PARK CITY COUNCIL WORK SESSION NOTES
SUMMIT COUNTY, UTAH
AUGUST 30, 2007

Present: Mayor Dana Williams and Council members Marianne Cone, Candace Erickson, Roger Harlan, Jim Hier and Joe Kernan.

Tom Bakaly, City Manager and Mark Harrington, City Attorney ; Patrick Putt; Planning Director; Brooks Robinson; Principal Planner; Jerry Gibbs, Public Works Director; Kathy Lundborg, Water Manager; Max Paap, Special Events; Matt Twombly, Project Manager; Jonathan Weidenhamer, Economic Development and Special Projects Manager; Gary Hill, Budget Manager

1. Council questions/comments. Marianne Cone participated in Leadership's Ride the Bus Day and suggested holding events at the Transit Center more often. She also participated in the AARP events.

Roger Harlan reported the City/County Joint Transit Task Force was moving ahead on projects. Due to unprecedented ridership, the County is motivated to continue cooperative efforts with the City. He noted the contractor was making great strides on the Kearns sidewalk. He stressed that Summit and Wasatch Counties had been fortunate in not having major fire problems and stressed the importance of water conservation to maintain adequate fire flows.

Candace Erickson announced Wind Power Week and highlighted various planned activities. The Friends of the Library are holding their annual book sale on Labor Day weekend.

Jim Hier attended the HMBA Executive Board meeting where they discussed the BID fees and the Chamber Board meeting where they reviewed a plan to disseminate information on the availability of seasonal housing.

Mayor Williams congratulated Leadership Class XIII for "ride the bus day". He and Councilman Harlan, along with Manager Bakaly met with the new Hill Air Force Base General. The Governor's Blue Ribbon Advisory Panel on Climate concluded and the final report will be presented to the Governor in September. He will be attending a Mayor's Conference on Climate Change at Sundance, and his trip to China will occur in October.

2. Review of regular meeting. Council and Staff reviewed contracts and leases that would be acted on during Regular Meeting.

<u>Boys and Girls Club</u> – Max Paap, Special Events and Facilities, explained the request for renewal of the lease for the City Park Recreation Building for two nine-month terms. Issues to be resolved include non-exclusive use of space, the lease rate, and insurance requirements. Staff recognizes operational difficulties for the Club to store their supplies on a nightly basis and has built in a five day written notice period for use of the facility after 6 PM. Staff anticipates that space would be used for a dog obedience program and other occasional uses. In consideration of the non-exclusive facility use, Council members agreed to reduce the lease to $18,344.81. Regarding the request for compensation related to increased insurance requirements, Staff recommended the Club offset that from their savings from the lease.

There was no discussion on the Wintzer-Wolfe Properties Lease, **Harris and Associates Contract**, and **Nelson Brothers Contract**.

Joe Kernan requested discussion regarding the **agreement with Jordanelle Special Services Distric**t. Public Works Director Jerry Gibbs explained it was a design contract for a connection along Hwy. 40 to connect with JSSD's tank at the Summit/Wasatch County Line. It would tie into the line at Quinn's Junction and provide redundancy required for the IHC Hospital. In addition to the existing emergency connection near Snow Park Lodge, this provides the City the ability to take more water and to enter into future discussions for buying water. Emergency connections do not supply water to the system beyond the 1,000 gallons under contract with JSSD; they allow the City to open connections for temporary relief, not long term use. Although the estimated pipeline cost is $2.4 million, and the Hospital is contributing a portion, it provides vital additional connection to other areas of the City's water system. The contract amount is $301,000.

Park Bonanza Planning Area – Patrick Putt, Planning Director, recapped the August 2, 2007 Work Session on General Plan amendments relating to the Park Bonanza District which is comprised of portion of community bounded by Park Avenue, Kearns Boulevard, Bonanza Drive and Deer Valley Drive. At Council's suggestion, Staff made revisions to: strengthen language discouraging big box retail; strengthen language to discourage small and medium sized tenant spaces from being combined and redeveloped into big box spaces; and included language that projects built within the area be sustainable in their design and building practices. These amendments serve as a supplement to the General Plan and would be incorporated upon Council's approval of the resolution for adoption.

Business Improvement District (BID) for downtown core in Park City – Joe Kernan expressed concern about all businesses in the district paying an equal charge. He suggested developing a formula to calculate charges based on business types and sizes. Upon direction from Council, Staff would return to seek adoption of the tax on September 13, 2007. Candace Erickson understood Mr. Kernan's concept but was uncertain how they would divide the overall cost among businesses, since the success of businesses varied depending on the types of events they promote. Jim Hier explained the majority of the cost was for administrative services, not specific event concepts. If it grew in the future to a significant fee, it may be appropriate to do something like that, but based on the current scope, the flat fee seemed to be a cost effective way to implement the program. Gary Hill, Budget Manager, explained the HMBA proposed the flat amount of $156 per business.

3. Joint work session with Planning Commission to discuss the proposed vacation of platted McHenry Avenue in conjunction with a plat amendment - Echo Spur on Rossi Hill

Planning Commission members Jack Thomas, Evan Russak, Julia Pettit, Jim Barth, Michael O'Hara, joined City Council members.

Principal Planner Brooks Robinson explained the proposal for a plat amendment involving 16 lots on Rossi Hill and requesting the vacation of platted, unbuilt McHenry Avenue from Rossi Hill Drive to platted Third Street. The Planning Commission held a work session and took public input in July, 007, and requested a joint meeting to seek Council direction on the merits of the proposed street vacation.

Mr. Robinson stated Resolution 8-98, "resolution adopting a policy statement regarding the vacation of public rights-of-way within Park City, Utah" contained three sections; each with reviewable criteria necessary for a finding of compliance.

<u>Section 1 Good Cause</u>, allows the City to find "good cause" when a proposal evaluated as a whole demonstrates a "net tangible benefit" to the immediate neighborhood and to the City as a whole. *Criteria 1* requires no increase in density; *criteria 2* requires neighborhood compatibility; and, *criteria 3* requires consideration. <u>Section 2 Material Injury</u>, demands that no person nor the public is "materially injured" by the proposal. <u>Section 3. Joint Meetings</u>. He reviewed analysis found in the Staff Report and requested discussion on several points: density/ compatibility with neighborhood development pattern; is the consideration provided by the applicant sufficient to justify the vacation; and, is there a net tangible benefit to the neighborhood and to the City as a whole?

Mr. Robinson stated the applicant was asking for about 8,000 square feet of Old Town property without any financial consideration given to the City. The vacation request only affects one side of the right-of-way.

Applicants Chad and Connie Bilbrey questioned the definition of property vacation which contained no provision for money to change hands. They further believed there had been a fundamental misunderstanding in what they were requesting and believed they were giving up more than they were getting.

Roger Harlan noted the City had received compensate for past street vacations. Mr. Bilbrey stated the compensatory route was different than a vacation. City Attorney Mark Harrington explained it was appropriate for the City to consider consideration and exchange for foregoing future uses of right-of-way.

Planning Commission members stressed they were interested in a discussion of what constituted cause, consideration and density. Residents from the neighborhood requested that Council and Planning Commission consider the comments from neighbors that had been submitted. Council encouraged subsequent meetings between the neighborhood and he developer and suggested creation of a sub-committee comprised of Planning Commission members and the City Council liaison.

Note: Council and Planning Commission conducted a lengthy discussion and received input from Rossi Hill and Silver Pointe residents. Due to a broken tape, it was necessary for the recording clerk to summarize based on notes taken during the meeting.

Mayor Williams recapped that the neighborhood and developer appeared to be willing to spend more time talking about the proposal. There were enough questions about vacation of the right-of-way to justify spending additional time reviewing the issues. Planning Commission Chair Michael O'Hara stressed that the Commission sought direction on the net tangible benefits to the neighborhood and to the City as a whole, and what constitutes consideration. Joe Kernan stressed the neighbors must ultimately be happy with what was built there. He requested examples showing how the City applied consideration in the past.

At this point, Mayor Williams left the meeting. Mayor Pro-Tem Marianne Cone recommended that the applicants meet with the neighbors, and requested that the Planning Commission report back to Council after they have been able to work out additional details.

City Attorney Mark Harrington suggested that Planning Commission should continue their review, assisted by a sub-committee who can review any site plan recommendations that may result from changes following neighborhood meetings. Consideration is a factor that will greatly vary depending on the proposal and will be based on values as defined by its consistency with the General Plan and neighborhood compatibility. He noted the neighborhood had done an excellent job presenting comments in the context of the Land Management Code and the General Plan.

Helen Alvarez questioned whether discussion about consideration meant they had already agreed to vacation. Mr. Hier explained it was a means to establishing some basis for whether a vacation would be appropriate. Ms. Alvarez implored Council to preserve the open space with natural vegetation on Rossi Hill.

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
AUGUST 30, 2007

I ROLL CALL

Mayor ProTem Marianne Cone called the regular meeting of the City Council to order at 6:15 p.m. at the Marsac Municipal Building on Thursday, August 30, 2007. Members in attendance were Marianne Cone, Candace Erickson, Roger Harlan, Jim Hier and Joe Kernan. Mayor Dana Williams was excused. Staff present was Tom Bakaly, City Manager and Mark Harrington, City Attorney ; Patrick Putt; Planning Director; Brooks Robinson; Principal Planner; Jerry Gibbs, Public Works Director; Kathy Lundborg, Water Manager; Max Paap, Special Events; Matt Twombly, Project Manager; Jonathan Weidenhamer, Economic Development and Special Projects Manager; Gary Hill, Budget Manager

II COMMUNICATIONS AND DISCLOSURES FROM COUNCIL AND STAFF

Joe Kernan disclosed he owned a recycling business. Candace Erickson disclosed she is married to the consultant for the General Plan Park/Bonanza amendments.

Patrick Putt announced a community open house to receive public input on Historic District Design Guidelines on September 24, 2007 at 5:00 p.m.

III PUBLIC INPUT (any matter of City business not scheduled on agenda)

Michael Kaplan stated he lives on the "real" McHenry Avenue and expressed concern about a similar street name in the Echo Spur Subdivision when it is approved.

Leslie Miller urged Council to insulate Ella Sorenson from the construction disturbance next to her home.

IV WORK SESSION NOTES AND MINUTES OF MEETING OF AUGUST 9, 2007

Roger Harlan, "I move approval of the Work Session Notes and Minutes of August 9, 2007". Candace Erickson seconded. Motion unanimously carried.

V CONSENT AGENDA PUBLIC HEARINGS (items listed will be open for public hearing prior to consideration for adoption or rejection; hearings may also be continued by vote of the Council)

Jim Hier, "I move to continue Items 1 and 2 to dates as noted". Joe Kernan seconded. Motion unanimously carried.

1. Consideration of an Ordinance approving a plat amendment at 1617/1621 Lakeside Circle, Park City, Utah (motion to continue to October 4, 2007)

2. Consideration of a recommendation to deny a plat amendment for 255 Ridge Avenue, King Ridge Estates (motion to continue to September 20, 2007)

3. Consideration of a Master Festival License to be held on September 2, 2007 including a temporary street closure of Doc Holiday Drive on September 2, 2007 from 1 p.m. to 8 p.m. and to allow amplified music for a block party from 2 p.m. to 8 p.m. - Max Paap explained this was a first time community event that was being reviewed as a Master Festival License due to requests for amplified music, variance from the noise ordinance, and a temporary street closure. The applicant explained invitations had been sent to the entire neighborhood. Mayor ProTem Cone opened the public hearing. Receiving no input, the hearing was closed.

4. Consideration of an Ordinance approving a one year extension of the amended Lots 1-3, Block 30 of Snyder's Addition to the Park City Survey plat amendment located at 819 Empire Avenue, Park City, Utah - Ray Milliner explained the request for a one year extension of a plat amendment. Staff recommended approval and noted the applicant has demonstrated good cause for extension. Mayor ProTem Cone opened the public hearing. Receiving no input, the hearing was closed.

VI CONSENT AGENDA (items that have previously been discussed or are perceived as routine and may be approved by one motion. Listed items do not imply a predisposition for approval and may be removed by motion and discussed and acted upon under "Additional Discussion – Agenda Items")

City Attorney Mark Harrington, disclosed that the landlords for Item 3, and both City Officials serving on the Planning Commission and the Board of Adjustment.

Joe Kernan, "I move to approve Consent Agenda Items 1, 2, and 3". Roger Harlan seconded. Motion unanimously carried.

1. Master Festival License to be held on September 2, 2007 including a temporary street closure of Doc Holiday Drive on September 2, 2007 from 1 p.m. to 8 p.m. and to allow amplified music for a block party from 2 p.m. to 8 p.m.

2. Ordinance approving a one year extension of the amended Lots 1-3, Block 30 of Snyder's Addition to the Park City Survey plat amendment located at 819 Empire Avenue, Park City, Utah

3. Lease with Wintzer-Wolfe Properties, in a form approved by the City Attorney, for space located at 1255 Ironhorse Drive

VII **NEW BUSINESS (new items with presentations and/or anticipated detailed discussions)**

1. Lease with the Boys and Girls Club, in a form approved by the City Attorney, for space located in the City Park Recreation Building – See Work Session Notes and Staff

Report for a discussion of the issues. Max Paap confirmed that Staff recommends a two-year lease renewal of the City Park Recreation Building to the Boys and Girls Club of Greater Salt Lake. The lease amount for the two nine-month leases is $18,344.81.

Jim Hier, "I move to approve the Lease with the Boys and Firls Club in a form approved by the City Attorney for space located in the City Park Recreation Building in the amount of $18,344.81 as modified". Candace Erickson seconded. Motion unanimously carried.

2. Consideration to authorize the City Manager to execute a construction contract, in a form approved by the City Attorney, to Nelson Brothers Construction Company, in the amount of $71,697 – Project Manager Matt Twombly explained the contract was for the Prospector Drain Vault Construction which will be used in the remediation efforts in the Silver Creek Tailings Site. Water will be diverted into an anaerobic treatment unit where it currently runs into the Silver Creek Watershed.

Roger Harlan, "I move to authorize the City Manager to excute a construction contract, in a form approved by the City Attorney, to Nelson Brothers Construction Company, in the amount of $71,697". Joe Kernan seconded. Motion unanimously carried.

3. Consideration to authorize the City Manager to approve Addendum No. 1 to the Professional Services Agreement with Harris and Associates for a total contract amount of $301,425 – Public Works Director Jerry Gibbs explained this addendum constituted an increase of $183,375 for total contract amount of $301,425 for professional engineering services.

Candace Erickson, "I move to authorize the City Manager to approve Addendum No. 1 to the Professional Services Agreement with Harris and Associated for a total contract amount of $301,425". Roger Harlan seconded. Motion unanimously carried.

4. Consideration to authorize the City Manager to enter into an agreement with Jordanelle Special Service District in the amount of $240,000 to design an emergency water supply connection to Quinn's Junction – See Work Session Discussion and Staff Report for additional details. Jerry Gibbs restated this was for engineering services to design an emergency connection that will provide adequate capacity to meet redundancy issues with the IHC Hospital, a future connection for water purchases; and an emergency connection.

Jim Hier, "I move to authorize the City Manager to enter into an agreement with Jordanelle Special Service District in the amount of $240,000 to design an emergency water supply connection to Quinn's Junction". Joe Kernan seconded. Motion unanimously carried.

5. Consideration of a Resolution amending the Park City General Plan creating the Park Bonanza Neighborhood Planning Area and amending related policies in General Plan Elements relating Park City direction, community character, open space, land use, growth management, transportation, environment, and housing – See Work Session Discussion and Staff Report. Planning Director Patrick Putt and Consultant Bruce Erickson, explained that Park City has three fundamental mixed use development areas: the Resorts, Main Street area, and Park Bonanza District. The current General Plan lacks clear direction for the Park/Bonanza area. This plan is intended to provide direction to accommodate change in the area, redevelopment of existing properties, and infill properties. The Plan creates a strong emphasis on pedestrian improvements, and the housing component is intended for primary residents.

The planning process began in June, 2006 with a public open house, followed by public hearings, joint work sessions between Planning Commission and City Council and discussion during the Council visioning retreat. Planning Commission forwarded a unanimous recommendation to adopt the changes in July, 2007. At Council's suggestion, following the August 2, 2007 work session, Staff made revisions to: strengthen language discouraging big box retail; strengthen language to discourage small and medium sized tenant spaces from being combined and redeveloped into big box spaces; and included language that projects built within the area be sustainable in their design and building practices. These amendments serve as a supplement to the General Plan and would be incorporated upon Council's approval of the resolution for adoption. Staff recommended that Council adopt the recommendations in the General Plan following the public hearing.

Mayor ProTem Cone opened the public hearing. Cindy Matsumoto, business owner, requested clarification of business sizes. Consultant Bruce Erickson explained big box was defined as over 50,000–60,000 square feet; mid box was larger than 12,000–15,000 square feet, and base sizes were approximately 2,000 square feet. She clarified that her three combined business spaces were acceptable.

Mark Fisher thanked the Consultant, Planning Commission, City Council and Staff for their efforts and stated they were going to strive to cooperate with the City to create a world class solution.

With no further input, the hearing was closed.

Jim Hier, "I move to approve the Resolution approving amendments and revisions to the Park City General Plan and creation of a Park Bonanza Neighborhood Planning Area as added to the packet and incorporated in modifications provided by Stantec Engineering dated August 16, 2007". Roger Harlan seconded. Motion unanimously carried.

VIII OLD BUSINESS (items continued from a previous meeting)

1. Consideration of a Resolution forming a Business Improvement District for the downtown core in Park City, Utah – Budget Manager Gary Hill noted that Council began the public hearing on August 16, 2007 and discussed a proposal to create a Business Improvement District for Main Street. This will act as a mechanism for establishing a single service provider for trash services, and will provide for business promotion services with the district. The cost of those administrative services is $156 per business, as requested by the HMBA. Trash service fees will be billed directly by the provider.

Staff requests that Council continue hearing and consider adoption of a resolution that would create the Business Improvement District based upon the boundaries that are provided in the resolution. Adoption of the resolution begins a 15 day protest period, signals Council's intention to impose a per business tax of $156, and signals the City's intent to hold a public hearing before any change in the tax or change in business activities. If Council approves the Resolution, Staff will return on September 16, 2007 with an Ordinance to impose the tax and an amendment to the Business Licensing Ordinance.

Mayor ProTem Cone opened the public hearing. Receiving no input, the hearing was closed.

Joe Kernan, "I move to approve the Resolution forming a Business Improvement District for the downtown core in Park City, Utah". Jim Hier seconded. Motion unanimously carried.

2. Consideration of awarding of three year contract to Allied Waste, in a form approved by the City Attorney, for hauling services within the Main Street area and City facilities and to implement a $150 tax per license – Jerry Gibbs noted the request was continued from previous meeting until formation of BID was approved by Council. Staff requested approval of Option 2 of the BID rate structure, and Addendum 1 which related to City Facilities. Candace Erickson asked whether all businesses were aware of the fees that would be charged for hauling services, and whether the City should enter into the agreement prior to the end of the protest period.

Mr. Gibbs explained the contract would not go into effect until the effective date of the Business Improvement District (BID). Individual notices were not distributed but public notice had been given and the HMBA had reviewed contract language and was comfortable with the rate structure. He stressed that all businesses would have to pay this fee, but they were not restricted from contracting separately for supplemental trash services. At the time business licenses are renewed, businesses must provide proof that they are current on their trash collection payments before new licenses will be issued.

Jim Hier, "I move to approve the City Manager to enter into a contract in a form approved by the City Attorney, setting the rate structure for commercial trash services for Main Street with the effective date of the Business Improvement District (BID), and City facilities rate structures, to Allied Waste for a three year term renewable at the City's election for an additional three years as outlined in the Staff Report." Roger Harlan seconded. Motion unanimously carried.

3. Consideration of an Ordinance approving amendments to the Park City Land Management Code to Chapter 15-2.6 – Historic Commercial Business District and 15-2.5 – Historic Recreation Commercial District relating to prohibiting office, residential, or other non-sales tax generating uses and other similar or associated uses in the HCB and HRC Districts in storefronts as well as related definitional changes to the LMC Chapter 15-15-1 – Definitions. Jonathan Weidenhamer stated Council provided direction on August 9, 2007, to exclude portions of Park Avenue north of 8th Street from the area affected by the proposed ordinance, and directed Staff to define and clarify "storefront" as it pertained to the ordinance. Staff has defined Storefront as the area 50' back from the back of sidewalk and 8' above or below the street grade. When applied to typical Old Town 25'x75' lots, the intent was to promote the intent of the ordinance for areas directly adjacent to or visible from downtown street and address split-level storefronts. Separate businesses occupying the rear portion of any ground floor would have to be 50' back from the sidewalk and in separately enclosed areas.

Mr. Weidenhamer highlighted Staff's analysis of pending applications and identified two business license applications which were received after the May 26, 2007 notice of the proposed ordinance, as well as a third application submitted on August 30, 2007. Staff believes the intent and direction from Planning Commission and City Council had been clear. He noted Council has legislative authority to consider the request so long as its decision is reasonable and not arbitrary. Staff does not find that allowing the specific spaces to convert to office uses will significantly affect the overall percentage of non-tax generating uses in downtown storefronts.

Previous Public Input has suggested that the previous change to the Municipal Code that prohibited local consent for Liquor Licenses that do not allow general public to apply for membership should be amended to only affect storefronts. Staff will return in the future for direction.

Ted Barnes, colleague of Bob Dillon who had previously spoken to Council, addressed two pending applications and introduced Jeff Edwards, principal of CS Financial, one of applicants. He encouraged Council to date the effectiveness of the ordinance as of

August 30, 2007. His client contracted to purchase office space one year ago and pursued SBA loans to maintain and operate a mortgage office and would suffer significant hardship if not allowed to continue his business. These plans were begun prior to the date the pending ordinance was noticed. He stated they support the policy, but request that it be tempered with regard to these instances. He reiterated their assertion that business licenses are not land use applications.

Joe Kernan asked Mr. Edwards to explain where he would be located and how the ordinance impacted his situation. Jeff Edwards explained his intent to occupy a front space in the Poison Creek Mercantile location, and to live upstairs. His SBA loans have large prepayment penalties and he would face serious financial issues if he were forced to rent the space for retail or to sell.

Bill Shoaf, Sky Lodge, relayed his attempts to relocate to a smaller space on Main Street from which to market the Sky Lodge because they intended to re-open the restaurant. He explained several communications with Staff that ended in him being denied a business license because he applied after the May 26th deadline. His Sky Lodge project represented a significant contribution to the community and he asked Council to consider his request for exemption from the “pending ordinance” deadline.

Jana Potter supported Mr. Shoaf’s request. She addressed her convertible space in the Silver Queen on Main Street and requested similar consideration so she could move forward with development plans within her space.

Marcy Davis, property and business owner, and realtor, supported Bill Shoaf’s request. He will only be selling the Sky Lodge project, a project that is solely about Old Town.

Philo Smith former owner of Zoom and Easy Street, and partner in Sky Lodge, urged Council to consider the hardship that a punitive effective date for the ordinance will have for these three individuals.

Ken Davis, Historic Main Street Business Alliance, commented the zoning changes will be beneficial for the street, however extenuating circumstance deserve consideration.

Jim Whitney, Sky Lodge owner, asked Council to consider the request from Bill Shoaf. The ability to sell that property is critical to Park City and to his investment.

Mike Sweeney, encouraged Council to accommodate Mr. Shoaf’s request, noting that it would be a short term exercise. He reiterated prior requests regarding the private club ordinance to make it more consistent with vertical zoning in relation to storefronts.

With no further input, the public hearing was closed.

Candace Erickson believed all three parties had valid complaints. Typically, they draw the line at the date notification is published, but they had revised the ordinance a number of times since that date. She supported amending the effective date to August 30, 2007, and after that date no new applications can be accepted.

Jim Hier noted uses run with the property not the applicant and asked if there were a way to allow temporary uses, for a particular scenario, that would expire with the business license. Attorney Harrington stated it would be inconsistent. If Council moves the pending ordinance date to the adoption date, these uses technically become non-conforming uses governed by a separate ordinance section of the Land Management Code. Under State Code, Council does have the ability to phase out non-conforming uses and if acceptable to these applicants they could condition the Ordinance effective date with phasing out requirements for the three non-conforming uses. He stressed the request must be valuated on the broad sense of fairness and general applicability of the doctrine, not on individual cases of hardship. Mr. Hier supported Ms. Erickson's suggestion that they make the ordinance effective upon date of adoption.

City Attorney Harrington suggested additional Ordinance language: "Whereas, the Council determines after evaluating issues of fairness and the overall intent of the regulation, that the application of pending ordinance doctrine shall be revoked and the effective date of the Ordinance shall be the date of adoption."

Candace Erickson, "I move to approve the amendments to the Park City Land Management Code Chapters 15-2.6 - Historic Commercial Business District and 15-2.5 prohibiting office, residential, or other non-sales tax generating uses and other similar or associated uses in the HCB and HRC Districts in storefronts as well as related definitional changes to the LMC Chapter 15-5-1 - Definitions, with the addition of the whereas noted by the City Attorney therefore making the adoption date August 30, 2007". Joe Kernan seconded. Motion unanimously carried.

4. Consideration of an addendum to the lease with Park City Historical Society for property located at 528 Main Street (continued from Municipal Building Authority meeting) - Jonathan Weidenhamer explained Staff was seeking Council direction regarding an addendum to the Park City Historical Society lease. In 2003, the City and the Society entered into a 99 year least for the use of Old City Hall. This addendum identifies a blueprint for tenant improvements necessary to allow the Society to move forward with the expansion of the building and turnover of operations and building maintenance to the Society. The City has expressed a serious commitment to their goals for economic development and expansion. Research of past discussions and

agreements does not indicate that the City intended to re-open the lease and assume additional operational costs in order to accommodate the museum expansion.

Mr. Weidenhamer reported that Planning Staff has issued administrative design approval in August for the proposed addition. As building owner, Council's approval of the lease cements that design approval. He noted Council had the ability to provide input on the design, indicating that any substantive changes would require reconsideration by the Planning Staff to ensure it met the guidelines. Laura Blake of Mark Cavagnero Architects has a presentation focusing on the rear elevation and design details, pedestrian experience, finish materials and landscaping for Council's review.

Mr. Weidenhamer stated the Historical Society had proposed the City pay for and be responsible for insurance, operations and maintenance. Additional discussion has centered on the design and access of the restrooms. The lease will address increased square footage post-construction. Rent will be reduced to $1.00 per year annually. Tenant improvements will be installed by the Society at its expense. The lease addresses the City's both the public art and green policy initiatives of the City.

Mr. Weidenhamer reviewed areas of the lease where the City and Society did not agree.

<u>Insurance.</u> In the past, the City has provided general liability insurance for the building as well as insurance for exhibits. Staff recommends the Society be responsible for paying the premium to add coverage for exhibits to the City's policy and that they be responsible for obtaining insurance for any other sub-leases and administrative duties as necessary.

<u>Operations and maintenance</u>. The City does not currently clean inside the building, but provides maintenance for restrooms and long-term maintenance of the structure. The building is included in the City's asset management program, which covers structural upgrades. Staff supports maintenance and cleaning of the restrooms if they are publicly accessible; however, that would require installation of a lift for ADA accessibility, which may affect the design. Staff also recommends that the Society assume responsibility for annual maintenance of operating systems and utility bills. All told, costs to the Society would increase an additional $16,000 in addition to their current costs. The prior lease was $18,000 and it has been reduced to $1.00 annually.

Mr. Weidenhamer addressed additional issues, including the need for a lay-down yard in Swede Alley, which results in a loss of 34 parking spaces for fifteen months. Parking Services typically charges $9 per space for reserved use and Staff requests discussion regarding waivers of those fees.

Staff has learned that the Society may request conduit financing and asked Council to consider the possibility subject to criteria recently established to assist USSA, which was subject to a letter of credit assuming liability in case of default. It is a City building, which raises the question of whether it is a City project subject to bidding requirements. Mr. Weidenhamer explained this would be a policy question to be determined by Council in the future.

Mayor ProTem requested input from the Historical Society representatives prior to reviewing the architect's presentation and further discussion.

Richard Pick, President of the Board; Harry Reed, member; and Sandra Morrison, Executive Director, indicated their pleasure to meet with Council. They are grateful for the City's support and for Staff's assistance through the process. The project is a partnership that has come a long way since its formation in 2003. Mr. Pick distributed a handout that compared the City's contribution of $2,601,000 to the PCHS contribution of $4,303,000 ($4.2 million of which is for the building expansion) and emphasized that the expansion will provide economic benefits by providing a destination Main Street attraction.

Mr. Pick indicated their insurance agent had been working with City staff. Mark Harrington reported they were close to resolving the general liability issue, although Staff recommends the Society administer their exhibit insurance.

Laura Blake, Mark Cavagnero Associates, reiterated Mr. Pick's thanks for Council's support, which has enabled them to raise an additional $1 million. She recapped the March presentation and reviewed the design that had been reviewed and approved by Planning Staff and the Historic Preservation Board.

Ms. Blake reviewed Secretary of Interior Standards Guidelines for Treatment of Historic Building, as they pertain to new additions, which they used to develop their design. The Main Street elevations will be preserved and the Swede Alley elevation will be preserved on the interior and visible through the addition. The new addition provides a plane break behind Old City Hall and uses stone that relates to Old City Hall and the old library building.

Marianne Cone expressed concern about the rear of the building and questioned the difficulty of snow removal. Mike Lennon, Building Maintenance, explained the new area would probably be more helpful since they use a small plow that fits in the area.

Ms Cone also questioned the raised walkway at the rear and asked whether additional landscaping could be installed. Ms. Blake explained the terrace was added to provide views of the exhibits as one walks along the rear of the building. The design incorporates core ten steel that provides a softer texture, finish and color. She explained they could add additional landscaping on Dolly's Plaza. Ms. Cone felt the raised walkway created a sense of isolation from the rest of the street and encouraged additional landscaping.

Planning Director Patrick Putt explained Staff, Historical Society representatives and their architecture team had spent considerable time on this issue. They concurred that eliminating the walkway created a disconnect between the pedestrian level and the glass area would make the building look taller and would diminish the pedestrian experience. In addition, they did not believe the narrow planting area that would have been created would provide an optimum area for plants to thrive. Ms. Cone questioned the need for a nine-foot wide sidewalk since it did not connect to anything.

Candace Erickson was thrilled with the design and believed the glass area would draw people in and suggested planters on the Dolly's sidewalk. Council members expressed support of the design as approved by the Planning Department.

Jonathan Weidenhamer requested direction regarding insurance for exhibits and third party leases. Mr. Pick stated the Society maintain liability insurance and will continue to do so. Their concerns center on exhibit insurance. Mark Harrington stated they were close on the general liability issue and Staff is working with the Society's insurance agent. Staff's concern is coverage for visiting exhibits and administration of the policy to ensure that nothing was overlooked. Jim Hier encouraged Staff and the Historical Society to work out the requirements in the lease.

Mr. Weidenhamer stated Staff's recommended that the City continue to be responsible for asset management, long-term structural upgrades, and exterior maintenance, snow removal, etc. Staff recommends that the Society assume responsibility for cleaning, as well as operations and maintenance for mechanical systems, and the restrooms because they are best managed by the occupants. He explained the expansion will remove the existing public restrooms at the rear of the building and the City requests that the museum provide unobstructed public access to the new restrooms during operating hours, providing ADA access through the building during operating hours. The museum does not want to provide maintenance because they feel they lack the ability to monitor and control them because of the public access. The feel it would be cheaper for the City to continue to provide maintenance of the restrooms.

Jim Hier expressed concern about underground restrooms being open 24/7. Jon explained they had agreed to have them open during museum hours, but had not been able to agree on maintenance responsibility. He clarified that a lift for ADA accessibility was not necessary if the restrooms were only open during operating hours.

Mr. Hier supported the City covering O&M for the restrooms. Mark Harrington suggested having someone from the ADA community review the functionality of the access.

Sandra Morrison stressed it was a liability issue for them because they are not protected by the Utah Governmental Immunity Act.

Jon Weidenhamer summarized Council's support for the City to provide maintenance of the restrooms; no lift will be installed because there is ADA accessibility from inside the Museum; and they are subject to review to ensure they are acceptable under ADA accessibility guidelines.

Mr. Weidenhamer continued discussion on the Society's request for the City to assume responsibility for the operations and mechanical systems. Staff has estimated these costs to be $12,700 annually.

Mr. Pick suggested the City should assume responsibility for proper maintenance of those items in order to extend the life of such expensive equipment. Sandra Morrison explained the Museum would have to pursue fund raising to meet these additional expenses.

Jim Hier stated the City was assuming responsibility for the restrooms and the Museum should pick up the costs for operations and maintenance. Candace Erickson understood the reason for the Society's request; however, Council must balance it against costs to taxpayers. As a tenant, one expects the landlord to assume responsibilities for maintenance; however, this tenant will only be paying $1 per year. They do provide educational program and generate some sales tax dollars. Roger Harlan suggested a compromise where the Museum would pay the City a flat fee, based on a calculation of operations and maintenance costs, to manage the maintenance. Council members concurred and directed Staff to analyze the costs and develop a flat rate for Council's consideration.

Mr. Weidenhamer stated they would need a construction staging yard and they have identified a need for 34 spaces in Swede Alley, ten immediately behind the museum and 24 in the historic wall lot. Roger Harlan commented on building practices in New York City where construction staging occupied much smaller space. Jon requested direction from Council as to the City's parking policy. Staff recommends that the ten adjacent spots be provided, but spaces in the historic wall lot be assessed at 50% of the normal $9 per day fee. Councilors encouraged minimization of the staging area but did not want to impose charges for use of the spaces. Mr. Weidenhamer stated Staff would return with a plan, not to exceed 34 spaces.

Council and staff held a brief discussion regarding options for assist the society with financing. They concurred it was appropriate to table the issue until later.

Jon Weidenhamer stated the Historical Society had requested that they be allowed to display *artifacts* of their choice, without going through the Public Art Advisory Board process, in lieu of the requirement to pay 1% for public art. Council members directed Staff to include 1% for artifacts in the lease.

Mayor ProTem Cone opened the public hearing.

Alex Butwinski outlined various methods to charge tenants for daily operating expenses. He believed 34 spaces was excessive and requested reconsideration of the contractor's request.

Mike Sweeney, business owner, requested that restrooms be inside the museum. He also suggested using a material other than sandstone that was more impervious to the elements.

Kacy Quinley, Sunday Museum volunteer, urged that restrooms remain outside, since she often is the only one working inside the Museum.

Bill Coleman encouraged the Council to build flexibility into the lease to offset annual costs. The museum has limited revenue capacity and they appreciate everything the City can do support them.

Krista Perry, Park City Mountain Resort, expressed the importance of providing an educational experience for visitors. She stated the museum was a big part of the town's authenticity.

The public hearing was closed.

IX ADDITIONAL DISCUSSION – AGENDA ITEMS
There was no additional discussion.

X ADJOURNMENT
With no further business, the City Council meeting adjourned at 9:45 p.m.

MEMORANDUM OF CLOSED SESSION

The City Council met in closed session at 2:00 p.m. Members in attendance were Mayor Dana Williams, Marianne Cone, Candace Erickson, Roger Harlan, Jim Hier, and

Joe Kernan. Staff present were Tom Bakaly, City Manager; Mark Harrington, City Attorney; Tom Daley, Assistant City Attorney; Jerry Gibbs, Public Works Director; Kathy Lundborg, Water Manager; Myles Rademan, Public Affairs Specialist; Kent Cashel, Deputy Public Works Director; Phyllis Robinson, Community and Public Affairs Manager; and Alison Butz, Environmental Affairs and Project Manager.

Marianne Cone, "I move to close the meeting to discuss personnel, property and litigation." Candace Erickson seconded. Motion carried unanimously.

The meeting opened at 3:50 p.m. Marianne Cone, "I move to open the meeting." Jim Hier seconded. Motion carried unanimously.

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

Prepared by Sharon Bauman

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Sharon C. Bauman, Analyst II