting that revenues from sales at the shop will more than offset the additional expenses. Staff is projecting roughly $20,000 in annual net revenue from this endeavor. Please see the attached financial analysis for more information.

The financial analysis shows: Cole Sport's income statement for the store's last two years, the last three years of sales numbers by month, and a five year proforma assuming that the city operates the store.

Unlike the pro shop at the Golf Course, the tennis pro shop has been private for many years. Other private operators may be interested in the space. While staff believes that the pro shop would integrate well with the current city operations, the space could be offered publicly at the end of 15 months. The process of offering the space, selecting a tenant and negotiating a contract could be expected to take 60-90 days.

Staff has inspected the inventory and fixtures and believes that they are high quality and in good condition. We would expect to buy the inventory at cost except for any merchandise that we don't expect to continue to carry or don't want for some other reason. That merchandise would not be purchased or purchased at a discount. The fixtures are needed and will cost substantially less than replacements.

D. **Department Review:**

This proposal and staff report have been reviewed by the City Manager, the Leisure Services Director, the Assistant City Attorney and the Finance Manager.

ALTERNATIVES:

A. **Approve the Proposal:** Authorize: 1) the Mayor to execute the Assumption of the Lease Agreement attached hereto which provides for the Recreation Services Department to assume the

Cole Sport Lease; and 2) the Recreation Services Department to borrow up to $35,000 from the venture fund to purchase inventory and fixtures and to begin operating the pro shop.

B. Trial Basis: This request could be approved on a trial basis. The concept could be evaluated at the end of the trial period, and an RFP sent out at that time if it were determined that the space should once again be leased. The current lease term ends in 15 months. (This is the staff recommendation.)

C. Deny the Request: If the request is denied, Cole Sport probably would continue to operate the business. If a new lessee is sought, quality control, good customer service, and image will have to be key issues in the selection process.

D. Continue the Item: A timely decision is needed as the buying season is here. Whoever is in the space will need to stock up for the fall season now.

E. Do Nothing: Same as C.

SIGNIFICANT IMPACTS:

Retailers in Park City might object to a City run pro shop. However, like the Golf Pro Shop, all of the products will be directly related to our facility, and the inventory will necessarily be small due to the limited space. Cole Sport has not been willing to sublet the business to another private business.

CONSEQUENCES OF NOT TAKING THE RECOMMENDED ACTION:

Recreation Services has a unique opportunity to expand its business into a profit making venture which could help fund new and existing recreation programs. The shop has the potential, with careful management, to be a good profit generator. If the recommended action is not taken, this opportunity could be lost for several years.

RECOMMENDATION:

Authorize staff to assume the Cole Sport Lease and to borrow up to $35,000 from the venture fund to purchase inventory and fixtures and to begin operating the pro shop; and to operate the business until the end of the lease term. Prior to the end of the lease, the Council would evaluate the operation to determine if the City should request proposals from other operations. The borrowed funds would be repaid by the end of the fiscal year from the Recreation Fund.

Cole Sport: Sales by month

	95-96	94-95	93-94
Aug	9,057	7,601	10,020
Sep	9,139	11,139	9,672
Oct	26,502	7,691	5,865
Nov	5,864	3,856	8,009
Dec	7,595	3,708	12,552
Jan	10,179	10,008	7,800
Feb	4,634	6,608	7,349
Mar	5,377	7,601	9,897
Apr	9,901	8,959	7,500
May	5,985	6,290	11,493
Jun	6,637	5,885	11,375
Jul	8,991	8,865	8,800
TOTAL	**109,861**	**88,211**	**110,332**

Cole Sport: Income Stmt

	FY 96	FY95
Net Sales	46,288	38,086
Payroll	29,462	29,185
Net	16,826	8,901
Rent	6,785	5,555
PROFIT	**10,041**	**3,346**

Five Year Projection: Pro Shop

	Year 1	Year 2	Year 3	Year 4	Year 5
Gross Sales	110,000	117,700	125,939	134,755	144,188
Net Sales	**46,200**	**49,434**	**52,894**	**56,597**	**60,559**
Labor	23,000	24,150	25,358	26,625	27,957
Profit	**23,200**	**25,284**	**27,537**	**29,972**	**32,602**
Rental Loss	6,600	7,062	7,556	8,085	8,651

*7% per year sales growth (more tennis sales, expanded lines of active wear, expanded hours)
*5% per year labor increase
*Racquet Club logo wear can now be sold = revenues and marketing.

ASSUMPTION OF LEASE AGREEMENT WITH COLE SPORT AT THE RACQUET CLUB

DRAFT

THIS AGREEMENT is made by and between the **PARK CITY MUNICIPAL CORPORATION** ("Landlord") and **COLE SPORT LTD.**, a Utah corporation ("Tenant") (collectively referred to as "Parties"), to assign the "Lease Agreement for Cole Sport at the Racquet Club" ("Lease") signed and executed by the parties on January 1, 1995. Pursuant to Paragraph 17 and 34 of the Lease and by mutual agreement of the Parties, the Park City Municipal Corporation Recreation Services Department ("Recreation Department") shall assume the responsibilities of the Tenant under the Lease under the following terms:

1. **Effective Date**. The lease shall be assigned as of October 1, 1996.

2. **Term of Lease Remaining**. The current lease term expires December 31, 1997. The Recreation Department will assume the lease for the remaining fifteen (15) months.

3. **Liability for Goods**. The Recreation Department will purchase all inventory in the Cole Sport Racquet Shop and assume liability for all goods on order as reflected in the reports supplied by Tenant on September 12, 1996, less any goods sold before September 30 1996. The Recreation Department will purchase the demo racquets, stringing machine, and fixtures at a price to be determined by mutual agreement of the Parties. A physical inventory will be conducted on September 30, 1996, and all final monies owed shall be paid by Tenant to Landlord by October 31, 1996.

4. **Trade Fixtures**. All slot wall; wall shelving and racks; removable light fixtures; removable floor fixtures; and all miscellaneous trade items not affixed to the walls are the property of Tenant and shall be removed by Tenant on or before September 30, 1996, unless there is a written agreement between the Parties indicating otherwise.

5. **Tenant Improvements**. All Tenant improvements shall become the property of the Landlord, unless there is a written agreement between the Parties indicating otherwise.

6. **Rent Due**. Rent through September, 1996, shall be paid by the Tenant under the terms of the Lease.

7. **Taxes and Other Assessments**. All real estate and personal property taxes and other related assessments for taxes through September 30, 1996, shall be the responsibility of Tenant.

8. **Insurance**. Tenant shall maintain all insurance required under the Lease through September 30, 1996.

9. **Liens**. Tenant shall promptly discharge any lien, if any, against the property for work done at Tenant's request or for Tenant's benefit. Tenant shall pay all reasonable costs incurred by the Landlord in the defense or discharge of any liens on the property.

10. **City Council Approval**. This assignment agreement is contingent on final City Council approval at an open meeting on September 26, 1996.

DATED this _____ day of September, 1996.

PARK CITY MUNICIPAL CORPORATION

_____

BRADLEY A. OLCH, MAYOR

ATTEST:

_____

ANITA L. SHELDON, CITY RECORDER

APPROVED AS TO FORM:

_____

MARK HARRINGTON, ASSISTANT CITY ATTORNEY

COLE SPORT LTD., TENANT

_____

BY: GARY E. COLE

CORPORATE ACKNOWLEDGMENT

STATE OF UTAH)
) ss.
COUNTY OF SUMMIT)

On the _____ day of September, 1996, personally appeared before me **Gary E. Cole**, and saying that he is the President of Cole Sport Ltd., and that the foregoing instrument was signed in behalf of said corporation, and said person acknowledged to me that said corporation executed the same.

_____

NOTARY PUBLIC
RESIDING IN _____, UTAH

PARK CITY

1851

COUNCIL AGENDA REPORT

DATE: September 26, 1996
DEPARTMENT: Public Works
AUTHOR: Hope E. Bleecker, Transportation Director 9/23/96
TITLE: Parking Enforcement
TYPE OF ITEM: Legislative

SUMMARY RECOMMENDATIONS: Authorize staff to enter into negotiations with the lowest eligible bidder to perform on-street parking enforcement throughout the municipality as specified by the Transportation Department during the period November 15, 1996 - November 14, 1997 in an amount not to exceed $120,000.

DESCRIPTION:

A. Topic: On-Street Enforcement of Parking Time Limitations (Contract Authorization)

B. Background:
The task of enforcing the City's parking time limits has previously fallen under the auspices of the police department and is performed by several in-house department staff. A change in the method of supplying the service should be considered pursuant to observations noted in the recent parking study of the Historic Main Street Core. The goals of this recommendation are two-fold: 1) to effectively manage the growing number of violations and therefore create more space availability; and 2) to create a working data base of parking patterns for effective management of the overall system. Additional reasons for the recommendation are to answer the numerous requests for increased enforcement from the business community in the downtown core and to respond to the recommendations cited throughout the recently presented Wilbur Smith study, which noted observances of unenforced violations. In turn, parking consultants Wilbur Smith made a recommendation that the City should increase enforcement as part of the parking management program.

Staff recommends that the service should be performed by a private contractor for a period of one to three years until staff can be dedicated to the specialization of activities associated with parking management. Duties would include but are not limited to: enforcement, collections, public relations and adjudication, and data management and analysis. Until that workforce can be established and housed, and until it is determined

that it would be more effective and financially feasible to conduct the task(s) in-house, on-street enforcement should be removed from the responsibility of the Police Department and should become privatized. Several parking service providers already work actively in and around the greater Salt Lake City region. Until a decision is made to expand the Public Works Department, a private firm, capable of dedicating substantial experience to the City with respect to parking management, should be hired to perform the duty of on-street enforcement.

The Transportation Department issued the following specifications in a request for on-street parking enforcement proposals several weeks ago:

A)	Manpower:	11/15-4/13	3 Officers (flexibility to increase during peak times).
		4/14-5/30	1 Officer (flexibility to increase during peak times).
		6/1- 9/30	2 Officers (flexibility to increase during peak times).
		10/1-11/14	1 Officer (flexibility to increase during peak times).
B)	Days:	6 days per week	
C)	Hours:	10:00 a.m.-8:00 p.m.	
D)	Equipment:	Hand-held computer equipment to facilitate data processing efforts; 1 automobile for city-wide patrol; radio and communications equipment for on-street staff to communicate with City staff.	
E)	Collections:	According to a plan specified by the Finance Department, all cash handling would be performed by the Finance Department. The City would retain 100% of all collections for twenty days. After that period, collections would become the responsibility of the provider, and all revenues collected during the course of the contract would be divided equally between the City and the provider.	
F)	Public Relations:	Ticket adjudications would be made in writing and directed to the attention of the provider. Requests for reconsideration would be reviewed weekly by the City staff and the provider, and answered in writing by the provider.	
G)	Fees:	Timed enforcement violations would be $10, and would increase by $10 every thirty days to a ceiling of $100. Fees would be waived for first-time violators. Disabled parking violations would be fined according to fees recommended by the State of Utah.	

The residential permit system would be administered under the City's present method and the data base would be shared with the contractor. The contractor would be required to maintain a local office and telephone between the hours of 9:00 a.m. and 5:00 p.m. Monday - Friday. Photographs would be developed to provide evidence of circumstances surrounding the violation.

C. **Analysis:**
Two bidders of equal eligibility responded to the request and are qualified to perform the service. The providers are being asked to submit best and final offers based on changes to the original RFP. The changes include specification of manual rather than electronic tickets. The size of the proposed scope of service and the cost of the equipment do not justify the purchase of hand-held devices, which exceeds $50,000. The market price of this equipment is expected to decline over the next several years, in which case the equipment can be purchased at a later date if absolutely necessary. Data required for the project can be easily gained through staff-provider communications and manual data entry. Providers are being asked to furnish costs for the option to provide the service on Sundays during the peak period. It is anticipated that the total contract price will be less than $120,000.

The successful bidder will probably handle valet parking under an addendum to the enforcement contract. The scope of service will be determined following restaurant and merchant consensus of an operation for the winter program. If no consensus is reached, staff will recommend that the program be discontinued. Both companies are willing and able to perform valet based on a variety of staging options.

Ampco System Parking
The lowest qualified bidder in the initial phase of selection was Ampco System Parking, Inc. The company maintains enforcement contracts in over 20 locations throughout the country and operates several parking service contracts throughout Salt Lake City. Ampco is the on-site parking manager for the Gateway Center and would provide an on-site office which the public could access directly from Main Street. They are fully qualified, staffed, insured, and capable of providing the service.

Diamond Parking Services
Diamond was ranked second to Ampco based on their cost proposal. Similar to Ampco, the company maintains many parking service contracts, including an enforcement contract for the City of Coeur D' Alene, Idaho, after which Park City's enforcement RFP was modeled. Diamond has experience in the Park City area, having managed the paid parking operation at the Park City Ski Area and valet parking last year for the City. They are fully qualified, staffed, insured, and capable of providing the service.

D. **Department Review:**
This proposal has been reviewed by the City Manager, the Finance Department, and the Police Department. Additional review by the Legal Department will occur when the contract is awarded.

ALTERNATIVES:

A) **Negotiate On-Street Enforcement Contract with Lowest Eligible Bidder.** The Transportation Department would be the manager of this contract. Since this project is in a best and final offer phase, contract authorization is being requested before all bid information is received so that the contractor can receive immediate notice to proceed from staff. The final scope of service, timed enforcement policy, and all information regarding the enforcement program will be forwarded to Council for review before the project proceeds. Staff is recommending this alternative based on the additional need for enforcement and the difficulties associated with handling those tasks in-house over the next year.

B) **Increase Police Department Efforts in Parking Enforcement.** This is a less feasible alternative than the private contracting option because of the lack of sufficient staff and the anticipated lower level of efficiency in collecting overdue fees.

C) **Do Nothing.** If this alternative is selected, enforcement efforts would remain at the same level, which would result in reoccurrence of violations. This, in turn, would create less space turnover and dissatisfaction from the business community.

SIGNIFICANT IMPACTS:

The significant impact of increased enforcement is a higher expenditure will result. The project is not expected to achieve full cost recovery. Annual enforcement revenues are expected to equal approximately 15% of the total contract price. Additional dissatisfaction with increased enforcement effort may be voiced by the public. Significant improvements with respect to space availability in the downtown area may result from increased enforcement patrol.

CONSEQUENCES OF NOT TAKING THE RECOMMENDED ACTION:

If Council does not proceed with this recommendation, increased enforcement will not begin in a timely fashion. This may result in the persistence of traffic and parking issues which have already been noted by the Council and the business community.

RECOMMENDATION:

Authorize staff to enter into negotiations with the lowest eligible bidder to perform on-street parking enforcement throughout the municipality as specified by the Transportation Department during the period November 15, 1996 - November 14, 1997, in an amount not to exceed $120,000. The final program, including a summary of proposed contract modifications, will be forwarded to the City Manager before the project proceeds.

PARK CITY
1884

COUNCIL AGENDA REPORT

DATE: September 26, 1996
DEPARTMENT: Administrative Services
AUTHOR: Tom Bakaly
TITLE: Final Bond Resolutions - Lease Revenue Bonds, 1996 Series
TYPE OF ITEM: Legislative/administrative

SUMMARY RECOMMENDATIONS: The Park City Municipal Building Authority and the City Council should consider and approve the respective Final Bond Resolutions relating to the issuance of Lease Revenue Bonds, 1996 Series. These bonds will be used to finance the purchase of water rights, the construction of the new Public Works building, and improvements to the Marsac building and the Osguthorpe property. The City Council should also direct the Finance Manager to prepare a Journal Voucher that will amend the FY 1996-1997 Water Fund budget to reflect a debt service payment that will be made in December, 1996.

DESCRIPTION:

A. Topic: Consideration and adoption of a resolution that does the following: 1) Approves the sale of Municipal Building Authority of Park City Lease Revenue Bonds, Series 1996; 2) Establishes the amount, length to maturity, and interest rates of the bonds and; 3) Authorizes the City Manager and Finance Manager to facilitate the closing of the bond issuance which includes executing closing documents and the purchase agreement.

B. Background:

On June 27, 1996, City Council approved the acquisition of water and land from the Pace family and authorized staff to initiate bonding to finance the purchase. Similarly, on August 1, 1996, the City Council approved awarding a construction contract for the Public Works facility, and authorized staff to explore issuing bonds to finance the cost of construction. In consultation with the City's financial advisor, Dave Minor, President of Municipal Bond Consulting Inc., staff evaluated the options for issuing the bonds. On September 5, 1996, staff recommended that a Municipal Building Authority lease revenue bond be issued to meet the City's current financing needs. On September 5, 1996, the City Council approved a parameters resolution that authorized sale of bonds and set parameters for the bond issuance.

On September 25th or 26th, 1996, (depending on market conditions), staff will work with Mr. Minor and the City's Underwriting firm, A.G. Edwards and Sons, to actually sell the bonds. A negotiated sale of the bonds through a public offering is being done on those dates to pursue the best interest rate possible for the debt issuance. It is also possible that a block of bonds could be placed with one investor. Staff is still exploring all options to achieve the best interest rate for the City. Assuming that the City and the underwriters tentatively agree to the sale conditions of the bonds, the actual size of the issue, the interest rate schedule and other terms of the sale will be included in the Final Bond Resolution that will be presented for adoption on September 26, 1996.

C. Analysis:

The attached Final Bond Resolutions authorize and confirm the sale of bonds as lease revenue bonds sold through the Municipal Building Authority (MBA). The Final Bond Resolutions set the final issuance amount of the bonds, the interest rate of the bonds, and the length to maturity for the Lease Revenue bonds.

1) Size: The updated resolutions received by City Council and the MBA on September 26, 1996 will specify the exact amount of the bonds. As of the printing of this report, the total amount of the bond issue is $8,380,000. This amount is comprised of the following components:

Pace Purchase:	2,271,667
Public Works Facility	4,100,000
Marsac Improvements	300,000
Osguthorpe	300,000
Capitalized Interest	362,188
Debt Service Reserve	822,500
Bond Insurance	55,390
Underwriting	69,913
Financial Advisor	24,675
Bond Counsel	36,000
Misc. (Title ins.., Trustee, etc)	37,667
TOTAL	**8,380,000**

Staff will be prepared to answer questions regarding any of the components listed above at the Meeting on Thursday, September 26, 1996.

2) Length to Maturity: The resolution states that the maximum length to maturity cannot exceed 15 years.

3) Interest Rates of the Bond Coupons: The exact interest rate of the bonds will not be known for certain until the bonds are sold on Wednesday or Thursday. The Net Interest Cost (NIC) for the bonds as of Monday, September 23, 1996 was 5.31%.

In addition to recommending the approval of the resolution, staff is recommending that the Water Fund FY 1996-1997 budget be amended to reflect a debt service payment that will need to be made in December. As was described on September 5, 1996, the bonds will be paid back

through annual appropriations from the General Fund, Water Fund, Transportation Fund. Because the Pace property purchase will occur later this month, it is advantageous to the City that the portion of the debt service relating to the Pace property be paid beginning in December, 1996 instead of June, 1997 when the rest of the debt service payment is made. The General Fund and Transportation Fund Budgets will also need to be amended through the City's annual budget process in time for the June 30, 1996 debt service payment. It is estimated that annual debt service for the funds will approximate the following for FY 1996-1997 and FY 1997-1998:

Fund	**FY 1997**	**FY 1998**
Water (Pace)	89,955	147,633
Water (PW Facility 25%)		115,404
Transportation (PW Facility 35%)		161,566
General (PW Facility 40%)		184,646
General Fund (Marsac & Osguthorpe)		33,777
Total	$89,955	$643,026

The specific recommendation relating to the budget is for the City Council to direct the Finance Manager to approve a journal voucher that amends the Water Fund FY 1996-1997 Operating Budget to reflect an additional debt service payment of $89,995 for the entire FY 1996-1997 fiscal year. Of this total amount for the Pace property, $28,389 will be paid in December of 1996. Their are sufficient Water Fund operating revenues to fund this additional debt service payment for FY 1996-1997.

D. Department Review: The Parameters Resolution has been reviewed by the City Manager's Office, the Legal Department, and the Administrative Services Department.

ALTERNATIVES:

A. Approve the Request: Adopting the resolutions will approve the sale of bonds and authorize the City Manager and Finance Manager to complete the bond issuance process. If the resolutions are approved, it is anticipated that the bond deal will "close" on October 8, 1996.

B. Deny the Request: Denying the resolutions will cause the bonds to not be sold at the negotiated price contained in the resolution on Thursday. Staff would need to receive direction from the City Council at the time as to how they would like to proceed.

C. Continue the Item: Continuing the item would mean that the resolutions would not be before the City Council again until October 10, 1996. This action would require that the bonds be priced by the underwriter again, closer to that date.

D. Do Nothing: This would have the same impact as continuing the item.

SIGNIFICANT IMPACTS: Adoption of this resolution will allow the City and the Municipal Building Authority to proceed with the issuance of the bonds in timely and efficient manner. Swift completion of the bond issuance is needed to take advantage of favorable interest rates and meet the financing needs of the projects.

CONSEQUENCES OF NOT TAKING RECOMMENDED ACTION: Not adopting the resolution will impact the City's ability to issue the MBA bonds and finance the projects.

RECOMMENDATION: Adopt the attached Final Bond Resolutions relating to the issuance of Lease Revenue Bonds, 1996 Series.

283885.001(PF)

Park, Utah

September 26, 1996

The City Council (the "City Council") of Park City, Utah (the "City") met in regular session at the regular meeting place of the City Council at Park City, Utah on Thursday, the 26th day of September, 1996 at 6:00 p.m. There were present at said meeting the following members:

Present:

Bradley Olch	Mayor
Hugh Daniels	Councilmember
Roger Harlan	Councilmember
Shauna Kerr	Councilmember
Chuck Klingenstein	Councilmember
Paul Sincock	Councilmember

Also Present:

Janet M. Scott	Deputy City Recorder

Absent:

After the meeting had been duly called to order and after other matters not pertinent to this Resolution had been discussed, a Certificate of Compliance with Open Meeting Law with respect to this September 26, 1996 meeting was presented to the City Council, a copy of which is attached hereto as Exhibit "A".

Thereupon, the following resolution was introduced in writing, fully discussed and pursuant to motion made by Councilmember _____ and seconded by Councilmember _____ was adopted by the following vote:

Those voting AYE:

Those voting NAY:

The resolution was then signed by the Mayor in open meeting and recorded in the official records of the City as follows:

RESOLUTION NO. ____

A RESOLUTION OF THE CITY COUNCIL (THE "CITY COUNCIL") OF PARK CITY, UTAH (THE "CITY") AUTHORIZING AND APPROVING THE EXECUTION OF A SECOND AMENDMENT TO LEASE AGREEMENT, BY AND BETWEEN THE CITY AND THE MUNICIPAL BUILDING AUTHORITY OF PARK CITY, UTAH (THE "AUTHORITY"); AUTHORIZING AND APPROVING THE EXECUTION OF A GROUND LEASE AGREEMENT, BY AND BETWEEN THE CITY AND THE AUTHORITY; AUTHORIZING THE ISSUANCE AND SALE BY THE AUTHORITY OF ITS LEASE REVENUE BONDS, SERIES 1996, IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ TO FINANCE THE COSTS OF CONSTRUCTION, FURNISHING AND EQUIPPING OF A PUBLIC WORKS BUILDING AND RELATED FACILITIES, IMPROVEMENTS TO THE MARSAC MUNICIPAL BUILDING, IMPROVEMENTS TO CERTAIN OPEN SPACE PROPERTY, AND THE ACQUISITION OF WATER RIGHTS AND RELATED LAND; AUTHORIZING THE EXECUTION OF A SECOND SUPPLEMENTAL INDENTURE BY AND BETWEEN THE AUTHORITY AND ZIONS FIRST NATIONAL BANK, CERTAIN SECURITY DOCUMENTS, A BOND PURCHASE AGREEMENT, AN OFFICIAL STATEMENT, AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTION CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

WHEREAS, Park City, Utah (the "City") is a body corporate and politic duly and regularly created, established, organized and existing under and by virtue of the Constitution and laws of the State of Utah; and

WHEREAS, the City has previously authorized and directed the creation of the Municipal Building Authority of Park City (the "Authority") pursuant to the provisions of a Resolution (the "Creating Resolution"); and

WHEREAS, pursuant to the direction of the City Council (the "City Council") contained in the Creating Resolution, the Authority has been duly and regularly created, established and is organized and existing as a nonprofit corporation under and by virtue of the provisions of the Constitution and laws of the State of Utah, including, in particular, the provisions of the Utah Nonprofit Corporation and Co-operative Association Act, Title 16, Chapter 6, Utah Code Annotated 1953, as amended, and the Utah Municipal Building Authority Act, Title 17A, Chapter 3, Part 9, Utah Code Annotated 1953, as amended (the "Building Authority Act"); and

WHEREAS, under the Articles of Incorporation of the Authority (the "Articles"), the objects and purposes for which the Authority has been founded and incorporated are to acquire, improve or extend one or more projects and to finance their costs on behalf of the City in accordance with the procedures and subject to the limitations of the Building Authority Act in order to accomplish the public purpose for which the City exists; and

WHEREAS, the Authority, as previously approved and authorized by the City, has issued its Lease Revenue Refunding Bonds, Series 1994 (the "1994 Bonds") for the purpose of refunding certain bonds of the Authority, which prior bonds were issued for the purpose of financing the costs of acquisition, construction, reconstruction, remodeling, rehabilitation, furnishing and equipping of the Marsac Municipal Building, a parks/golf maintenance building, and a portion of a building for use as a public library and the acquisition of land and related water rights and development of such water rights (the "1994 Project") pursuant to an Indenture of Trust and Pledge dated as of December 1, 1994 (the "Original Indenture") between the Authority and Zions First National Bank, as trustee (the "Trustee"); and

WHEREAS, the 1994 Project has been leased to the City, as lessee, on an annually renewable basis by the Authority, as lessor, pursuant to the terms and provisions of the Lease Agreement, dated as of December 1, 1994, as heretofore amended and supplemented (the "Original Lease"); and

WHEREAS, at the request of the City, the Authority desires to issue its Lease Revenue Bonds, Series 1996 (the "Series 1996 Bonds") for the purpose of financing the costs of constructing, equipping and furnishing of a public works building and related facilities (the "Public Works Building"), additional improvements to the Marsac Municipal Building (the "Marsac Building Improvements"), acquisition of water rights and related land (the "Pace Property") and improvements to certain open space property (the "Open Space Property", and collectively with the Public Works Building, the Marsac Building Improvements and the Pace Property, the "1996 Project" and, the 1996 Project and the 1994 Project, are sometimes collectively referred to as the "Project"); and

WHEREAS, it is proposed that the City lease the site upon which the Public Works Building will be located to the Authority pursuant to the terms of that certain Ground Lease Agreement (the "Ground Lease"), herein authorized and approved, by and between the Authority and the City, in substantially the form presented to this meeting and attached hereto as Exhibit "B"; and

WHEREAS, the City desires to lease the 1996 Project, as lessee, on an annually renewal basis, from the Authority, as lessor pursuant to the terms and provisions of the Original Lease as further amended and supplemented by a Second Amendment to Lease in substantially the form presented to this meeting and attached hereto as Exhibit "C" (the "Second Amendment to Lease" and collectively, with the Original Lease the "Lease"), and herein authorized and approved; and

WHEREAS, the plans and specifications for, and the estimated costs of the acquisition, construction, renovation, improvement, furnishing and equipping of, the 1996 Project, including a certificate of the engineer/architect for the 1996 Project setting forth the estimated useful life of the 1996 Project, have been submitted to the City; and

WHEREAS, the City has determined that the cost of the Project is not less than the fair market value of the Project; and

WHEREAS, the Authority proposes to finance the acquisition, construction, renovation, improvement, equipping and furnishing of the 1996 Project, the funding of an additional deposit to a debt service reserve and the paying of costs of issuance by means of the issuance of its the Series 1996 Bonds, in the aggregate principal amount of $_____, to be issued as Additional Bonds under the Original Indenture, as heretofore supplemented and amended, and as further amended and supplemented by the Second Supplemental Indenture between the Trustee and the Authority, in substantially the form presented to this meeting and attached hereto as Exhibit "D" (the "Second Supplemental Indenture" and, collectively with the Original Indenture, the "Indenture"); and

WHEREAS, to further secure its payment obligations under the Indenture, the Authority proposes to grant a lien on and security interest in the 1996 Project pursuant to a Leasehold Deed of Trust, Assignment of Rents and Security Agreement, a Deed of Trust, Assignment of Rents and Security Agreement, an Assignment of Ground Lease, and financing statements in substantially the forms presented to this meeting and attached hereto as Exhibit "E" (collectively the "Security Documents") for the benefit of the holders of the Series 1996 Bonds and as provided in the Indenture the holders of the Series 1994 Bonds; and

WHEREAS, the Series 1996 Bonds shall be secured on a parity with the Series 1994 Bonds and shall be payable solely from the rents, revenues and other income derived by the Authority from the leasing of the Project to the City, on an annually renewable basis, and shall not constitute nor give rise to an obligation or liability of the City or constitute a charge against its general credit or taxing powers; and

WHEREAS, the City desires to improve and promote the local health and general welfare of the citizens of the City by entering into the documents and taking the actions described above; and

WHEREAS, the Authority and the City have prepared a Preliminary Official Statement dated as of September 19, 1996 (the "Preliminary Official Statement") with respect to the Series 1996 Bonds for use by the Underwriter (defined below) in marketing the Series 1996 Bonds; and

WHEREAS, the Authority and the City have negotiated the purchase of the Series 1996 Bonds with A.G. Edwards & Sons, Inc. (the "Underwriter") pursuant to a Purchase Contract (the "Bond Purchase Agreement") by and among the Underwriter, the Authority and the City, in the form presented at this meeting and attached hereto as Exhibit "F"; and

WHEREAS, the City desires to approve a Final Official Statement in substantially the form attached hereto as Exhibit "G" (the "Official Statement"); and

WHEREAS, the Underwriter has offered to purchase the Series 1996 Bonds at a purchase price of $_____ plus accrued interest to the date of issuance and delivery of the Series 1996 Bonds; and

WHEREAS, under the Articles, the Authority may not exercise any of its powers without prior authorization by the governing body of the City and, therefore, it is necessary that the City Council authorize certain actions by the Authority in connection with the transactions contemplated hereby in connection with the issuance of the Series 1996 Bonds; and

WHEREAS, officials of the City have presented the Second Amendment to Lease Agreement, the Bond Purchase Agreement, and the 1996 Ground Lease to the City Council for the purpose of obtaining the approval and authorization of the City Council of the terms and provisions thereof and for the purpose of confirming the execution thereof as the official act of the City Council.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF PARK CITY, UTAH AS FOLLOWS:

Section 1. All terms defined in the recitals hereto shall have the same meaning when used herein. All action heretofore taken (not inconsistent with the provisions of this Resolution or the Creating Resolution) by the City Council and by the officers of the City directed toward the creation and establishment of the Authority and the leasing of the Project by the City are hereby ratified, approved and confirmed.

Section 2. The City Council hereby approves the estimated costs of the 1996 Project and finds and determines, pursuant to the Constitution and laws of the State of Utah, that (i) the cost of the 1996 Project is not more than the fair market value of the 1996 Project, and (ii) the leasing of the 1996 Project under the terms and provisions and for the purposes set forth in the Lease and the other documents, instruments and conveyances hereinafter approved and authorized, is necessary, convenient and in furtherance of the governmental and proprietary purposes of the City and is in the best interest of the citizens of the City, and the City Council hereby authorizes the financing of the 1996 Project by the Authority in accordance with the provisions of the Indenture, the leasing of the 1996 Project in the manner provided in the Lease Agreement and the 1996 Ground Lease, and the delivery of the Security Documents.

Section 3. The Second Amendment to Lease Agreement, the 1996 Ground Lease, the Bond Purchase Agreement and the Official Statement, in the substantially the respective forms presented to this meeting and attached hereto as exhibits, are in all respects approved, authorized and confirmed, and the Mayor is authorized to execute and deliver the Second Amendment to Lease Agreement, the 1996 Ground Lease, and the Bond Purchase Agreement, in the forms and with substantially the same content as attached hereto for and on behalf of the City. When authorized by the Governing Board of Trustees of the Authority, the City hereby approves the execution of the Second Amendment to Lease Agreement, the 1996 Ground Lease, the Bond Purchase Agreement and the Official Statement by the Authority.

Section 4. When authorized by the Governing Board of the Authority, the City hereby approves and authorizes the execution of the Second Supplemental Indenture and the Security Documents in substantially the forms presented to this meeting and attached hereto as exhibits for and on behalf of the Authority.

Section 5. For the purpose of providing funds to finance the acquisition, construction, renovation, improvement, furnishing and equipping of the 1996 Project and for the purpose of funding an additional deposit to a debt service reserve fund and providing for the payment of certain costs of issuance and for such other purposes as may

be authorized under the Indenture, the Authority shall issue the Series 1996 Bonds which shall be designated the "Municipal Building Authority of Park City, Utah Lease Revenue Bonds, Series 1996."

Section 6. The Authority is authorized to issue and sell the Series 1996 Bonds in the aggregate principal amount of $_____ and at a purchase price of $_____ (such amount being equal to the aggregate principal amount thereof, less underwriter's discount of $_____) plus accrued interest. The Series 1996 Bonds shall be dated as of September 15, 1996 and shall bear interest at the rates and mature in the aggregate principal amounts and on the dates, all as set forth in the Second Supplemental Indenture. Interest shall be payable in semiannual installments on June 30 and December 30 of each year, commencing December 30, 1996.

The form, terms and provisions of the Series 1996 Bonds and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption and number shall be as set forth in the Indenture in the form to be executed by the Authority. The Series 1996 Bonds shall mature prior to the expiration of the estimated useful life of the 1996 Project. The President of the Authority is hereby authorized to execute the Series 1996 Bonds and to deliver the Series 1996 Bonds to the Underwriter. The Secretary or Assistant Secretary of the Governing Board of the Authority is authorized to attest to the signature of such President of the Authority and to cause the seal of the Authority (or a facsimile thereof) to be affixed to the Series 1996 Bonds. The signatures of the President of the Authority and of the Secretary or Assistant Secretary of the Governing Board of the Authority may be by facsimile or manual execution.

Section 7. The appropriate officers of the Authority and the City are authorized to take all action necessary or reasonably required to carry out, give effect to and consummate the transactions contemplated hereby and are authorized to take all action necessary in conformity with the Act and the Articles to finance the 1996 Project, to construct, furnish and equip the 1996 Project and to lease the 1996 Project pursuant to the Lease Agreement and the 1996 Ground Lease, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the sale and delivery of the Series 1996 Bonds and the Bond Purchase Agreement.

Section 8. Upon their issuance, the Series 1996 Bonds will constitute special limited obligations of the Authority payable solely from and to the extent of the sources set forth in the Series 1996 Bonds and the Indenture. No provision of this Resolution, the 1996 Ground Lease, the Lease, the Indenture, the Official Statement, the Series 1996 Bonds, the Security Documents, the Bond Purchase Agreement nor any other instrument authorized hereby, shall be construed as creating a general obligation of the Authority

or of creating a general obligation of the City, nor as incurring or creating a charge upon the general credit of the City or against its taxing powers. The City shall not be obligated to pay out of its funds, revenues, or accounts, or to make any payment in respect of the Series 1996 Bonds, except in connection with the payment of the Base Rentals, Additional Rentals and Purchase Option Price pursuant to the Lease (as those terms are defined in the Lease) which may be terminated by the City on any annual renewal date thereof in accordance with the provisions of such Lease.

Section 9. The Mayor is hereby authorized to make any alterations, changes or additions in the Lease, the 1996 Ground Lease, the Official Statement and the Bond Purchase Agreement herein approved and authorized necessary to correct errors or omissions therein, to remove ambiguities therefrom, or to conform the same to other provisions of such instruments, to the agreement with the Underwriter contemplated by the Official Statement and the Bond Purchase Agreement, to the provisions of this Resolution, the Creating Resolution, or the provisions of the laws of the State of Utah or the United States or to Commitment for Bond Insurance for the Series 1996 Bonds issued by _____.

Section 10. The appropriate officials of the Authority are authorized to make any alterations, changes or additions in the Lease, the 1996 Ground Lease, the Indenture, the Security Documents, the Official Statement and the Bond Purchase Agreement herein authorized and approved which may be necessary to correct errors or omissions therein, to remove ambiguities therefrom, to conform the same to other provisions of said instruments, to the provisions of this Resolution, the Creating Resolution or any resolution adopted by the City or the Authority, or the provisions of the laws of the State of Utah or the United States or to Commitment for Bond Insurance for the Series 1996 Bonds issued by _____ _____.

Section 11. If any provisions of this Resolution (including the exhibits attached hereto) should be held invalid, the invalidity of such provisions shall not affect any of the other provisions of this Resolution or the Exhibits.

Section 12. The City Recorder (and any Deputy City Recorder) is hereby authorized to attest to all signatures and acts of any proper official of the City, and to place the seal of the City on the documents authorized hereby. The Mayor and other proper officials of the City and each of them, are hereby authorized to execute and deliver for and on behalf of the City any and all additional certificates, documents and other papers and to perform all other acts that they may deem necessary or appropriate in order to implement and carry out the matters herein authorized. Any action authorized to be taken by the Mayor of the City may, in his absence, be taken by the Mayor Pro

Tem of the City. Any action authorized to be taken by the City Recorder of the City may, in such officer's absence, be taken by the Deputy City Recorder.

Section 13. The Secretary or Assistant Secretary of the Authority is hereby authorized to attest to all signatures and acts of any proper official of the Authority, and to place the seal of the Authority on the documents authorized hereby, and any other documents authorized, necessary or proper pursuant to this Resolution or any Resolution of the Authority. The appropriate officials of the Authority, and each of them, are hereby authorized to execute and deliver for and on behalf of the Authority any or all additional certificates, documents and other papers to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this resolution and any resolution of the Authority.

Section 14. This Resolution shall become effective immediately upon adoption by the City Council.

Section 15. All bylaws, orders and resolutions of the City or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order, resolution, or ordinance or part thereof.

APPROVED AND ADOPTED THIS 26TH DAY OF SEPTEMBER, 1996.

By:_____
Mayor

(S E A L)

Attest:

By:_____
Deputy City Recorder

283857.001(PF)

Park City, Utah

September 26, 1996

The Governing Board (the "Board") of the Municipal Building Authority of Park City, Utah (the "Authority") met in Park City at the regular meeting place of the Authority at 445 Marsac Avenue, Park City, Utah on Thursday, the 26th day of September, 1996 at _____ pm. The meeting was called to order. The following members were determined present:

Bradley Olch	Chair
Hugh Daniels	Member
Roger Harlan	Member
Shauna Kerr	Member
Chuck Klingenstein	Member
Paul Sincock	Member

Also Present:

Janet M. Scott	Assistant Secretary

Absent:

After the meeting had been duly called to order the following resolution was introduced in writing, fully discussed and pursuant to a motion made by _____ and seconded by _____ was

Upon completion of the meeting the resolution was then signed by the Chair of the Board and recorded by the Assistant Secretary in the official records of the Authority as follows:

RESOLUTION NO. ____

A RESOLUTION OF THE MUNICIPAL BUILDING AUTHORITY OF PARK CITY, UTAH (THE "AUTHORITY") AUTHORIZING AND APPROVING THE EXECUTION OF A SECOND AMENDMENT TO LEASE AGREEMENT, BY AND BETWEEN THE AUTHORITY AND PARK CITY, UTAH (THE "CITY"); AUTHORIZING AND APPROVING THE EXECUTION OF A GROUND LEASE AGREEMENT, BY AND BETWEEN THE AUTHORITY AND THE CITY; AUTHORIZING THE ISSUANCE AND SALE BY THE AUTHORITY OF ITS LEASE REVENUE BONDS, SERIES 1996, IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____ TO FINANCE THE CONSTRUCTION, EQUIPPING AND FURNISHING OF A PUBLIC WORKS BUILDING, IMPROVEMENTS TO THE MARSAC BUILDING, ACQUISITION OF AND WATER RIGHTS AND RELATED LAND, AND IMPROVEMENTS TO OPEN SPACE PROPERTY; AUTHORIZING THE EXECUTION OF A SECOND SUPPLEMENTAL INDENTURE BY AND BETWEEN THE AUTHORITY AND ZIONS FIRST NATIONAL BANK, CERTAIN SECURITY DOCUMENTS, A BOND PURCHASE AGREEMENT, AN OFFICIAL STATEMENT, AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTION CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

WHEREAS, Park City, Utah (the "City") has previously authorized and directed the creation of the Municipal Building Authority of Park City (the "Authority") pursuant to the provisions of a Resolution adopted April 14, 1983 (the "Creating Resolution"); and

WHEREAS, pursuant to the direction of the City Council of Park City, Utah (the "City Council") contained in the Creating Resolution, the Authority has been duly and regularly created, established and is organized and existing as a nonprofit corporation under and by virtue of the provisions of the Constitution and laws of the State of Utah, including, in particular, the provisions of the Utah Nonprofit Corporation and Co-operative Association Act, Title 16, Chapter 6, Utah Code Annotated 1953, as amended, and the Utah Municipal Building Authority Act, Title 17A, Chapter 3, Part 9, Utah Code Annotated 1953, as amended (the "Building Authority Act"); and

WHEREAS, under the Articles of Incorporation of the Authority (the "Articles"), the objects and purposes for which the Authority has been founded and incorporated are

to acquire, improve or extend one or more projects and to finance their costs on behalf of the City in accordance with the procedures and subject to the limitations of the Building Authority Act in order to accomplish the public purpose for which the City exists; and

WHEREAS, the Authority, as previously approved and authorized by the City, has issued its Lease Refunding Revenue Bonds, Series 1994 (the "1994 Bonds") to refund and retire certain prior bonds of the Authority, which prior bonds were issued to finance or refinance the costs of acquisition, construction, reconstruction, remodeling, rehabilitation, furnishing and equipping of the Marsac Municipal Building, a parks/golf maintenance building, and a portion of a building for use as a public library and the acquisition of land and related water rights and development of such water rights (the "1994 Project") pursuant to an Indenture of Trust and Pledge dated as of December 1, 1994, as previously amended (the "Original Indenture") between the Authority and Zions First National Bank, as trustee (the "Trustee"); and

WHEREAS, the 1994 Project has been leased to the City, as lessee, on an annually renewable basis by the Authority, as lessor, pursuant to the terms and provisions of the Lease Agreement, dated as of December 1, 1994, as heretofore amended and supplemented (the "Original Lease"); and

WHEREAS, the Authority, at the request of the City, desires to issue its Lease Revenue Bonds, Series 1996 (the "Series 1996 Bonds") for the purpose of financing the costs of constructing, equipping and furnishing of a public works building and related facilities (the "Public Works Building"), additional improvements to the Marsac Municipal Building (the "Marsac Building Improvements"), acquisition of water rights and related land (the "Pace Property") and improvements to certain open space property (the "Open Space Property", and collectively with the Public Works Building, the Marsac Building Improvements and the Pace Property, the "1996 Project" and the 1996 Project and the 1994 Project are sometimes collectively referred to as the "Project"); and

WHEREAS, the City desires to lease the Project from the Authority as lessee, on an annually renewable basis, and the authority desires to lease the Project to the City, as lessor, on an annually renewal basis; and

WHEREAS, the Governing Board of the Authority on September 5, 1996, adopted Resolution No. 3-96MBA (the "Parameters Resolution") approving the issuance and sale of the Series 1996 Bonds to finance the 1996 Project; and

WHEREAS, it is proposed that the City lease the site upon which the Public Works Building will be located to the Authority pursuant to the terms of that certain

Ground Lease Agreement (the "1996 Ground Lease"), herein authorized and approved, in substantially the form presented to this meeting and attached hereto as Exhibit "B"; and

WHEREAS, the Authority desires to lease the Project, as lessor, on an annually renewal basis, to the City, as lessee, pursuant to the terms and provisions of the Original Lease Agreement, as amended and supplemented by a Second Amendment to Lease in substantially the form presented to this meeting and attached hereto as Exhibit "C" (the "Second Amendment to Lease" and, together with the Original Lease the "Lease"), and herein authorized and approved; and

WHEREAS, the plans and specifications for, and the estimated costs of the construction, renovation, improvement, furnishing and equipping of, the Project, have been submitted to and approved by the City Council; and

WHEREAS, the City has determined that the cost of the 1996 Project is not more than the fair market value of the 1996 Project; and

WHEREAS, the Authority proposes to finance the construction, renovation, improvement, equipping and furnishing of the 1996 Project, the funding of an additional deposit to a debt service reserve and the paying of costs of issuance by means of the issuance of the Series 1996 Bonds in the aggregate principal amount of $_____ to be issued as Additional Bonds under the Original Indenture, as amended and supplemented by a Second Supplemental Indenture between the Authority and Trustee, in substantially the form presented to this meeting and attached hereto as Exhibit "D" (the "Second Supplemental Indenture and, collectively with the Original Indenture, the "Indenture"); and

WHEREAS, to further secure its payment obligations under Indenture, the Authority proposes to grant a lien on and security interest in the 1996 Project pursuant to a Leasehold Deed of Trust, Assignment of Rents and Security Agreement, a Deed of Trust, Assignment of Rents and Security Agreement, an Assignment of Ground Lease, and financing statements in substantially the forms presented to this meeting and attached hereto as Exhibit "E" (collectively the "Security Documents") for the benefit of the holders of the Series 1996 Bonds and as provided in the Indenture the holders of the Series 1994 Bonds; and

WHEREAS, the Series 1996 Bonds shall be secured on a parity with the Series 1994 Bonds and shall be payable solely from the rents, revenues and other income derived by the Authority from the leasing of the Project to the City, on an annually

renewable basis, and shall not constitute nor give rise to an obligation or liability of the City or constitute a charge against its general credit or taxing powers; and

WHEREAS, the Authority desires to improve and promote the local health and general welfare of the citizens of the City by entering into the documents and taking the actions described above; and

WHEREAS, pursuant to direction contained in the Parameters Resolution a Preliminary Official Statement dated as of September 19, 1996 (the "Preliminary Official Statement") with respect to the Series 1996 Bonds, has been prepared and distributed and the Authority desires to ratify the use of the Preliminary Official Statement and approve the form of a Final Official Statement, in substantially the form attached hereto as Exhibit "F" (the "Official Statement") for use by the Underwriters (defined below) in marketing the Series 1996 Bonds; and

WHEREAS, the Authority has negotiated the purchase of the Series 1996 Bonds with A.G. Edwards & Sons, Inc. (the "Underwriter") pursuant to a Purchase Contract (the "Bond Purchase Agreement") by and among the Underwriter, the Authority and the City, in the form presented at this meeting and attached hereto as Exhibit "G"; and

WHEREAS, the City Council of the City, by its Resolution dated the date hereof, (the "City Resolution") has or is expected to authorize, approve and direct the execution of the Second Amendment to Lease Agreement, the Bond Purchase Agreement, and the 1996 Ground Lease by the City and to authorize the issuance of the Series 1996 Bonds and the financing of the 1996 Project by the Authority and to further authorize the execution of the Second Amendment to Lease Agreement, the Bond Purchase Agreement, the 1996 Ground Lease and the Security Documents and certain other acts to be taken by the Authority in connection therewith.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE MUNICIPAL BUILDING AUTHORITY OF PARK CITY, UTAH AS FOLLOWS:

Section 1. All terms defined in the recitals hereto shall have the same meaning when used herein. All action heretofore taken (not inconsistent with the provisions of this Resolution or the Creating Resolution) by the Board and by the officers of the Authority directed toward the issuance of the Series 1996 Bonds and the financing of the 1996 Project, including without limitation the preparation, distribution and use of the Preliminary Official Statement, are hereby ratified, approved and confirmed.

Section 2. The Authority hereby authorizes, approves and directs the financing of the 1996 Project, the funding of an additional deposit to a debt service reserve and the

paying of costs of issuance by the Authority with all or substantially all of the proceeds of the Series 1996 Bonds in accordance with the provisions of the Indenture, the leasing of the 1996 Project in the manner provided in the Lease Agreement, and the securing of the Series 1996 Bonds as provided in the Indenture, the 1996 Ground Lease and the Security Documents, and the constructing, renovation, improvement, equipping and furnishing of the 1996 Project as provided in the Lease and the Indenture.

Section 3. The Second Amendment to Lease Agreement, the 1996 Ground Lease, the Bond Purchase Agreement and the Official Statement, in substantially the respective forms presented to this meeting and attached hereto as exhibits, are in all respects approved, authorized and confirmed, and the President of the Authority (the "President") is authorized to approve the final terms thereof and to execute and deliver the same in substantially the forms and with substantially the same content as attached hereto for and on behalf of the Authority.

Section 4. The Second Supplemental Indenture and the Security Documents, in substantially the forms presented to this meeting and attached hereto as exhibits, are in all respects approved, authorized and confirmed, and the President is authorized to approve the final terms thereof and to execute and deliver the same in substantially the forms and with substantially the same content as attached hereto for and on behalf of the Authority.

Section 5. For the purpose of providing funds to finance the construction, renovation, improvement, furnishing and equipping of the 1996 Project, to fund an additional deposit to a debt service reserve and for the purpose of providing for the payment of certain costs of issuance and for such other purposes as may be authorized under the Indenture, the Authority shall issue the Series 1996 Bonds which shall be designated the "Municipal Building Authority of Park City, Utah Lease Revenue Bonds, Series 1996."

Section 6. The Authority hereby authorizes the issuance and sale of the Series 1996 Bonds in the aggregate principal amount of $_____ and at a purchase price of $_____ (such amount being equal to the aggregate principal amount thereof, less underwriter's discount of $_____) plus accrued interest. The Series 1996 Bonds shall be dated as of September 15, 1996 and shall bear interest at the rates and mature on the dates and in the principal amounts all as set forth in the Second Supplemental Indenture. Interest shall be payable in semiannual installments on June 30 and December 30 of each year, commencing December 30, 1996.

The sale of the Series 1996 Bonds is hereby awarded to the Underwriter in accordance with the provisions of the Bond Purchase Agreement.

The form, terms and provisions of the Series 1996 Bonds and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption and number shall be as set forth in the Indenture in the form to be executed by the Authority. The Series 1996 Bonds shall mature prior to the expiration of the estimated useful life of the 1996 Project. The President of the Authority is hereby authorized to execute the Series 1996 Bonds and to deliver the Series 1996 Bonds to the Underwriters. The Secretary or Assistant Secretary of the Authority is authorized to attest to the signature of such President of the Authority and to cause the seal of the Authority to be affixed to the Series 1996 Bonds. The signatures of the President of the Authority and the Secretary of the Authority may be by facsimile or manual execution.

The Series 1996 Bonds shall initially be issued in Book-Entry Only Form and the President is authorized to execute and deliver a standard form letter of representations with respect to such Book-Entry System.

Section 7. The appropriate officers of the Authority are authorized to take all action necessary or reasonably required to carry out, give effect to and consummate the transaction contemplated hereby and are authorized to take all action necessary in conformity with the Act and the Articles to finance the 1996 Project, to construct, furnish and equip the 1996 Project and to lease the 1996 Project pursuant to the Lease Agreement and the 1996 Ground Lease, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the sale and delivery of the Series 1996 Bonds and the Bond Purchase Agreement.

Section 8. Upon their issuance, the Series 1996 Bonds will constitute special limited obligations of the Authority payable solely from and to the extent of the sources set forth in the Series 1996 Bonds and the Indenture. No provision of this Resolution, the 1996 Ground Lease, the Lease Agreement, the Indenture, the Official Statement, the Series 1996 Bonds, the Security Documents, the Bond Purchase Agreement nor any other instrument authorized hereby, shall be construed as creating a general obligation of the Authority or of creating a general obligation of the City, nor as incurring or creating a charge upon the general credit of the City or against its taxing powers. The City shall not be obligated to pay out of its funds, revenues, or accounts, or to make any payment in respect of the Series 1996 Bonds, except in connection with the payment of the Base Rentals, Additional Rentals and Purchase Option Price pursuant to the Lease Agreement (as those terms are defined in the Lease Agreement) which may be terminated by the City on any annual renewal date thereof in accordance with the provisions of such Lease Agreement.

Section 9. The appropriate officials of the Authority are authorized to make any alterations, changes or additions in the Lease, the 1996 Ground Lease, the Indenture, the

Security Documents, the Official Statement and the Bond Purchase Agreement herein authorized and approved which may be necessary to correct errors or omissions therein, to remove ambiguities therefrom, to conform the same to other provisions of said instruments, to the provisions of this Resolution, the Creating Resolution or any resolution adopted by the City or the Authority, the provisions of the laws of the State of Utah or the United States or to the provisions of the Commitment for Bond Insurance for the Series 1996 issued by _____.

Section 10. If any provisions of this Resolution (including the exhibits attached hereto) should be held invalid, the invalidity of such provisions shall not affect any of the other provisions of this Resolution or the Exhibits.

Section 11. The Secretary or Assistant Secretary of the Authority is hereby authorized to attest to all signatures and acts of any proper official of the Authority, and to place the seal of the Authority on the documents authorized hereby. The President of the Authority and other proper officials of the Authority and each of them, are hereby authorized to execute and deliver for and on behalf of the Authority any and all additional certificates, documents and other papers and to perform all other acts that they may deem necessary or appropriate in order to implement and carry out the matters herein authorized. Any action authorized to be taken by the President of the Authority may, in his absence, be taken by the Vice President of the Authority.

Section 12. This Resolution shall become effective immediately upon adoption by the Board of Trustees of the Authority.

Section 13. All bylaws, orders and resolutions of the Authority or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order, resolution, or ordinance or part thereof.

PASSED BY THE BOARD OF TRUSTEES OF THE MUNICIPAL BUILDING AUTHORITY OF PARK CITY, UTAH THIS 26th DAY OF SEPTEMBER, 1996.

By:_____
Chair

(S E A L)

Attest:

By:_____
Assistant Secretary