PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH,
AUGUST 15, 2013

PUBLIC NOTICE IS HEREBY GIVEN that the City Council of Park City, Utah will hold its regularly scheduled meeting at the Marsac Municipal Building, City Council Chambers, 445 Marsac Avenue, Park City, Utah for the purposes and at the times as described below on Thursday, August 15, 2013.

Closed Session

3:00pm	Property, Personnel and Litigation	
3:10pm	Break	

Study Session

3:20pm	Affordable Housing proposal for addressing current and future housing needs	
4:35pm	Break	Pg. 6

Work Session

4:45pm	Council questions and comments and Manager's Report	
4:55pm	Senior Strategic Plan Goals	Pg. 65
5:05pm	Recreation Master Plan	Pg. 83
5:50pm	Break	

Regular Meeting
6:00 p.m.

I ROLL CALL

II COMMUNICATIONS AND DISCLOSURES FROM COUNCIL AND STAFF

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

IV MINUTES OF MEETING OF JUNE 27, 2013 Pg. 86

V CONSENT AGENDA

1. Consideration of a Resolution designating September as National Preparedness Month in Park City, Utah Pg. 94

2. Consideration of approval authorizing the City Manager to execute a construction agreement for the construction of Phase II of the Crescent Tramway Sidewalk in the amount of $82,042.50 with Lyndon Jones Construction in a form approved by the City Attorney. Pg. 97

3. Consideration of approval authorizing the City Manager to execute a construction agreement for the reconstruction of 10th and 11th Streets in an amount of $314,512.00 with Wolff Excavating, Inc. in a form approved by the City Attorney. Pg. 104

4. Consideration of rejection of all bids for the Carl Winters Third Floor Renovation Pg. 109

VI NEW BUSINESS

1. Consideration of approval authorizing the City Manager to purchase public art in the amount of $17,000 in a form approved by the City Attorney. Pg. 112

2. Consideration of approval by the City Manager of the Amendments to Housing Resolutions 20-07 and 25-12 in a form approved by the City Attorney. Pg. 115
   (a) Public Hearing
   (b) Action

3. Consideration of approval to authorize the City Manager to execute a Professional Services Agreement with URS Corporation in the amount of $49,500.00 for the Natural Resource Damage aspects of the Richardson Flat Tailings Site OU4 (the Prospector Drain) Administrative Order on Consent (AOC) in a form approved by the City Attorney. Pg. 140

4. Consideration to authorize the City Manager to execute a Construction Agreement, in a form approved by the City Attorney, with COP Construction, Inc. for the Water Conveyance – 2013 Pipelines Project - Segment B in an amount of $3,452,615.00. Pg. 145

5. Consideration of an appeal of the Planning Commission's Denial of a Steep Slope Conditional Use Permit for a new home to be constructed at 30 Sampson Avenue in the Historic Residential-Low District (HR-L)
   (a) Public Hearing
   (b) **Motion to continue to a date uncertain**

6. Consideration of approval to authorize the City Manager to execute a Professional Services Agreement in the amount of $18,348 to Moreton & Company for Standard Broker Services for a one-year period and an option to renew for two additional years thereafter. Pg. 155

VII ADJOURNMENT

A majority of City Council members may meet socially after the meeting. If so, the location will be announced by the Mayor. City business will not be conducted. Pursuant to the Americans with Disabilities Act, individuals needing special accommodations during the meeting should notify the City Recorder at 435-615-5186 at least 24 hours prior to the meeting. Wireless internet service is available in the Marsac Building on Wednesdays and Thursdays from 4 p.m. to 9 p.m.

Posted: 08/12/13
See: www.parkcity.org

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
AUGUST 22, 2013

PUBLIC NOTICE IS HEREBY GIVEN that the City Council of Park City, Utah will **not** hold its regularly scheduled meeting on Thursday, August 22, 2013.

Posted: 08/12/13
See: www.parkcity.org

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
AUGUST 29, 2013

PUBLIC NOTICE IS HEREBY GIVEN that the City Council of Park City, Utah will **not** hold its regularly scheduled meeting on Thursday, August 29, 2013.

Posted: 08/12/13
See: www.parkcity.org

TENTATIVE MASTER CALENDAR

Note: This future meeting schedule is TENTATIVE and subject to change.

August

22 **No Meeting**
29 **No Meeting**

September

4 *Joint Park City Council / Planning Commission mtg*

5 Convention license ordinance amendments – work Jason
Pre-inspections for new business licenses – amendments to Title 4- work Sherry
Beaver Management Policy Discussion - Work, Jim B 45 min.
Water Research Foundation - Work
Stoneridge - Heinrich
Echo Spur Development. Plat Amendment (Lots 17, 18, 19) – New, Francisco
Mayor's Award for Community Excellence
Historic Preservation Board interviews – 1hr
Housing Mitigation Plan for 1555 Lower Iron Horse Loop Road MPD in Bonanza Park –
- Housing Authority Meeting Phyllis

12 **Liza gone**
Ordinance approving 496 McHenry Subdivision Replat
New Recreation software - Ken F.
Municipal Renewable Energy Update, work, Tyler, 30 min.

18-22 **No Meeting – City Tour**

26 Ordinance accepting the public improvements for the Echo Spur Subdivision - Francisco
Ordinance renaming the section of McHenry Avenue extending from Rossi Hill Drive north to the name of *Echo Spur Drive. Park City, Utah* – Francisco
Planning Commissioner Interviews – (3 seats) 1.5hr Thomas

October

3 Ice Arena Annual update – Jon Pistey
PAAB Update - Sharon

10 **No Meeting**
17 Broadband – Scott R

24 Special Service Contract Criteria and Extraordinary Grant Criteria

31 **No Meeting**

November

7
14
21
28 **No Meeting – Thanksgiving**

December

5
12
19 Acceptance of the audit – Lori C.
26 **No Meeting**

January

2
9 Swearing in Mayor – Council Members
16 **No Meeting – Sundance**
23
30

Pending Items:

Canvass for Primary and for General Elections
Construction contract for 10th and 11th Streets
Special Event overhaul
Regional recreation strategic plan
Ice Operations – study
Water leak adjustment policy – work
Latino Community outreach and engagement – study
Gamble Oak Easements
Risner Ridge - HD
Rocky Mountain Power expansion

City Council Study Session Staff Report

Subject: Long-Range Affordable Housing Strategies
Author: Rhoda Stauffer
Department: Sustainability
Date: August 15, 2013
Type of Item: Study Session

Background:
On August 30, 2012, Mayor and Council approved the 2012 Housing Assessment and Plan. The first step in that plan was to analyze existing conditions in the Park City community, best practices nation-wide and determine the best approach for addressing Park City's affordable housing needs in a long-term, sustainable way. Funding was set aside in the 2012-2013 budgeting process to complete this analysis. A review panel analyzed responses to an RFP and selected czb, LLC to complete the analysis. The review panel included:

- Lori Collett, PCMC Finance
- Kimber Gabryszak, Summit County Planning
- Jason Glidden, PCMC Sustainability
- Marci Milligan, Lotus Community Development
- Jessica Moran, PCMC Recreation
- Rhoda Stauffer, PCMC Sustainability

czbLLC, led by Charles Buki assembled a team of nationally recognized housing experts.

Charles Buki has 25 years of experience in community development. Before founding czb in 2001, Buki was director of training at the Neighborhood Reinvestment Corporation, director of the Design for Housing program of the National Endowment for the Arts, and director of affordable housing for The American Institute of Architects. He was a Loeb Fellow in Advanced Environmental Studies at the Graduate School of Design at Harvard University, and a Mesa Fellow with the Common Counsel Foundation. He has advised the Office of Management and Budget on CDBG measures and indicators, the Office of the Comptroller on banking reform, and the Federal Reserve Bank on the role of subsidy in community development.

Karen Beck Pooley received her Ph.D. from the University of Pennsylvania's Department of City and Regional Planning in 2007. Her research focuses on neighborhood revitalization strategies, techniques for measuring housing market conditions, and the evolution of federal, state and local housing policy. She received a Fannie Mae Foundation award for Best Dissertation Addressing Housing and

Community Development Issues. Karen has a Bachelor of Arts in Political Science from Wellesley College and a Master of Urban Planning & Policy from New School University's Milano Graduate School.

Susan Wachter, PhD is the Richard B. Worley Professor of Financial Management and Professor of Real Estate and Finance at the Wharton School of the University of Pennsylvania. She serves on the Board of Editors of the Journal of Housing Economics, and is Co-Director of the Penn Institute for Urban Research.

Richard Voith, PhD is a Principal of Econsult Corporation in Philadelphia, teaches Cost Benefit Analysis at the University of Pennsylvania's Wharton School, was an economic advisor to the Federal Reserve Bank of Philadelphia, and served on the Editorial Board of Real Estate Economics.

Dean Oliver Ph. D is currently an analyst with ESPN. He is a prominent contributor to the statistical evaluation of basketball. More recently Oliver has served in front office roles with the Seattle Supersonics and Denver Nuggets (Director of Quantitative Analysis) of the NBA. A graduate of Caltech, he earned a Ph.D. in statistical applications in environmental science at the University of North Carolina at Chapel Hill in 1994. He is presently on the editorial board of the Journal of Quantitative Analysis of Sports and the executive board of the Association of Professional Basketball Research.

Over the past four months, this team analyzed data on existing conditions such as number of affordable units, number of households in need of housing at various price points, land-use policy and Land Management Code, and economic trends. The team also used an overlay of national housing affordability issues and trends toward meeting affordable housing needs around the country and especially in tourism-based economies. Their findings and approaches to how Park City could address its housing issues over the next 20 to 40 years are presented in the attached Report on Housing Affordability Options and Strategies (Exhibit A)

Analysis:

This study session is to review the analysis and discuss the findings presented in the report as a first step in crafting a long term affordable housing strategy for Park City.

<u>Summary of current status of affordable housing in Park City</u>

- We've done a good job for the lowest income families – 75% of existing affordable housing units (342) are serving households earning 30-60% of AMI ($27,243 to $54,486 annual household income).
- The balance of affordable units – 25% or 122 units – are serving households from 60 to 120% of AMI ($54,486 to $108,972 – similar to 80 to 200% of Park City workforce wage). Recent years have seen fewer young families living in Park City and it is likely that this trend is related to the lack of housing affordable to these moderate-income households.
- A portion of the affordable fabric is aging and will need upgrades.
- Appreciation caps have reached the affordable ceiling on some older units.

- In comparison to our Western Ski Town counterparts, we are doing an exceptional job (16% of year-round housing stock is affordable while many ski towns have 10% or less), however, for Park City to retain its special Park City nature, we need to have closer to 25% of year round housing stock be affordable to households up to 120% of AMI (or 200% of Park City workforce wage).

The attached analysis lays out three choices:

1. Keep doing what we are doing
2. Focus on preservation and expiring use
3. Start building a system for addressing the middle class housing problem and link it to the imperative to address senior housing demand as well

The analysis and proposal provided by czb,LLC includes a thorough study of the consequences of each of these actions as well as the likely cost – both financial and social or civic.

Specifically, there are two discussion questions for Council consideration during the study session.

1. Given the amount of resources Park City has committed to affordable housing for low income workers the last 20 years, there is no doubt about the City's understanding of and commitment to addressing the issue. The data is clear that the middle now is in real jeopardy, though for different reasons and with different implications. How will the community respond to this challenge?

2. Park City does far more than its fair share in the region when it comes to preserving and producing housing for low income workers. Making progress on middle income housing significantly rests on regional cooperation in a range of areas, from land use and zoning, to possible revenue sharing arrangements. How will Council pursue the kinds of serious inter-jurisdictional agreements likely needed to make progress on the issue of middle class housing?

Department Review:
This report was reviewed by the Sustainability Department, the City Attorney and the City Manager**.**

Exhibit A: Report on Housing Affordability Options and Strategies
Exhibit B: The Affordability Challenge: Inclusionary Housing and Community land Trusts in a Federal System.

 

Report on Housing Affordability Options and Strategies
Addressing Park City's Goldilocks Dilemma

czbLLC
Charles Buki; Karen Pooley, PhD
Assistance Provided by Susan Wachter, PhD, Richard Voith, PhD, Dean Oliver, PhD

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1. Executive Summary
2. Magnitude of Affordability Challenge
3. Recommended Focus
4. Theoretical Opportunity
5. Park Meadows: Example Case Study
6. Conclusion
7. References

Executive Summary

Park City, UT is a remarkable place, and it is remarkable not by accident. Both its uncommon natural beauty and the town's character have been protected and enhanced through a series of intentional and strategic actions taken by the community since the mid 1970s.

Decades of hard work have leveraged "the best snow on earth" into converting Park City from a struggling silver mining community into arguably America's best ski town (National Geographic). The hard work to get 64 Victorian era buildings onto the National Register has been central in establishing Park City as "one of the prettiest towns in America" (Forbes).

Because of the foresight of Park City residents and their Planning Commission, mountain views from virtually anywhere in Park City are largely unobstructed; they afford visitors and residents alike the experience of being in a vibrant, diverse town while still being in a largely natural setting. Because of leadership by citizens and City Council, significant parts of Park City's mining history have been preserved, leading to the creation of a Main Street unrivaled in charm that "still has the rugged good looks of a 19th century western mining town" (Travel & Leisure).

Because of community efforts to protect the environment, more than 7,000 acres have been purchased with open space bonds, thereby buffering Park City from the sprawling, land consumptive development that has come to define so much of the surrounding region. And because of great vision and leadership by the business community, Park City landed and then successfully hosted major events at the 2002 Winter Olympics, not to mention 23 Sundance Film Festivals.

For the breathtaking views that have been protected, the small town charm that has been enhanced, the vast expanses of open space that have been conserved, and the world class skiing that makes it so envied, Park City is rightfully mentioned alongside Kitzbühel and Chamonix.

That's half the story, anyway. The other half is that while Park City is increasingly the standard against which Whistler, Telluride and Niseko measure themselves, it is also mentioned in the same breath as Aspen – not for the fact that Aspen is among the greatest places in the world to ski, but because housing in Aspen is among the very costliest in America. Aspenization, according to an Aspen official, "is what happens when small towns choke on what their charm has brought them" and it poses a serious threat to Park City.

As Newsweek noted in 1993, Aspenization is "the upscale living death that fossilizes trendy communities [that] have been discovered by the rich and famous -- and the greedy and entrepreneurial -- [and which become] case studies in overdevelopment [with] lavish second homes that sit empty for most of the year while three quarters of the work force, who can't afford to live there, commute."

Foreshadowing with exquisite similarity the sentiments expressed by so many Park City residents during "Community Visioning" in 2009, Aspen's mayor a decade prior said "we don't want to be just an empty theme park, full of houses that are occupied only a few weeks out of the year. We want to remain a real life town, with living, breathing people who have real jobs." Yet today, Aspen is far more "empty theme park" than "real life town."

While in many ways a mirror image of Aspen, Park City is fortunate that, unlike Aspen, its own experience with high-end, seasonal development is not yet at a point of no return. Options - while costly and complex - exist for Park City to remain a "real life town."

However, these options are not likely to exist for long

- Park City today is far more "seasonally" owned than even Aspen itself.

	2000			2010		
	Total	Seasonal	% Seasonal	Total	Seasonal	% Seasonal
Aspen	4,354	1,121	25.7%	5,929	1,917	32.3%
Park City	6,661	3,383	50.8%	9,471	5,609	59.2%

Sources: 2000 and 2010 U.S. Censuses; czbLLC.

- Park City's housing cost-to-income ratio stands at more than ten to one.

	2000			2010		
	Value	Income	Ratio	Value	Income	Ratio
Aspen	$535,000	$54,973	9.73	$707,400	$74,509	9.49
Park City	$417,500	$65,375	6.39	$765,600	$61,383	12.47

Sources: 2000 and 2010 U.S. Censuses; czbLLC.

Like Aspen, Park City is a magnet for vacation home-buying by wealthy residents from very high-cost New York and California zip codes. When second and third homes list for $20-50 million in Upper Deer Valley, the effects on the rest of market are substantial. As the market migrates to accommodate demand, each square foot of developable land becomes more costly, and the result is an acute affordability problem down the line.

While four decades of hard work did indeed make Park City into a world-class ski destination, it also made Park City into a very expensive place. Years of stewarding Main Street into becoming a unique and charming destination have increased the desirability among locals and tourists to visit and shop in Park City. Hundreds of planning commissioner meetings to manage building height and density to maintain the town's character did just that, and, by doing so, further increased the demand to own property in Park City. Bonds passed to buy open space successfully created a permanent green buffer around Park City, but also reduced the supply of developable land, which, in turn, increased (and continues to increase) the cost of the remaining developable land.

These factors and trends are powerful and highly interconnected:

- First, Park City actively took steps to increase its desirability: the city has intentionally kept building heights low to preserve views, and kept densities low to prevent congestion; and the city's land conservation efforts on the edges of town ensures that residents and visitors experience a beautiful natural entry into Park City and that the area stays pristine, unspoiled by additional development. In succeeding with all of these initiatives, the city increased the demand to visit, and live in, and own property in Park City, particularly among wealthy households.

- Second, *those exact same steps* – limiting height, limiting density, limiting infill development, and limiting development on the edge – have decreased the available supply of buildable area, a direct consequence of which is price appreciation. While no one intentionally set out to create an affordable housing problem, the net of Park City's work has been to do precisely that.

- Third, when combined – an increase in demand along with a decrease in supply – the result is not merely price appreciation, but sustained and sometimes rapid as well as significant increases in housing value.

- And fourth, as sales increasingly reflect vacation home-buying, ultimately what's at stake more so even than affordability is the issue of local control and the presence of year-round residents. The more that real estate is owned by seasonal occupants, the less direct impact non-seasonal residents will ultimately have over land use and zoning decisions, and the less Park City will feel like a "real life town."

In short, the recipe for becoming great is also a recipe for becoming expensive. More height allows for more housing, which reduces housing costs. By choosing *less* height time and again, Park City has created an affordable housing problem. More density allows for more housing, which reduces housing costs. By choosing *less* density time and again, Park City has created an even more acute affordable housing problem than the one triggered by height limitations alone. By limiting building height, density, and the amount of developable land, Park City has made housing (or the land available for it) scarce, and wound up both exceptional and exceptionally expensive.

Ironically, many of the issues Park City sought to prevent are now increasingly the result of the community's exceptionality and high costs. Much like Van Gogh - whose bipolarity, Thujone poisoning, temporal lobe epilepsy, and Lead/Kerosene consumption all contributed to both greatness and madness - Park City's greatness is increasingly having serious impacts on local quality of life (congestion) and environmental sustainability (sprawling land development pressures outside of Park City in a region without regional growth management controls in a strong property rights state). It is a paradox of housing market strength that the very tools used to increase livability often trigger some of the exact outcomes that socially conscious communities such as Park City seek to avoid in the first place.

Action	Desired Result	Output	Unintended Result	Outcome
Limit Heights	Maintain views	Increase quality of life	Reduce housing supply	Increase housing costs
Limit Density	Keep small town feel	Increase quality of life	Reduce housing supply	Increase housing costs
Limiting Infill	Historic preservation	Increase quality of life	Reduce housing supply	Increase housing costs
Limit Development	Preserve open space	Increase quality of life	Reduce housing supply	Increase housing costs
				↓
				Development pressure
				↓
				Sprawl + Congestion

Where does all this leave Park City in 2013? With low average densities (3 du/a) in Park City and an average building height of 30 feet, Park City has some difficult housing policy decisions to make. These are heights and densities that significantly increase the quality of life in Park City. *But they are also heights and densities that change the city's housing math.* Moderate to low densities combined with moderate to low building heights alongside substantial open space protections *gets* a high livability result. But, in return, this combination *gives* away the capacity for Park City to be home to a year-round middle class.

Just as Aspen and Snowmass have had to contend with congestion and sprawl throughout the Roaring Fork Valley owing to workers commuting not just to and from Carbondale but Rifle, so too is Park City now and increasingly going to be contending with the same.

Park City is at a point in its history where it will soon need to decide if its high housing costs are a problem that requires attention, or not. And if high housing costs are determined by the community to be a problem worth addressing, it will need to decide how willing it is to do something about it. And if it is willing to do something about high housing costs, Park City must decide whether it will tackle this problem by building higher and if so how much higher; or by building more densely, and if so how much denser; or building on open space, and if so under what conditions and in what ways.

Magnitude of the Affordable Housing Challenge in Park City

Housing is affordable when the income of a household is sufficient to procure it on the open market and thereafter to be able to pay for all the non-housing expenses that are part of everyday life: food, transportation, health care, taxes, insurance, savings, clothing, and so on. With the exception of a small number of very financially strong households able to pay cash to own their homes, Americans either rent, or they become owners over time (that is, they borrow money to purchase their homes and gradually pay off a lender).

As a reliable general rule, about one-third of a household's income will go towards taxes, which are non-negotiable. Roughly speaking, that leaves two-thirds for housing and everything else, both being negotiable. As another reliable rule, no more than one-third of a household's income should be allocated towards housing, leaving the remaining third to be put toward all other expenses. It is also a housing rule of thumb that lenders become far less willing to make loans where the total of housing costs and other credit obligations exceeds 38% of a household's gross monthly income, and where the size of a loan exceeds 80% of the building's value. At prevailing interest rates, this means that the maximum sales price a household can "afford" is about 3.5 times their annual income, and the down-payment required to purchase a home will be equal to 20% of this affordable price.

Based on these parameters, *only households at 2.96 times Park City's median household income – and with more than $150,000 in cash available for a down payment – can currently afford to buy a home in Park City*. This is the boiled down essence of the situation today.

	Annual Income	Buying Power	Median House	Gap
Upper Income (300 % Median)	227,500	796,250	796,250	0
Down Payment Implication		159,250	159,250	
Down Payment as Percent of Annual Income		70.0%	70.0%	

	Annual Income	Buying Power	Median House	Gap
Upper Middle Income (200 % Median)	153,716	538,007	796,250	258,243
Down Payment Implication		107,601	159,250	
Down Payment as Percent of Annual Income		70.0%	103.6%	

	Annual Income	Buying Power	Median House	Gap
Median Income (100 % Median)	76,858	269,003	796,250	527,247
Down Payment Implication		53,801	159,250	
Down Payment as Percent of Annual Income		70.0%	207.2%	

When housing units near workplaces are not affordable (when the cost-income ratio is greater than 3.5 at current interest rates), or when the units that are affordable are not desirable (when they do not match the preferences of potential buyers or renters), workers instead choose to commute. Our analysis of Park City finds both of these factors behind commuting to be true.

In the late 1980s and through much of the 1990s, while Park City housing prices were high, they were still within reach of Park City's middle-income wage earners, and the suburban, split level product available at these affordable prices was desirable to these households. When this was the case, Park City was predominated by full time resident families and, to borrow from Aspen's mayor, was indeed "a real life town, with living, breathing people who have real jobs." After the Olympics and into the 2000s, this changed substantially. Park City is now on the verge of losing its middle *entirely*; the only real middle that remains are those families who bought in Park City in the 1990s or before, and who are land and house rich, but who could not afford to buy their current homes at today's prices.

As the middle continues to shrink, it is worth noting that Park City has been exceptionally successful in fostering the development of low-cost rental housing, enabling many workers critical to the tourist industry to be able to rent right in town. (By 2011, Park City housed 841 renter households with incomes below 50% of AMI (or less than $50,000), up from 678 in 2000.) At the other end of the housing spectrum, the private sector is ably supplying housing the top third wants and can afford.

	AMI	Income Range		Affordability	Gap	O/R	1990	2000	2010	Consequence	
				$5-50M			5%	10%	15%	Seasonal	Deer Valley
	976%	500,000	1,000,000	2,625,000	1,828,750	O				Seasonal	Deer Valley
Upper	520%	300,000	500,000	1,400,000	603,750	O	30%	35%	40%	Seasonal	Park City
	296%	155,000	300,000	796,250	0	O				Year Round	Park City
Middle	150%	76,000	155,000	404,250	-392,000	O	50%	40%	30%	Year Round	**Priced Out**
	80%	47,000	76,000	215,250	-581,000	R				Year Round	**Verging**
Lower	50%	30,000	47,000	134,750	-661,500	R	15%	15%	15%	Year Round	Park City
	20%	0	30,000	52,500	-743,750	R				Year Round	Park City

But it is in the middle where Park City's real dilemma now exists. Even as the number of low-income renters increased, the number of renter households with incomes between $50,000 and $75,000 (or at roughly 80% of AMI) declined from 214 in 2000 to just 132 in 2011. Similarly, families with incomes from $75,000 to $150,000, who used to be able to buy a home in Park City, no longer can. These households – with buying power ranging from $260,000 to $525,000 – make enough money to buy a home in the region, but not enough to buy in Park City *unless they are willing to buy a condominium*.

Yet at this income range, which primarily includes professional young families, most buyers want a yard and - given the housing options outside of Park City - are willing to commute in order to have one.

These households used to be able to find housing with a yard in their price range in Park City – in the older portions of Park Meadows and Thaynes Canyon, and in Prospector. Now, most of these homes are priced well out of reach: just 10% of all single-family home sales in the city's year-round neighborhoods (53 properties) sold for less than $500,000 between 2006 and 2011. At the same time, those closer to the limit of these households' price range typically require substantial upgrades or updating. According to a recent focus group, many of these homes "are too small and/or need too much work" to attract buyers.

Faced with these options (or lack thereof), middle-income households are increasingly choosing to buy in Snyderville, Jordanelle, and elsewhere, and commute into Park City. By 2011, Park City housed just one-quarter (0.26) of its share of the region's owner households with incomes between $75,000 and $100,000 – while Snyderville Basin housed nearly its share and the rest of Summit County nearly one-and-a-half times its share. Similarly, while Park City housed just half (0.59) its share of owner households with incomes between $100,000 and $150,000 that year, Snyderville Basin housed nearly one-and-a-half times its share.

Share of Region's...	**Park City**	**Snyderville Basin**	**Rest of Summit County**	**North Wasatch**	**Greater Heber**
All Households	1.00	1.00	1.00	1.00	1.00
Owner Households	**0.73**	**1.11**	**1.03**	**0.88**	**1.02**
with Incomes less than $25,000	***0.76***	***0.63***	***1.51***	***1.29***	***1.08***
with Incomes $25,000 to $49,999	***0.87***	***0.69***	***1.11***	***0.25***	***1.33***
with Incomes $50,000 to $74,999	***0.61***	***0.58***	***1.41***	***0.92***	***1.29***
with Incomes $75,000 to $99,999	***0.26***	***0.90***	***1.35***	***0.43***	***1.25***
with Incomes $100,000 to $149,999	***0.59***	***1.33***	***0.87***	***0.56***	***1.01***
with Incomes $150,000 or more	***1.16***	***1.95***	***0.40***	***1.68***	***0.40***

Sources: 2007-2011 American Community Survey, czbLLC.

As a result, if Park City does not do something to provide units that match the purchasing power and demand preferences of these households, increased traffic congestion and more sprawl will naturally follow.

Recommended Focus

Because of its tourist economy – which relies heavily on low-wage arts/entertainment and accommodations/food services jobs – Park City has an ongoing obligation to help house much of its lower-income (less than $50,000 per year) workforce who are unlikely to find affordable units on the private market. Because of its strong seasonal housing market, Park City's private housing market is also increasingly underserving moderate-income households ($50,000 to $75,000) looking to rent and middle-income households ($75,000 to $150,000) looking to buy (particularly looking to buy single-family homes with yards).

For these reasons, Park City should have a three-tiered affordable housing strategy going forward.

Middle Income	➔	Single Family Detached/Semi Detached House w Yard	$100,000	$150,000
	➔	Condominium or Cooperative / Multifamily Structure	$50,000	$100,000
Lower Income	➔	Rental Apartment / Multifamily Structure	$30,000	$50,000

Our analysis shows that Park City does a very good job developing and partnering with developers to generate affordable rental housing units for lower income households (those with incomes below $50,000). In fact, Park City currently accommodates twice its share of the region's renter households – and over three times its share of renter households with incomes between $25,000 and $50,000, a tangible illustration of Park City's genuine commitment to this issue. (This is in stark contrast to Snyderville Basin and North Wasatch, which both provide just a very small fraction of their shares of rental housing for these households.)

Share of Region's…	Park City	Snyderville Basin	Rest of Summit County	North Wasatch	Greater Heber
Renter Households	**1.92**	**0.62**	**0.91**	**1.41**	**0.94**
with Incomes less than $25,000	***1.29***	***0.42***	***1.40***	***1.39***	***1.09***
with Incomes $25,000 to $49,999	***3.13***	***0.18***	***0.76***	***0.15***	***1.01***
with Incomes $50,000 to $74,999	***0.92***	***0.63***	***0.73***	***1.82***	***1.46***
with Incomes $75,000 to $99,999	***2.90***	***1.07***	***0.71***	***0.13***	***0.34***
with Incomes $100,000 to $149,999	***1.04***	***1.57***	***0.57***	***5.73***	***0.30***
with Incomes $150,000 or more	***2.03***	***1.53***	***0.83***	***2.33***	***0.04***

Sources: 2007-2011 American Community Survey, czbLLC.

While successful, this effort unfortunately constitutes the entirety of Park City's housing strategy. At present, the city's housing strategy does nothing to address the growing needs of moderate- and middle-income households, needs that must be met if Park City is to remain a "real life town."

What is needed now is an expanded, deliberate, three-part housing strategy – focused on providing 1) rental housing for the lowest income service sector workers, 2) rental and for-sale multifamily options for moderate income households, and 3) affordable single-family homes with yards for middle income households – that will rely on a range of partners, financing mechanisms, and housing products.

Income			Tenure Type	Rents/Price		Density
Low	15,080 19.6%	50,220 65.3%	Rental Apartments Developed w Federal Housing Tax Credits	419	1,395	24-30
Moderate	50,220 65%	100,000 130%	Condominium Ownership in Moderately High Density Developments (12-30 du/a)	175,770	350,000	12-30
Middle	100,000 130%	150,000 195%	Fee Simple Ownership of a Detached Home w a Yard in Moderate Density Developments (8-11 du/a)	350,000	525,000	7-9

To reach lower income households, Park City should continue, for the most part, doing what it has been doing: making effective use of federal low income house tax credits to generate high quality affordable rental apartments for service sector workers. To both catch up and keep pace with projected population growth, Park City should be producing an average of 8-9 new affordable two- and three-bedroom apartments per year for the next 20 years, while maintaining current deed restricted supplies. This will yield 170 new units which, combined with 714 existing affordable rental units, will maintain Park City's appropriate balance of supply and demand. The target range for these apartments' rents should be between $400 and $1,250 per month, or affordable to households with incomes between approximately $16,000 and $50,000 (or at about 20% to nearly 70% of AMI). Every effort should be made to ensure that these units are strategically located throughout Park City - easily accessible to centers of service-sector employment and not overly concentrated in particular neighborhoods. Over 20 years, this is a $25-30M endeavor primarily financed with tax credits, rents, and RDA funds. At an estimated average density of between 24-30 units per acre, Park City will need to find and dedicate 6-8 acres over the next 20 years to meet this need.

The city's new efforts aimed at moderate-income households (those earning between $50,000 and $75,000 per year) would largely target single professionals, young professional couples, and empty nesters. According to survey results and focus group feedback, these households are looking for "multigenerational neighborhoods" and "smaller units for seniors and empty nesters who want to downsize from a full-size family home to a smaller property," and units in or close to Historic Old Town (Senior Focus Group participant; Survey respondent). Appropriately priced rental units and for-sale condominiums – with key amenities, and in a walkable, well-designed, mixed-used setting – would satisfy these households' housing needs and demands.

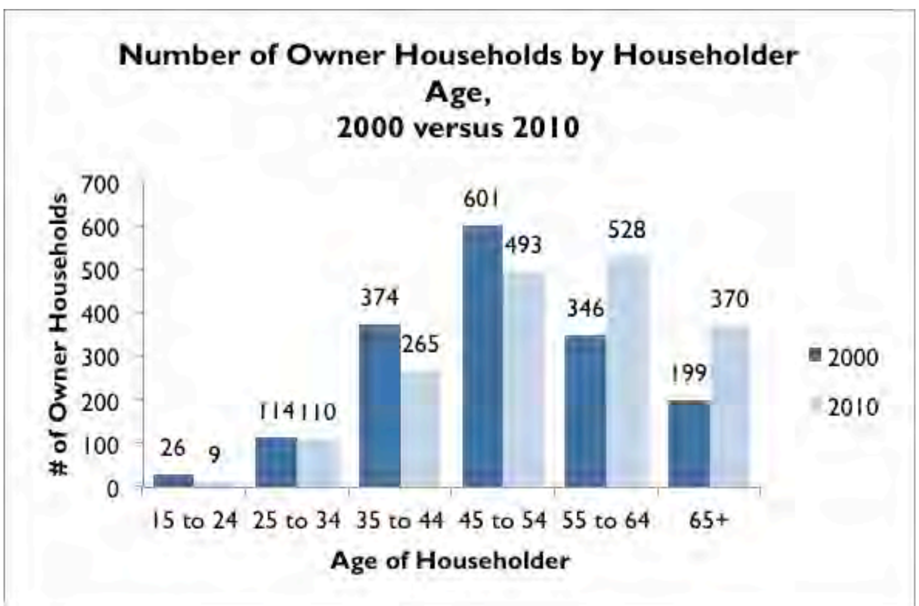
To both catch up and keep pace with projected population growth, Park City should be incentivizing the development of an average of 36 new affordable one- and two-bedroom apartments and condominiums per year for the next 20 years. This would yield 720 new moderately priced units. In 2012 dollars, target rent levels and price points for the products aimed at this cohort should be between $1,250 and $1,875, and $175,000 and $350,000. The ideal locations for these units are Bonanza Park and Lower Park. These places are where increases in height and density can be accomplished, where development can be profitable to the private sector with height and density bonuses, and where, geographically, moderately dense development can be tightly choreographed to coincide with office and retail to generate the necessary package of amenities, walkability, and profit. This represents an approximately

$190M effort over 20 years, primarily financed with private mortgages and cost reductions enabled by height and density bonuses that Park City will have to provide to developers. At an estimated average density of 24 units per acre, Park City will need to dedicate approximately 30 acres over the next 20 years to complete this component of its three-part housing strategy.

As ambitious as these goals may be, it is quite an accomplishment already that Park City is now poised to achieve them. The city addresses the rental housing needs of households earning less than $50,000 a year very well. And the redevelopment plans for Bonanza Park and development plans for Quinn's Junction suggest that the city is already exploring the role that height and density agreements might play in making space available for additional rental and for-sale multifamily properties in mixed-used settings. So long as Park City does not stop its efforts to create low income rental housing, or back off from its plans to transform Bonanza Park and eventually Lower Park into mixed income, moderately dense, three dimensional neighborhoods, meeting these two critical tiers of the city's new expanded housing strategy is well within reach – and these successes will contribute greatly to making Park City more diverse and sustainable.

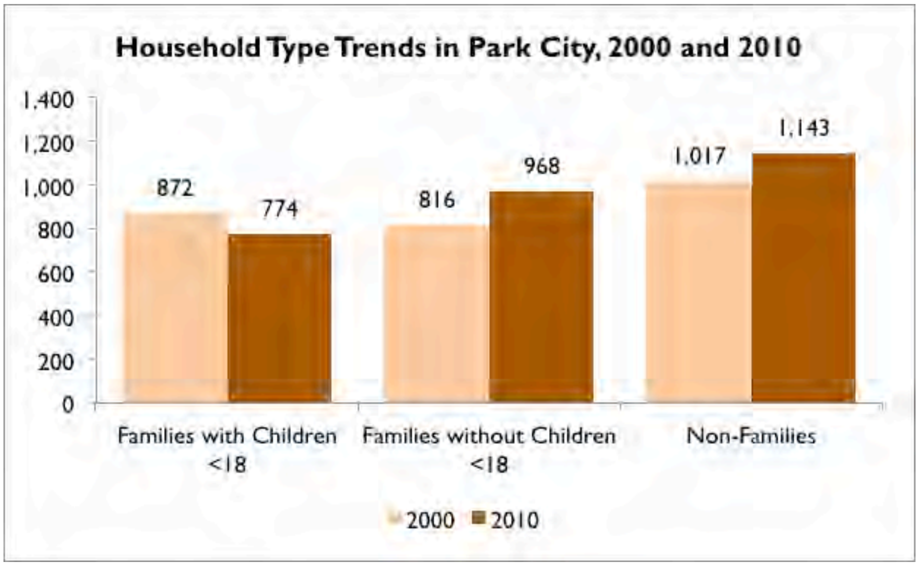
What looms largest – and furthest from efforts already underway – is the challenge of meeting the housing demands of middle-income households. Unlike the moderate-income single and young professional couples and empty nesters, who want smaller units with less to maintain, these middle-income households (typically families with children) want single-family homes and yards.

These are exactly the families that Park City is increasingly losing in today's market. Between 2000 and 2010, the number of owners under 55 fell; declines were greatest among owners aged 35 to 44 and 45 to 54. In contrast, the number of owners over 55 rose dramatically: the number of owners aged 55 to 64 increased by 52%; the number of owners over 65 nearly doubled (from 199 to 370).



Sources: 2000 and 2010 U.S. Censuses, czbLLC.

At the same time, the number of family households with children living in Park City declined by nearly 100 (from 872 to 774) while the number of families without children under 18 increased by roughly 150 (from 816 to 968).



Sources: 2000 and 2010 U.S. Censuses, czbLLC.

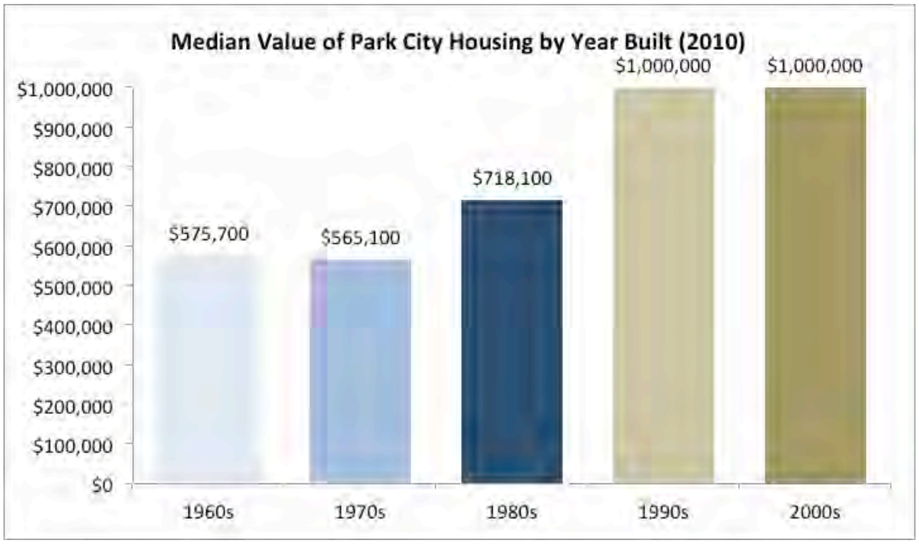
Another illustration of maturing families not being replaced by younger ones: Over the course of the 2000s, the number of city residents enrolled in Kindergarten through twelfth grade declined by more than 200 (from 1,324 to 1,121).

	Park City		
	2000	2010	Change
Kindergarten to 12th grade	1,324	1,121	-203
Kindergarten	83	55	-28
Elementary: grade 1 to grade 4	363	324	-39
Elementary: grade 5 to grade 8	407	358	-49
High school: grade 9 to grade 12	471	384	-87

Sources: 2000 and 2010 U.S. Censuses, czbLLC.

This is the crux of the housing challenge in Park City today and in the future, and it should be the core of the city's housing strategy going forward. These middle-income families want three and four bedrooms and they want a yard – even if modestly sized. If the market is not providing that in Park City at a price they can afford, they will continue to find it elsewhere, and will continue to settle on a 15-20 minute commute as part of the deal. If Park City wants these families to live in Park City, which is necessary for the city to remain "a real life town" on the one hand, and to have the light carbon footprint residents *say* they want on the other, it will have to find a way to provide some version of this desired housing product to do so.

This is especially important because Park City is both falling behind on producing such units *and also* increasingly losing the affordable single-family homes it currently has – those older homes largely clustered in Park City's year round neighborhoods (Park Meadows and Prospector). Citywide, over one-third (37%) of all single-family homes were built before 1980; those built in the 1960s and 1970s have median values well below those built more recently – particularly those built since 1990 (which have median values over $1 million).



Sources: 2010 American Community Survey 5-Year Estimates, czbLLC.

Anecdotal evidence from recent surveys and focus groups suggests that these homes have been maintained but not significantly upgraded since they were built. As a result, these units are now proving hard to market at the prices they are offered. Rather than purchasing a smaller, older unit with few upgrades, middle-income families are moving elsewhere in the region into new, larger units with more amenities. Builders in the region have predictably figured this out, and land use and zoning in the region have predictably aligned with this; hence Snyderville and the rest of Summit County have more than their fair share of these families, and Voila: the very sprawl so anathema to Park City's sensibilities.

While these homes may not be appealing to middle-income buyers (of the four properties in older Park City subdivisions in Park Meadows currently listed for sale, three have been on the market for over one year), they are sitting on land with significant future value.

When these properties do transfer, it is unlikely that they will find the *right (desired) buyer* – another year-round, middle-income family household who will help maintain the community of permanent residents. Far more likely to buy will be higher-income households – likely seasonal owners – planning to tear down the existing structure, and replace it with a new home that is significantly larger than the one it replaced.

In Park Meadows Subdivisions #1, 2, and 5 (see maps), for example, replacement units average one-and-a-half to two-and-a-half times the size of original homes in the neighborhood:

The value of these replacement homes is substantially higher than the value of the original homes, removing an affordable ownership opportunity and influencing the price of nearby units and throughout the Park City market to a significant extent.

This moves the city only further from its goal of housing its "share" of the region's middle-income homeowners and further – and irretrievably so – from the community it is today, the one that Park City residents have built, to something else.

In the face of all this, we see improving the quality while maintaining (and even increasing) the affordability of these older units in certain older subdivisions as a key opportunity to increase the city's supply of affordable homeownership housing geared toward middle-income families.

The objective of this component of the city's expanded affordable housing strategy will be to 1) **acquire and consolidate the parcels** in targeted subdivisions; 2) **redevelop these sites** (at higher densities and with newer products); and 3) **provide these new products at affordable prices**.

In other words, the objective is to turn existing, low- and moderate-density single family housing (that suited young families when it was built but no longer does, and which is increasing becoming home to empty nesters), offered at a price of $600,000 to $800,000, into an appealing (marketable) product for today's middle income families who want a new house and a yard but who can only afford a price range of $350,000 to $700,000.

Theoretical Opportunity

It is clear that the magnitude of the affordability challenge now facing Park City is substantial. Park City has become more Aspenized than even Aspen. It has also been made clear that there are a finite number of variables that Park City – or any community – can put to use attempting to address this challenge.

To reduce the cost of housing, one area that can be influential is soft costs (interest rates, project planning and design). This is helpful, but ultimately of only nominal impact on cost reduction. Another area is hard costs. Hard costs are the costs of the materials and labor, and these can be reduced by making units smaller and by specifying less expensive materials and methods. This is useful, and will have more of an impact than soft cost reduction, but overall – especially in an expensive market like Park City – will reduce final costs to the buyer or renter only somewhat. The real gains are made through density and height, which allow for more units per acre, because land costs are spread further.

As previously noted, Park City has applied these cost reducing techniques very well in its utilization of the low-income housing tax credit program to deliver high quality affordable rental units for low income workers. And as noted, we strongly encourage Park City to continue that focus, both in preservation of existing units, and in creating new housing as well.

To maintain Park City as a genuinely year-round community, it will be necessary to encourage the development of neighborhoods and homes designed to be appealing and affordable to middle income families with many other great choices outside of Park City. There are not a lot of options for achieving this, but there are some.

One example would be to convert the city's golf course at Thaynes Canyon Drive into a mixed-use development containing a range of housing types at various price points. With an average density of seven dwelling units per acre, this could yield as many as 450 new homes, making a very significant impact.

It is an option that would challenge the city to make hard choices regarding priorities. On the one hand, the public golf course is a valuable economic development tool. It is also space that in its current form preserves important sight lines that themselves are critical quality of life ingredients in Park City. On the other, it is one of a small number of sites where development costs can be manipulated to create affordable outcomes, thereby both helping to *Keep Park City Park City* and mitigate sprawl. In making a choice about the future disposition of the public golf course then, Park City would really be making a choice about what is more important: affordability and having a year round community, or golf and view sheds.

In addition to the redevelopment of the public golf course as an example of one possible approach to take, the longer-term redevelopment of other existing neighborhoods is useful to consider.

The best location for a larger-scale undertaking is likely Park Meadows. That is where a combination of older, harder-to-market homes and seasoned mortgages makes such redevelopment, while complex, imminently possible.

Giving attention to a redevelopment effort in Park Meadows, for example, and on the approximately 400 properties in five older subdivisions there (which cover roughly 600 acres), becomes a very substantial way to address the significant affordability challenge Park City faces, especially if considered over a 40 year timeline. Over four decades, these subdivisions could be redeveloped to provide denser detached and semi-detached units as well as some senior housing.

Increased densities can help reduce the cost of individual units, but it is unlikely that density alone will be enough to make these new units affordable to households earning between $75,000 and $150,000 a year. To bridge the remaining cost gap, we recommend that Park City utilize a land trust in this area to purchase, hold, and lease the land under the redeveloped units. We have determined that the combination of densities high enough to reduce construction costs yet low enough to allow for sufficient yards, along with a land trust, can provide homes with marketable amenities and sales prices between $350,000 and $525,000.

There are several sites that might accomplish this. Redeveloping portions of Park Meadows over a long period of time is an illustration of how Park City could take a comparatively soft submarket of year round residences that will eventually become second homes, and program its future to be both year round and affordable for middles income families. Park Meadows provides a specific example of how deliberate acquisition and infill redevelopment could, over 40 years, transform a handful of older low-density single use developments into a vibrant set of new neighborhoods.

Such a hypothetical long-term effort would involve repurposing certain strategically located publicly owned parcels, probably acquiring and repositioning the golf course, and then obtaining site control of properties in five to seven subdivisions.

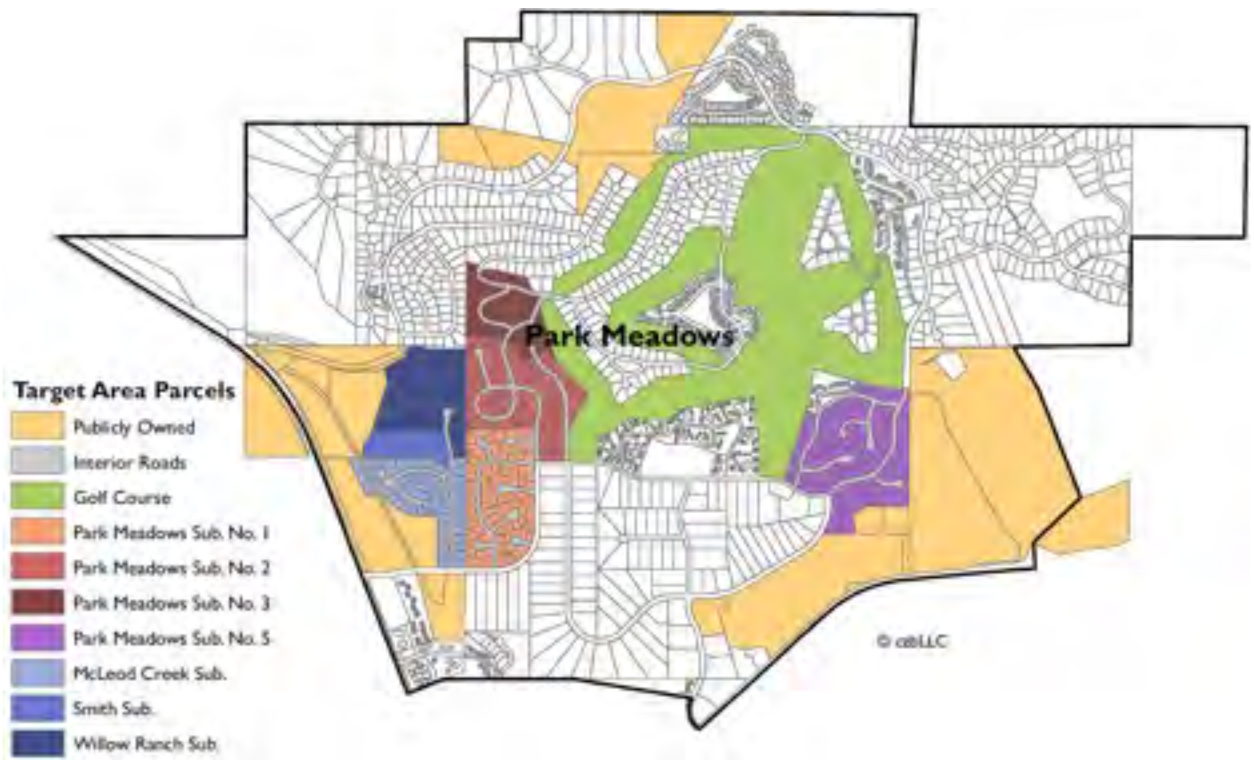
An effort of this magnitude would be approximately $1.1B in housing development activity. It would be primarily financed with private mortgages and cost reductions enabled by specific density increases and reduced land costs that Park City would have to convey to developers through new zoning and the creation of a land trust mechanism.

Park Meadows: Example Case Study

It is clear that the magnitude of the affordability challenge now facing Park City is substantial.

czbLLC proposes that Park City think about strategically repositioning the oldest subdivisions in Park Meadows for redevelopment.

These subdivisions include Park Meadows 1, 2, 3, and 5, and McLeod Creek. (It may also make sense to target Smith and Willow Ranch due to their location – one that could better link Park Meadows 1 and 2 to Old Town.)



The bulk of the parcels in these subdivisions are developed single-family lots. These subdivisions are near a significant amount (293 acres) of publicly owned land and also a privately owned golf course (180 acres), some of which may be appropriate to redevelop. Portions of publicly owned areas that are designated open space could not be developed, of course, but would, naturally, remain as amenities to offset denser development than now exists. The school district's land in the neighborhood should be considered in such a concept as well.

Category	# of Parcels	Acreage	Market Value (Land)	Market Value (Improvements)	Market Value (Total)	Tax Value (Total)	Total Taxes
Publicly-owned Parcels	25	293.3	$0	$0	$0	$0	
Interior Roads	10	26.6	$0	$0	$0	$0	
Golf Course	1	179.7	$1,170,585	$5,049,376	$6,219,961	$6,219,961	$55,656
Privately-owned Vacant Parcels	13	11.8	$2,529,594	$1,014,647	$3,544,241	$2,294,188	
Privately-owned Developed Parcels	354	135.5	$62,201,625	$142,417,998	$204,619,623	$124,086,027	$1,096,877
Total	403	647.0	$65,901,804	$148,482,021	$214,383,825	$132,600,176	$1,152,533

Note that the publicly owned parcels contain bond-financed acquisitions that prohibit future development, military owned property, designated trailheads, and areas owned by the Park City School District.

Sources: Summit County Assessor's Office, czbLLC.

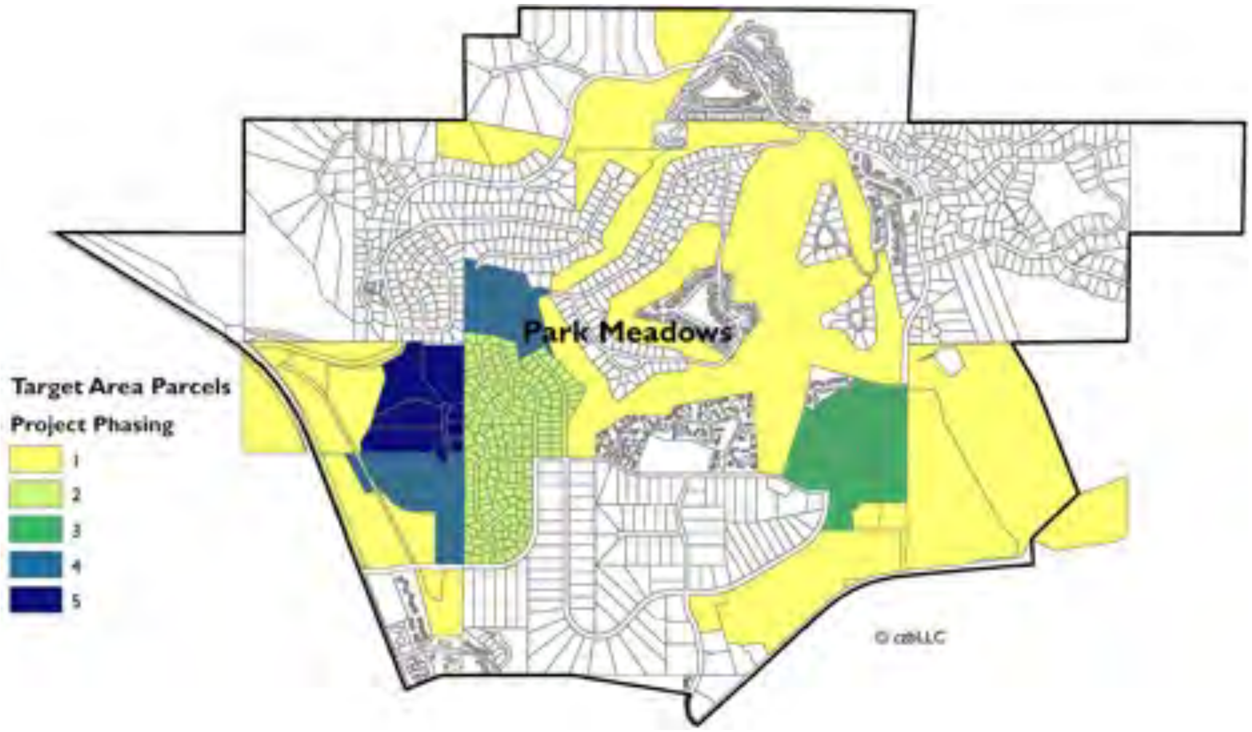
If Park City were to consider undertaking a decades long redevelopment of an area like Park Meadows, we would propose starting with a master plan for the developable publicly owned land and the acquisition of the Golf Course (Phase 1; five years).

A second phase would include the acquisition of properties or development rights for 174 properties in Park Meadows Subdivisions #1 and #2.

Phase 3 (initiated five years after the start of the effort) would focus on the 94 parcels in Park Meadows Subdivision #5.

Phase 4 (also starting five years after project inception) would address the 92 parcels in McLeod Creek and Park Meadows Subdivision #3.

An optional Phase 5 could focus on Smith and Willow Ranch (if appropriate).



Of greatest importance is the fact that Park Meadows is now at inevitable risk of redevelopment by the private sector in ways certain to result in the eventual loss of the bulk of Park City's middles class family housing stocks. The land is too valuable to the market to keep Park Meadows in the middle in perpetuity. For this reason, *not* redeveloping Park Meadows is every bit the decision that redeveloping it would be.

Location	Phase	Years	Current Use	Parcels	Acreage	Strategy/Action	Description of Future Use
Public Land (Eagle Point)	1a	0-1	Vacant Land	4	45.9	Subdivide and Sell (Sending Area) to support development in other areas	Assumes subdivided into parcels .5 to 1.5 acres (the current average and median/mode among developed Eagle Point parcels) which would allow for the development of 30 to 90 future units.
Public Land (Other)	1b	0-1	Vacant Land	21	251.8	Strategic Planning	These areas will be strategically used for additional units (for-sale (5-9 units per acre) and senior housing (8-12 units per acre)) or green space to complement development in the adjacent subdivisions
Golf Course	1c	0-5	Golf Course	1	180.0	Acquisition and redevelopment	Portions of this property will be redeveloped with clustered senior housing (8-12 units per acre); the remainder will be converted into active or passive greenspace.
Park Meadows Subs. 1 and 2	2	Ongoing	Single-family housing	174	51.0	Acquisition (through property swaps (in exchange for units in new senior development), purchasing development rights/land, waiving tax collection, in exchange for equity in the deal, etc.) and redevelopment	The current density in these subdivisions is roughly 3.5 units per acre. The goal is to increase this to at least 5 units per acre, or a minimum of roughly 250 units (an increase of 75 units).
Park Meadows Sub. 5	3	Ongoing	Single-family housing	94	35.2	Acquisition (through property swaps (in exchange for units in new senior development), purchasing development rights/land, waiving tax collection, in exchange for equity in the deal, etc.) and redevelopment	The current density in these subdivisions is 2.7 units per acre. The goal is to increase this to at least 5 units per acre, or a minimum of roughly 175 units (an increase of 81 units).
Park Meadows Sub. 3 and McLeod Creek	4	Ongoing	Single-family housing	92	33.9	Acquisition (through property swaps (in exchange for units in new senior development), purchasing development rights/land, waiving tax collection, in exchange for equity in the deal, etc.) and redevelopment	The current density in these subdivisions is collectively 4 units per acre (3 units per acre in Park Meadows #3 and 2.5 units per acre in McLeod Creek). The goal is to increase this to at least 5 units per acre, or a minimum of roughly 170 units (an increase of 78 units).

Conclusion

A response this bold is in order because the housing affordability problem Park City now faces is so serious. Between the Vail that Park City does not want to be (because of aesthetic concerns) and the Aspen that Park City has nearly become (because of trends in seasonal ownership and housing costs), there is only one way to successfully move forward: the development of moderate density neighborhoods designed to be appealing to middle income families with lots of other great choices located outside of Park City. The best location for this type of undertaking is likely in sections of Park Meadows, where the combination of older, harder-to-market homes and seasoned mortgages makes such redevelopment, while complex, imminently possible. But other locations should be considered. The key is going to be land costs, the single most important driver of affordability, one shaped by height and density and location.

Park City does not have to be Vail, which it abhors. But in avoiding becoming Vail, it has come right up to the edge of becoming Telluride or Aspen, which Park City also loathes. The margin between dense, high, and ugly (Vail) and historic, charming, and beautiful (Aspen) constitutes the smallest imaginable room in which to operate. In effect, this requires something of a Goldilocks strategy, that is, finding the sweet spot for density, height, authenticity (preservation), views, and open space that will result in both charm and affordability. Santa Monica, Aspen, and Telluride blew it. Breckenridge is blowing it. Charleston, Boulder, Chapel Hill, and others did not even try. Not really. Park City can do this, and in Visioning in 2009 said it wants to and is ready for the challenge. What is needed will be an aggressive strategy to sequence and stage various phases of acquisition and redevelopment over 40-50 years. This will require about $1B in forward commitments to fund land and property acquisitions and the purchase of development rights or the option to buy certain parcels at a later date; to cover the cost of holding the land in anticipation of possible redevelopment; and to subsidize units' ultimate resale prices.

It will require the establishment of a land trust with the capacity to acquire roughly $300M in land over four to five decades (at current dollars). It will require modifying the zoning of older, established Park City subdivisions from an average of 3 to 4 units per acre to between 7 and 9 units per acre. It will require the development and use of a range of acquisition tools to purchase development rights. Both urban design and architectural issues are especially crucial for success. Therefore, along with zoning changes, there should be accompanying focus on redesigning the neighborhoods to enhance community amenities (like passive and active green space), improve linkages between the neighborhoods and nearby mixed-use and commercial zones, and improve the design of individual units and streetscape elements more broadly.

This clearly constitutes a major shift in how to think about affordable housing in Park City, if not in Utah, which has historically focused narrowly on the lowest income workers and their families. Park City does this admirably well and, as noted earlier, should continue to do so, both through preservation and new construction. But the market has evolved in Park City to the edge of an affordability cliff so resembling the Aspen market that without a serious commitment to the middle, Park City's affordability gap for moderate- and middle-income households will soon become too costly to mitigate.

Of course, no one has a crystal ball. But the data strongly suggest that the looming future for Park Meadows - affordable today as the foundation of a hedge strategy to achieve middle class affordability going forward - is as the certain site of tear downs and new seasonal construction, just as not so long ago, Old Town experienced oversize infill to meet market demand. Without an intentional strategy to redevelop affordably, Park City will be more Aspenized than Aspen.

References

Voith, R. P. and S. M. Wachter, 2012. The Affordability Challenge: Inclusionary Housing and Community Land Trusts in a Federal System.

Inclusionary housing and community land trusts (CLTs) are two mechanisms used to increase the stock of affordable housing. This chapter examines the potential of these mechanisms to provide long-term ("durably") affordable housing in the United States, where there is strong local government and significant competition among local jurisdictions. In particular, it assesses the role of land value capture in enabling these mechanisms to provide for such housing.

Pooley, K., Buki, C., and Knowlton, T, 2012. Balanced Growth Strategy Outline; Analysis and recommendations to the Park City Municipal Corporation

Analysis of regional growth trends and forecasts as basis for developing an inclusionary policy across multiple Summit and Wasatch County jurisdictions.

The Affordability Challenge: Inclusionary Housing and Community Land Trusts in a Federal System[1]

Richard P. Voith and Susan M. Wachter

Inclusionary housing and community land trusts (CLTs)[2] are two mechanisms used to increase the stock of affordable housing.[3] This chapter examines the potential of these mechanisms to provide long-term ("durably") affordable housing in the United States, where there is strong local government and significant competition among local jurisdictions. In particular, it assesses the role of land value capture in enabling these mechanisms to provide for such housing.

The preservation of affordable housing has vexed policy makers, community leaders, developers, and housing economists. Policy makers find themselves torn between two goals: (1) creating as much affordable housing immediately; and (2) creating housing that remains affordable for a longer period of time. The literature on the expiration of affordability restrictions provides evidence of this dilemma. Recent literature focuses on rental housing constructed with support from the federal low-income housing tax credit (LIHTC) program, where restrictions first expired in 2002.[4] This problem parallels the expiration of affordability restrictions on earlier federal housing projects. In comments on

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[1]We thank Rachel Bratt and John Davis for their helpful input on an early draft of this chapter. We also thank Yu-Hung Hong for his assistance and support. Any errors that remain are our responsibility. We also acknowledge the assistance of the Research Sponsors Program at the Samuel Zell and Robert Lurie Real Estate Center, Wharton School, University of Pennsylvania.

[2]For detailed discussions of community land trusts, see Davis (1994a, 2010).

[3]Housing is considered affordable if a household pays no more than 30 percent of its income on it. See the U.S. Department of Housing and Urban Development's definition of *affordable* at http://www.hud.gov/offices/cpd/affordablehousing/index.cfm.

[4]The program began in 1986 with an initial affordability term of 15 years. The term was later extended to 30 years. For an examination of this program and the issue of the expiration of affordability restrictions, see Meléndez, Schwartz, and de Montrichard (2008). Federal legislation to extend expiration was passed, but proved to be too expensive to implement. By 1997 the program had stopped functioning

an earlier version of this chapter, Bratt noted that “during the 1980s, the affordability requirements on a number of federal housing programs began to expire, thereby creating enormous problems for tenants facing eviction or substantially higher rents and for local public officials, eager to safeguard the affordable housing in their communities.”[5]

As the federal government withdrew its support of affordable housing during the late 1980s,[6] local actors, including cities and states, increased their role. The provision of durably affordable housing is, however, difficult and requires significant intervention in the housing market, especially in a federal system of government, where local governments are charged with delivering services and maximizing property values. Although there might be external benefits for sustaining a portfolio of affordable housing in all communities, such intervention is difficult when undertaken on the local level. This is especially true for affordable housing that is designed to be “durable”—that is, permanently available at a reduced cost. One only has to look at the political and economic incentives of the myriad players involved in the demand for and supply of housing, as well as the competition among communities for residents, to understand the challenge of sustaining such a portfolio.

Elected officials, for example, face conflicting demands to ensure affordable housing while at the same time preserving and enhancing home values. Communities have to balance the demand for public services with the resources (frequently property taxed based) available to fund the production of those services. Low- and moderate-income residents may place high demands on services while providing only modest resources to pay for them, while high-income households may substitute private services

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[6]For a broader overview of the history of affordable-housing policy in the United States, see Bratt (1989); Erickson (2009); and Schwartz (2010).

for public services. These considerations lead many higher-income communities to adopt low-density fiscal zoning that effectively prohibits the construction of housing suitable for low- and moderate-income households.[7]

Communities with a substantial stock of affordable housing often do not have sufficient resources to provide quality schools and adequate public services, and they may not attract sufficient capital to sustain the existing affordable stock. Moreover, when private investment is made in housing, values frequently rise beyond levels that are affordable for local residents. Thus, lower-income communities are confronted with the specter of either declining, unattractive, and unsafe communities with poor schools, or gentrification that may or may not deliver economic benefits to current residents.

Developers face a different set of challenges. Responding to housing demand in local communities, developers compete with one another to acquire land needed to produce housing. To successfully bid for land, developers must pursue the most profitable forms of development. In the context of a competitive development industry, excess profits flow to landholders. Thus, developers are constrained to engage in the most profitable forms of development, which usually do not include affordable housing. Moreover, developers often seek to maximize density, which is consistent with the provision of affordable housing, but they are typically thwarted by local zoning laws and

[7]Presumably, communities adopt fiscal zoning to preserve property values. Recent research indicates that there are no significant negative spillover effects of affordable housing on adjacent neighborhoods, suggesting that any perceived disamenities associated with affordable housing are not, in fact, evident in the housing market. For a detailed discussion of this topic, see Ellen (2008); Nguyen (2005); and Pollakowski, Ritchay, and Weinrobe (2005). This research does not, however, address the issue of whether municipal costs associated with affordable housing exceed the local tax revenues generated and thereby impose a fiscal burden on other municipal residents. Note that if affordable housing does create an additional fiscal burden, property values of the entire municipality, not just those of the adjacent neighborhoods, will be adversely affected.

approval processes that seek to minimize density, in part to fiscally exclude low-income households (Pollakowski and Wachter 1990).[8]

Families consuming housing services face intertemporal conflicts with respect to affordable housing. They want to have the benefit of low-cost housing, but they also want to reap the rewards of increasing land values as they help build attractive communities. In addition, more affluent families have an incentive to colocate with other families that have similar or higher incomes (or property values) in order to minimize their share of the fiscal burden of locally funded public goods such as education.

Because long-run national growth in real house price appreciation has been small at best, one might be tempted to ignore families' conflicting desires for affordable housing and future growth in housing wealth. This would be a mistake, for three reasons: (1) some relatively long periods of rapid house price appreciation, such as 2000–2006, have had important impacts on affordability and household wealth; (2) given the historically high leverage in the housing market, even small growth in real prices can yield high returns; and (3) average returns may mask significant differences in returns across geography. With respect to the third point, if communities with large supplies of affordable housing are systematically disinvesting in property, it is also true that these properties are poor vehicles for accumulating household wealth.

Attempts to balance the concerns of political leaders, communities, developers, and households have led to a wide variety of approaches toward producing affordable housing that have met modest success at best. These approaches have included publicly produced and managed housing; publicly subsidized housing through down-payment

[8]By limiting the possibilities to develop affordable housing, city managers are responding to the demands of property owners, who aim to protect the value of their real estate investments. This is the "homevoter hypothesis" formalized by Fischel (2001).

assistance and low-interest mortgages; low-income tax credits and housing vouchers; rent control; and regulatory requirements at the municipal level, such as affordable-housing quotas, inclusionary housing requirements, and project-specific requirements to include affordable housing in market-rate developments. From a private perspective, community land trusts have been established with the specific mission of creating and preserving affordable housing.

For many communities, however, the main efforts with respect to affordable housing have been and continue to be to oppose the provision of housing that low-income or even moderate-income households can afford. Many communities with higher-income households are loath to risk added municipal costs for the residents of low-cost housing, although some wealthy communities have adopted policies encouraging affordable housing (presumably in recognition of potential benefits in terms of lower employment costs for modest-income occupations). Communities with a larger fraction of low-income residents are more open to policies encouraging affordable housing, but in many cases they lack the resources to provide public services for their residents.

The inability of local communities to successfully address the issue of affordable housing is not surprising. In many respects affordable housing is a classic externality problem that needs to be solved at a government level capable of internalizing the cross-jurisdictional externalities—which suggests a higher level of government than the local municipality.

In this chapter, we look at the economics of affordable housing—in particular, the economics of preserving affordable housing and the role of land value recapture in facilitating this—in the context of a federal system of government. We examine affordable-housing policies in New Jersey and Massachusetts over the past 35 years, as well as policies in other selected localities that have adopted inclusionary housing. We also discuss community land trusts in the United States and compare them with their counterpart in the United Kingdom.

The Economics of Affordable Housing in a Federal System of Government

The problem of affordable housing is not so much one of quantity as it is of distribution.[9] There are many communities in the United States where housing is very inexpensive, but these locations often suffer from a lack of economic opportunity, poor public schools, and unsafe environments. In fact, one might argue that the greatest supply of affordable housing in the United States is in communities that have become sufficiently unattractive to drive housing prices low enough for low-income Americans.

The unbalanced distribution of affordable housing that currently characterizes the U.S. housing market may entail significant economic and social costs. Sorting by income and house value is likely to result in long, expensive commutes for modest-income households, insufficient resources to provide public goods in modest-income communities, and a lack of social cohesion within and across communities. Some of these issues, such as commuting costs, might be priced into wages. Others are likely to manifest in less benign ways. In most communities, affordable housing also means house prices that are below replacement costs, so neither residents nor landlords will invest to preserve the affordable-housing stock.

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[9]In this section, we focus on affordable housing rather than community land trusts (CLTs) because U.S. housing policy has focused more on legislation attempting to increase affordable housing than on creating CLTs, an alternative approach to the issue.

Economists have argued that the affordable-housing problem is a consequence of supply-side regulations (zoning, building codes, regulatory processes, impact fees, prevailing wage rules) and natural constraints on the number of buildable sites that have increased the costs of housing production and human capital deficiencies, whereby some households do not have sufficient marketable skills to generate wages high enough to afford housing. Economists' policy response to this diagnosis is to reduce those regulatory constraints on housing supply that raise the cost of housing and to enhance the marketable skills of low-income households over the long run. The basic assumption behind the policy recommendations is that if all supply constraints were eliminated, the market would efficiently deliver housing at the lowest possible cost, and that distributional issues are best addressed through direct income transfers and human capital investment.

Economists' recommendations with respect to affordable housing have not carried the day, either economically or politically. The reason for this failure lies in three fundamental realities of housing: (1) housing is immobile and durable, but households are mobile; (2) Tiebout competition among communities for mobile households creates a tendency toward homogeneous communities and free rider problems that result in the underprovision of public goods; and (3) land prices in well-located, desirable communities often increase faster than wages in low- and moderate-wage occupations, creating a need for hedging against future housing price increases. These three aspects of housing create a web of incentives that frequently make it impossible to create a workable political consensus at the local level to effectively address the production and preservation of affordable housing.

Immobile, Durable Housing and Mobile Households

Because housing is a long-lived, durable asset, the distribution of affordable housing is largely an artifact of changing development processes over time. The dramatic growth of cities in the first half of the twentieth century was accompanied by the rapid expansion of high-density, modestly scaled housing in central cities. The second half of the twentieth century brought dramatic changes: the rapid decline of many older central cities, the rapid growth of suburban areas, competition among jurisdictions in metropolitan areas for residents and tax bases, and the rapid growth of new, low-density central cities in the South and West. Encouraged by rising incomes and significant housing subsidies (subsidies that increased with income), larger houses on large lots became the norm for development. Fiscal zoning in suburban communities reinforced this trend. The consequence of the shift in development patterns was a concentration of affordable housing in older, declining central cities while employment opportunities were shifting to the suburbs. The concentration of affordable housing in declining central cities gave rise to significant differences in political outcomes between cities and their suburbs. Lower-income city residents were more interested in the provision of city services, which were often redistributive in nature, while residents of suburban communities were focused on preserving homogeneity and property values through fiscal zoning. Thus, cities tended to be more sympathetic to the need for affordable housing, but they could neither fiscally sustain services nor prevent physical decline in their real estate assets.

The underlying forces affecting development patterns are shifting once again. Most of the trends driving the decline of older cities—including the rapid expansion of highway capacity, low suburban development costs, tax policies supporting suburban housing growth, and the decline in urban manufacturing employment—have run their course, and cities are stabilizing or growing once again. This shift poses new problems for housing affordability (Voith and Wachter 2009). Cities that attract significant investment will no longer be viable sources of affordable housing for low-income households, so the housing affordability issue from a metropolitan perspective is likely to become more acute. This worsening phenomenon in central cities is likely to be partially offset by a return to fundamentals in the housing market, which has already lowered prices—but these improvements in affordability may be offset by increased financing costs.

Tiebout Competition Among Communities

Households choose communities when selecting a home. Tiebout-like sorting leads to communities that have relatively homogeneous incomes and correspondingly homogeneous house prices. Some communities specialize in housing for high-income residents, while others specialize in lower-income residents. This can lead to both an underprovision of local public services and, in the context of affordable housing, excessive costs to local residents. In particular:<BL>

- Lower-income communities may not have sufficient resources to provide quality education or maintain social cohesion, both of which are likely to have negative consequences that will spill over into neighboring communities.
- Lack of affordable housing in higher-income communities means that workers—police, fire, clerical—in lower-paying jobs will be forced to

commute longer distances from other communities, which will ultimately drive up costs for the higher-income community.

The Tiebout sorting process, however, is unlikely to generate the conditions under which the negative consequences of a shortfall in affordable housing can be addressed by local governments. A community that subsidizes affordable housing, for example, is likely to incur the costs of providing affordable housing, while an adjacent community might reap the benefits, as its employees reside in the former community's affordable units. Thus, one community can free ride on the other's investments in affordable housing. Ultimately, the community providing the affordable housing will be less desirable, with lower property values as a consequence of its unilateral policy choice.

Where the negative externalities associated with a lack of affordable housing are large enough, and where the geographic distribution of affordable housing is such that free rider problems are minimized, some local governments in high-income communities have found it beneficial to subsidize affordable housing and/or provide for long-term affordable housing. Presumably, wealthy communities tolerate the introduction of affordable housing because eliminating the negative externalities associated with a lack of affordable housing outweigh the costs and hence should increase the value of existing housing. In that sense, affordable-housing restrictions are a tax or value capture from owners of undeveloped land.

The ability to capture part of the value of undeveloped land is, in fact, a necessary condition for successful inclusionary zoning. Because inclusionary zoning imposes restrictions on developers that are not profit maximizing, developers can pay less for undeveloped land. The implications of this are twofold: (1) the value of undeveloped land will be diminished by the restrictions, and hence part of the value of the land will be captured to support affordable housing; and (2) inclusionary zoning can be effective only where vacant land holds significant value (beyond agricultural use, open space, or option value) that can be captured.

The interrelationship between value capture and inclusionary zoning has important implications for the potential for inclusionary zoning to spur affordable housing in urban and suburban communities. In declining urban communities where the costs of housing production have been greater than the market price of housing, there is virtually no role for inclusionary housing, because land value is essentially negative. Imposition of restrictions will not spur affordable housing and will likely reduce the construction of any market-rate housing.

There is increasing evidence that many formerly declining cities are stabilizing and growing once again (Voith and Wachter 2009). One key aspect of comeback cities appears to be that high density is associated with greater consumption opportunities, as well as the potential for increasing business and social contacts. To the extent that density is becoming more acceptable, and even desirable, there are opportunities to enhance the value of undeveloped land by increasing allowable density, which in turn will increase the potential for inclusionary housing in these cities.

While density appears to be more accepted in revitalizing cities, increasing density is still often vehemently opposed in suburban communities. After all, suburban residents have self-selected into low-density communities, and one would expect them to be predisposed to continued low-density development. Opposition to density means that inclusionary zoning will likely require more land value recapture from owners of undeveloped suburban land as compared to communities that allow greater density offsets with affordable housing.

Hedging Against Future House Price Increases and Incentives for Inclusionary Housing

Communities that enjoy advantaged locations and constrained land supply have a greater incentive to address housing affordability issues because land (and house) prices may grow more rapidly than labor income. These communities have a motive to hedge the risk that wages paid to low-income workers will not keep up with local or regional land values. Putting aside housing that will be perpetually affordable is therefore a public good externality. The community expects housing to go up; therefore, either employers will have to pay higher wages or the community will have to subsidize housing at ever-higher levels. Communities can offset potentially higher labor costs or higher claims on the public purse tomorrow by putting aside housing today and preserving its affordability far into the future.

Even when communities choose to mandate affordable housing through inclusionary techniques and can do so based on the potential for land value recapture, there are at least two serious challenges to the preservation of affordability over time. One concern is whether there is sufficient return on investment to allow owners of inclusionary housing to reinvest in it so as to maintain the quality of that housing over time. If the production cost of housing (excluding land) exceeds the flow of actual or implicit rents, newly created affordable housing will not be physically preserved over time; rather the capital will be consumed. Another concern is that the cost of achieving a "quantity" goal, such as seeking to ensure that 10 percent of new housing is affordable, could go up over time if land costs go up more than labor costs, because in that region the return to land is higher than the return to human capital. This would require that a larger share of the community's resources be devoted to affordable housing over time.

Attempts to hedge the future costs of housing are difficult in an environment of competitive communities. There is a conflict between short-run maximization of tax revenues, where localities want to see housing sold and resold at the highest possible market rates, and long-run optimization of community wealth, where the community wants to preserve affordable housing in an enduring way, thus offering below-market rates to low-income homeowners. It may be difficult, or even impossible, to achieve this long-run goal in a federal system of government, where localities compete for short-run maximization of tax revenues. For example, workers may live in affordable housing in one locality and work for lower wages in another locality. If cross-jurisdictional externalities are significant, competition among communities may drive out efforts to secure affordable housing.

The next two sections explore local strategies used to create more equitable housing markets: inclusionary housing and community land trusts (CLTs). Both rely on public-private partnerships to provide access to stable housing opportunities for households earning less than the region's median income, but there are important distinctions between them in the long-term preservation of affordable housing.

Inclusionary Housing at the State and Local Levels: Examples

This section briefly describes the legislative history of inclusionary housing in New Jersey and Massachusetts, the two states with the longest-standing and most comprehensive affordable-housing laws, as well as in Montgomery County, Maryland, and a few other localities in the United States.[10] The creation of permanently affordable housing is opposed by many communities in these areas, however. For example, many municipalities in New Jersey have taken advantage of regional cooperation agreements (RCAs), which allow wealthy communities to pay other communities to create affordable housing in lieu of providing such housing themselves.

New Jersey

Inclusionary housing was established in New Jersey through a series of decisions made by the New Jersey Supreme Court throughout the 1970s and 1980s. Collectively known as the *Mount Laurel* decisions, they outlawed zoning regulations that were unfavorable to affordable housing and required all municipalities to provide a reasonable opportunity for such housing. These decisions established a constitutional obligation for the state's 566 municipalities to provide for affordable housing and were expanded by the Fair Housing Act of 1985. The act also created the Council on Affordable Housing (COAH) to oversee the development of affordable units and determine the number of units that each municipality needs to provide. Although each municipality is responsible for satisfying the state's requirement to create a reasonable opportunity for affordable housing, participation in the COAH process is voluntary from the municipality's perspective. As incentive, COAH offers communities benefits such as protection from builder's remedy lawsuits. Historically, roughly half of New Jersey municipalities have participated in COAH. According to recent research, 62,071 COAH units were created through March

[10]See Nelson and Watcher (2002) and Schill and Wachter (1995) for a discussion of affordable-housing policy and its interaction with local land use controls in the United States.

2009, with an additional 28,672 in the pipeline (Bratt 2012). Typically, COAH regulations have required affordable housing to remain affordable for 30 years, although COAH regulations also allow communities with high poverty rates to set a duration of only 10 years, presumably in recognition of their need to increase their base of market-rate housing.

The State of New Jersey has also assisted in the creation of affordable housing through its Special Needs Housing Trust Fund. According to the Fair Housing Act of 1985, affordable housing created with the assistance of this trust fund must remain affordable for 20 years. If the economic feasibility of the development project is in jeopardy, however, the period of required affordability can be shortened.

The *Mount Laurel* decisions and the establishment of COAH have been highly contested. The New Jersey legislature has on occasion attempted to abolish COAH and require instead that a flat percentage of all units built be reserved for affordable housing instead of giving COAH the authority to decide the percentage based on the municipality. In June 2010, the New Jersey legislature passed a bill to end COAH and require that 10 percent of the total housing stock in each town be set aside for affordable housing, essentially copying the Massachusetts approach described in the next section. The governor of New Jersey vetoed the bill, stating that he would approve the bill if the 10 percent rule applied only to new construction. In March 2011, the New Jersey Supreme Court announced that it would revisit the *Mount Laurel* decisions (DeFalco 2011).

Massachusetts

In Massachusetts the Comprehensive Permit Act, also known as Chapter 40B, was passed in 1969 to address the shortage of affordable-housing units in the state. It requires that 10 percent of all housing within a municipality be affordable for low-income residents.[11] Where this threshold is not met, the statute allows developers to appeal to the state for "density bonuses," which exempt them from restrictive zoning if they build housing that sets aside 20 to 25 percent of the units for low-income residents and has long-term affordability restrictions that run at least 30 years. Within a community with less than 10 percent affordable housing, if a development meets these requirements, it can be approved under state-level zoning rules for affordable housing.[12]

This law was originally conceived as a way to combat the kind of fiscal zoning described earlier in the chapter. Through state-level action, developers who propose low-income housing may do so whether or not such housing was desired by the local community. Nevertheless, the majority of affordable housing built in Massachusetts between 1990 and 1997 was constructed outside the Chapter 40B framework. Of the 114,000 units built during that time, approximately 20,000 met state standards to qualify as "subsidized," and only 5,000 units were created under the Comprehensive Permit Act (National Housing Conference 2002). Overall, progress toward the 10 percent goal has been slow. The number of communities meeting this standard increased only from 27 in 2001 to 39 in 2011 (CHPA 2011).

An increasing number of municipalities have adopted zoning provisions that explicitly promote the development of affordable-housing units in an effort to meet the

[11]For a detailed discussion of the Comprehensive Permit Act, see DeGenova et al. (2009), which also presents a series of case studies.
[12]Inclusionary zoning can be deemed constitutional because it advances a legitimate state interest and does not deny the owner all economically viable uses.

10 percent threshold and thus insulate themselves from possible state-level appeal. In 1988 only 20 of the 351 municipalities in Massachusetts had their own zoning mandates or provisions for affordable housing. By 1999, 118 cities and towns, more than one-third of all Massachusetts communities, had adopted additional zoning incentives for developers, creating a local zoning framework for affordable housing that lessened the attractiveness of developing under Chapter 40B (National Housing Conference 2002).

The local response, combined with long-standing resentment toward the law, caused the Massachusetts legislature to reconsider and revise the Comprehensive Permit Act. In 2008, in addition to the Massachusetts Department of Housing and Community Development issuing a revision of regulations and guidelines for affordable-housing development, the Massachusetts Supreme Court issued seven decisions in regard to the act. In November 2010, the Massachusetts Comprehensive Permits and Regional Planning Initiative appeared on the ballot as an attempt to repeal Chapter 40B. The debate was contentious, but the public voted to keep the act intact (CHPA 2011).

Montgomery County, Maryland

Local approaches to providing affordable housing can be successful where such housing may result in the provision of cheaper public services as a result of providing housing for key workers. As with all public goods in Tiebout competition, the benefits must be kept from spilling over into other communities. This requires an affluent community centered in a geographically large administrative area. Areas such as Montgomery County, Maryland, satisfy this condition, in part because they are significantly larger than a typical municipality, and hence destructive competition among municipalities is minimized. Local policy makers are able to use zoning to create incentives for local developers to create affordable housing.[13] Through the Montgomery County program, which was instituted in 1974, 12,000 affordable units were built by 2004 (Brunick 2008). The original Montgomery County statute only required a 5-year affordability restriction; this was increased to 10 years in 1981 and currently stands at 30 years for owner-occupied units and 99 years for rental units.[14]

Another Montgomery County initiative, undertaken in 1988 by the Housing Opportunities Commission, the countywide housing authority, appears to be an important rental-based strategy for the successful preservation of long-term affordable housing. As discussed by Bratt (2012), the commission purchases inclusionary units for long-term low- and moderate-income occupancy. Linking affordable-housing production to purchase by public housing authorities or nonprofit organizations may be a good option for regional initiatives.

Bratt (2012) found that in Montgomery County, many more inclusionary rental units than owner-occupied homes remain affordable through this initiative. Only 14 percent of the units built through the Housing Opportunities Commission inclusionary housing program, or about 1,700 units, were placed under public housing ownership and rented out, but they represent 43 percent of the units built through this program that are

[13]In addition offering to density bonuses in exchange for the provision of affordable units, regions can offer greater flexibility in the type of housing type provided, including the possibility of mixing multifamily homes and town houses. A study of 107 of these programs found that density bonuses were the most common cost offset, appearing in 92 percent of the programs (Bourassa and Hong 2003). Bonuses of up to 35 percent in units per acre were provided.

[14]For two-thirds of the units originally built, the affordability restrictions expired in xxxx, and they were converted to market rate before Montgomery County got around to amending its original inclusionary zoning ordinance to require longer affordability periods. The failure of the Montgomery County program to provide long-term affordable units prompted the Housing Opportunities Commission in Montgomery County and agencies elsewhere to require longer resale restrictions (Brown 2001). Bratt (2012) notes that the 30-year restriction period can be considerably longer in fact, since the home must be owned by a single owner for 30 years. If the home is sold during that period, the clock resets, and the new owner has to keep it for 30 years before the restriction expires.

still affordable. This experience demonstrates that inclusionary housing programs incorporating requirements to produce rental housing might obtain more durable results than those favoring for-sale schemes. This policy direction is discussed in relation to community land trusts later in the chapter.

Elsewhere in the United States

As in Montgomery County, many local governments have initiated inclusionary housing programs. These programs have arisen in strong housing markets where the lack of affordable housing has become an economic issue. The absence of such housing provides the leverage necessary to raise public support, and developers are willing to keep building because acquisition costs fall as the inclusionary housing requirements are capitalized into the price of land. Starting in the 1970s, municipalities in states such as Colorado and California began implementing such policies without state mandates (National Housing Conference 2004). As of 2004, up to 400 localities across the country hadintroduced some form of inclusionary housing program.[15] To entice developers to build more affordably, municipalities provide additional zoning flexibility, density bonuses, reductions in parking requirements, waivers of fees or taxes, and other incentives (Brunick 2008).

Overall, advocates for inclusionary housing have been successful in large part because of a local need to provide affordable housing for key workers, a scarcity of public funding, and partnerships (through flexible zoning) with developers. Although all of these programs generate housing units that are more affordable than their market-rate

[15]Of these, 170 were in California, where state law encourages inclusionary zoning (National Housing Conference 2004).

counterparts, many of the units eventually lose their mandated affordability and return to the market rate. Affordability periods required by inclusionary zoning programs vary significantly from one jurisdiction to another, but there has been a recent trend for municipalities to lengthen the period, with 30 years or longer becoming the norm.[16]

In the next section, we turn to community land trusts (CLTs), a potentially useful mechanism for providing affordable housing. When communities have difficulty perpetuating the affordability of housing created by inclusionary programs, CLTs may represent a viable option for preserving that housing (Bourassa 2006; Davis and Jacobus 2008).[17]

Community Land Trusts

In the United States, CLTs are intended as a mechanism to provide for the long-term stewardship of affordably priced owner-occupied housing, although the model is also being widely applied to the provision of rental housing and the development of

[16]One example is the Vermont Housing and Conservation Board (VHCB), a state-funded housing trust fund. To qualify for VHCB funding, projects must be permanently affordable (Libby 2010).

[17]Davis (1994b) points out that CLTs are part of a "third sector," forming a continuum between public and private ownership, with legal structures more conducive to the preservation of affordability than inclusionary housing programs are. Most like conventional private ownership within this third sector is the concept of the deed-restricted home, in which the occupant privately owns the home, but is limited in the sale price and choice of purchaser when he decides to sell. Most like traditional public housing is nonprofit rental housing. CLTs fall in the middle and may prove to be the best of the third-sector methods for preserving affordability. Others note that CLTs present a viable way of "decommodifying" housing, removing the land component of housing costs from the "speculative" market (Bourassa 2006; Stone 2006). As discussed in Bourassa (2006), non-CLT third-sector approaches have weaknesses that can be exploited to end affordability. Deed restrictions generally require third-party enforcement, since cooperative and condominium boards are controlled by residents, who have an incentive to eliminate limited equity provisions. Similarly, mutual housing associations and other forms of nonprofit rental housing do not offer guarantees of long-term affordability.

commercial buildings and community facilities.[18] There are, however, several limitations to their potential.

CLTs in the United States

The number of CLTs in the United States has doubled since 1992, when a federal definition of a community land trust was included in amendments to the National Affordable Housing Act.[19] In xxxx Fannie Mae developed a rider to be used in combination with a CLT ground lease when granting mortgages for resale-restricted CLT homes on leased land. This rider allows Fannie Mae to guarantee financing offered by banks for the purchase of homes in CLTs that otherwise might not be forthcoming (Reese 2008, 34). Even so, few CLT mortgages have been sold on the secondary market thus far.

A key component of the mission of CLTs is to perpetuate affordability, but the potential to achieve this goal may be limited due to the conflicting interests of members and potential members.[20] As members of a CLT, participants agree to provide current and future affordable housing for fellow participants; thus, they agree to the formula set in the ground lease, which is designed to give a "fair return on investment" (Reese 2008, 260). However, as homeowners, they want to be able to sell their property for the maximum

[18]CLTs trace their intellectual roots back to the work of Henry George and the concept of public leaseholds, which can have a similar ground-lease-based structure. For a general overview of public leaseholds, see Bourassa and Hong (2003).

[19]According to Jacobus and Abromowitz (2010), in 1992 there were about 200 CLTs operating in 42 states, maintaining about 5,000 housing units. As of January 2012, the National Community Land Trust Network listed 254 CLTs in 45 states and the District of Columbia (National Community Land Trust Network 2012).

[20]Part of a CLT's mission is to achieve a balance between a return on investment for present CLT homeowners and access to affordable units for future CLT home buyers.

price in order to make the most of their investment. From this arises a source of tension between the overall mission and the interests of participants.[21]

CLTs overcome barriers to affordable homeownership by removing the cost of land from the purchase price and by limiting the future price for which the home can be resold if the homeowner decides to leave the trust. CLTs extend affordability indefinitely in a way that most inclusionary housing programs do not. Typically, CLTs calculate resale prices based on some index, such as changes in the area median income (AMI) or the consumer price index (CPI), or on some percentage of the difference between the appraised value of the home at initial purchase and the appraised value at the time of resale (in both cases, not including land value). This practice allows them to retain all public subsidies and most capital gains, thus lowering the price for subsequent home buyers of modest means. At the same time, resale formulas are designed to provide a fair return for the seller, allowing her to walk away with more wealth than she had when she bought into the CLT.[22]

The most widely used CLT scheme is the appraisal method, which has the advantage of incentivizing maintenance, although it can be subjective (Sungu-Eryilmaz and Greenstein 2007).[23] Other methods have their own advantages and disadvantages. The index method ensures affordability based on the criteria used, but not necessarily for

[21]CLTs in the United States often adopt a ground-lease structure, in which a nonprofit trust owns the land, while the occupant owns the home itself. The lease offers a mechanism for providing affordability through legal restrictions, which typically include limits on rent and resale pricing (Davis 1994a). The viability of the ground lease as a mechanism for enforcing these restrictions presents one of the primary advantages of the CLT model. Alternative mechanisms, such as deed restrictions, are legally limited by issues of standing, common law, and rules against perpetuities. Restrictions via mortgage liens present an implicit buyout option to the homeowner (Abromowitz 2000).

[22]A CLT can define the standard of affordability that it seeks to maintain and that will determine the allowed returns. The key question is whether the market will allow the CLT to generate sufficient investment to maintain the desired affordability standard.

[23] In a 2006 survey, 55 percent of CLTs reported using the appraisal method (Sungu-Eryilmaz and Greenstein 2007).

other measures of affordability. Buyer incomes of targeted households, for example, may not increase at the same rate as the index. This method also discourages home improvements. Itemized formulas attempt to provide compensation for home investment, but this process can be difficult to monitor, potentially creating conflicts between home sellers and their CLTs. Mortgage-based formulas for resale values are beneficial in that they guarantee affordability at a given income level, but they discourage maintenance as well (Reese 2008).

CLTs in the United States Versus Housing Trusts in the United Kingdom

The much older institution of the housing trust (HT) in the United Kingdom has historically dealt with value recapture by limiting tenure to renting. While CLTs have been a small part of the solution in the United States, housing trusts account for 8 percent of all owner-occupied housing and 20 percent of all rental housing in the United Kingdom. Members are tenants and historically have not benefited from the appreciation of property values upon resale. More recently, shared ownership schemes have been introduced in the United Kingdom, where there is also a growing CLT movement. In both cases, the expectations of household entering the schemes are clear. Information about how to obtain a flat in a housing trust, what participant rights are, and what limits are attached is widely available in the United Kingdom. This supports the system’s integrity by generating network externalities. In contrast, more limited information about the rights and limits of CLTs is available in the United States, where regulations vary by state and by CLT.[24]

According to a report prepared for the Madison (Wisconsin) Area Community Land Trust, resale formulas are supposed to keep prices below market level, but they also reward homeowners for making “improvements to their houses because those improvements will likely be reflected in the assessed value of the unit when sold”(Girga et al. 2002, 2). These two objectives are conflicting, as one pushes prices down and the other pushes prices up.[25]

In practice, resale pricing also depends on the state of the market as a benchmark. If the formula is linked to market prices, more affordable markets allow greater equity capture without sacrificing continued affordability, as a more affordable sale, compared to the broader market, is more in line with local conditions. This fact makes it easier for CLTs in more affordable localities to maintain their resale formulas, while owners within CLTs in faster-growing communities experience more temptation to take advantage of the neighboring price appreciation.[26]

Further challenges derive from regulatory settings. In the United States, local government spending is supported by property taxes. CLTs also depend on the local provision of services, supported by property taxes and the valuation of tax ratables. There is, therefore, an underlying tension between the mission of preserving the affordability of

[24]It should be noted that part of the reason U.S. municipal governments accept and support CLTs is the lack of standardization of terms and conditions, which allows each community to tailor a program that meets its needs.

[25]For a discussion of CLTs that provide a credit for capital improvements that are made by homeowners after purchase, see Temkin, Theodos, and Price (2010) and the performance evaluation of Vermont’s Champlain Housing Trust (Davis and Stokes, 2009). Although the two objectives of building wealth and preserving affordability are conflicting, CLTs are proving that that both can be achieved.

[26]Some CLTs have amended their resale formulas, generally following initiatives by homeowners, who control one-third of the votes on CLT boards.

CLT housing and the limitations this places on the tax ratables that the CLT provides to the local community (Davis and Jacobus 2008).[27]

Thus, the treatment of value recapture lies at the center of three conflicts that challenge the durability of CLTs' affordability. First, homeowners are interested in maximizing the return on their investment. Second, municipalities are interested in maximizing tax ratables. In the United Kingdom, local authorities have no control over the tax base and do not depend on property taxes to finance their expenditures. In contrast, in the United States local fiscal control over the tax base may lead taxpayers to limit schemes like CLTs. Third, lenders are interested in maximizing gains on the sale of properties if the owners default on their mortgages, although a recent study shows that delinquencies and foreclosures were far lower among CLT homeowners than among market-rate homeowners during the real estate market downturn of 2007–2009 (Thaden and Rosenberg 2010).

In addition, homeowners will bear an added burden if the trust does not have substantial funding for maintenance of common spaces and, for homeowners of very low incomes, ongoing maintenance of their homes.[28] Some of these funds can come from the retention of gains on sales, if the CLT collects a transfer fee or stewardship fee at the time a resale-restricted home changes hands. Excess debt is therefore doubly dangerous in putting pressure on CLTs to capture the full appreciation of market prices. In the United

[27]In fact, the treatment of property taxes on CLT homes is diverse. Some CLTs pay taxes on the market value of the land (e.g., the Madison Area Community Land Trust). Others pay taxes based on the price paid by homeowners, but the land is considered to have no value (e.g., the Sawmill Community Land Trust in Albuquerque, New Mexico). In Oregon all CLTs have to pay property taxes based on the market value of the property. The question of the fair assessment of properties owned by CLTs for tax purposes can engender legal disputes, as in Orange County, North Carolina, where a CLT is currently fighting a legal battle with town assessors who argue that both the CLT land and the structures should be taxed at fair market value.

[28]This is one reason capital-rich (as opposed to debt-laden) CLTs may be more conducive to permanent affordability.

Kingdom, this dynamic is muted because gains go to the association in charge of the trust.

The conceptual basis for CLTs' provision of long-term affordable housing is sound. As discussed in the appendix, the higher housing price appreciation is, the less rents are needed to recover required returns in the investment market. The more the potential public good provided by CLTs is needed, the higher the ex ante expected rate of appreciation in housing, and the greater the extent to which this rate of appreciation exceeds the CPI and wage growth for low- to moderate-wage earners. Also, the higher the ex post growth of housing prices is, the greater the potential for CLTs to serve this goal.

Conclusions

As Sinai and Souleles (2005) have shown, homeownership may be risky, but so is renting. Specifically, ownership is a hedge against rent increases in the local market. Sustainable homeownership offers positive externalities for the public's welfare, but it must be durably affordable in hot markets and protected against deferred maintenance and mortgage foreclosure in cold markets. The resale formula that a CLT adopts in pricing the conveyance of its homes from one income-eligible home buyer to another is critical to its success in maintaining affordability. Specifically, if the wrong resale formula is adopted, or if inclusionary housing or CLT housing is eventually allowed to revert to market prices, it has provided no benefit (i.e., subsidy) beyond what the market is offering. To the extent that resale pricing protections fail to keep housing within the financial reach of the low- or moderate-income households for which the program was created, they will have failed in removing this portion of the local housing stock from the market. Unfortunately, in the context of competitive local communities, municipalities may have an incentive to limit their support for CLTs, just as they have incentives to limit the quantity of affordable housing within their borders. The case for inclusionary housing and CLTs can be made more easily in places with a strong land market and few free rider issues.

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Appendix

The key role of appreciation in the determination of real estate prices and costs is made clear from the user cost equation which links asset prices to rents. A common approach is to compute the user cost, P^*u, which is defined as

$$P^*u = P^*rf + P^*\rho + P^*tx + P^*d - P^*g$$

where

P = price in dollars;

P^*rf = foregone interest (at the risk-free rate);

$P^*\rho$ = risk premium for housing;

P^*tx = annual property taxes;

P^*d = annual depreciation; and

P^*g = expected appreciation in housing prices.

With frictionless arbitrage,

$$R = P^*u$$

where

R = rent in dollars for an asset priced at P, which implies

$$P/R = 1/u = 1/[rf + \rho + tx + d - g]$$

The return on investment, therefore, can be broken down into two portions: appreciation and rents. The higher housing price appreciation is, the less rents are needed to recover required returns in the investment market. Conceptually, an association with the mission of providing affordable *rental* housing will be able to do so more effectively in a strong market with long-term appreciation.[29]

[29] For a more detailed example, see Bourassa (2006, 345–348). For a general discussion of the trade-offs, see Jacobus and Lubell (2007).

Park City Council
Staff Report

Subject: Senior Strategic Plan Status Report
Author: Rhoda Stauffer
Department: Sustainability
Date: August 15, 2013
Type of Item: Informational

Summary Recommendation: Staff recommends that Council review and discuss the progress report on countywide Senior Strategic Plan. An update also will be provided to the Summit County Council later this month.

Background:
On December 8, 2011 City Council adopted a 2012 – 2017 Senior Strategic Plan and timeline for implementation (also adopted by Summit County Council on November 30 of 2011). This report provides a progress report on the goals of that plan. (Exhibit A)

The working group that formulated the plan continues to meet monthly to coordinate the work and programs for seniors. The working group is made up of the following:

Name	Representing
Martha Ann Donaldson	Coalville Senior Center
Anita Lewis	Summit County Government
Judy Maedel	Park City Senior Center
Linda Morrison	Mountainland Assoc. of Governments
Heather Nalette	Summit County Senior Coordinator
Henry Nygaard	Kamas Senior Center
Brent Ovard	Summit County Health Department
Bill Pidwell	IHC Park City Clinic
ReNae Rezac	Park City Municipal Corporation
Rhoda Stauffer	Park City Municipal Corporation

The Plan has six goals:
1. *Information Dissemination:* Establish an effective communication program to ensure that a wider number of county seniors have access to critical information and county programming.
2. *Program Participation:* Expand program and service options to encourage wider participation.
3. *'Age-in-Place' Programs:* Explore "Aging-in-Place" programs to find a feasible fit for Summit County and Park City seniors.

4. *Housing:* Facilitate the development of more housing options for seniors.
5. *Transportation*: Improve the number of transportation assistance options.
6. *Staffing:* Assess feasibility and devise a plan for funding a full-time position to oversee Senior programming for both the County and the City.

Analysis:
Over the past 18 months, City and Council staff – as well as agency representatives – has worked to implement the Senior Strategic Plan. Below is summary of the accomplishments to date, next steps and challenges moving forward.

Goal I. Information Dissemination:

- Completed a directory of key contacts, services and programs (Exhibit B) in March 2012 and distributed 1,000 copies to area doctors" offices, clinics, senior centers, home healthcare providers and SC Health Department. A second printing of 2,000 copies was completed in February of 2013. This has turned out to be a very popular and highly used item and is now being duplicated by Wasatch County. A copy is included as Exhibit B.
- Created the Seniors Newsletter – a monthly newsletter that is distributed through the Senior Centers in Summit County.
- Coordinated four special presentations for each Senior Center as well as the Working Group in emergency preparedness, the Emergency Notification program and the Reverse 911 and 211 systems.

Next Steps: The Senior Issues Working Group is still formulating plans and strategies to ensure that information gets to those seniors and their family members and/or care-givers who do not attend regular programing at the Senior Centers. The Working Group will be contacting area clubs, churches, congregations and the local interfaith council to explore ways to distribute information through wider networks.

Goal II. Program Participation:

- Senior Centers are publishing information about discounted PC MARC and Basin Recreation programs for seniors.
- Summit County Health Department has assisted the Working Group to make two health and wellness presentations per year at each Senior Center as well as providing flu shots in season.
- County hired a part-time Senior Issues Coordinator who is designing additional presentations and programs for each Senior Center to achieve this goal.

Next Steps: Work on this goal got a slow start due to staffing issues. Work began in 2012 with initial discussions on expanding usage of the Park City Senior Center building for programs such as bridge games and other activities that would expand the hours of operation. However, since an early contract employee had a family emergency and the sudden need to return to her home in California, any further work was put on hold until the recent hiring of a ½ time Senior Issues Coordinator. Over the next year, she will resume work on this goal with the idea of significant progress and a substantive report by December 2014.

Goal III. 'Age-in-Place' Programs:

- The Senior Working Group is researching case studies and assessing the feasibility of organizing a "village" program in Summit County. It is based on the Village to Village Network, a nation-wide program to assist seniors to age-in-place.
- One of the Senior Working Group members is the county representative for the MAG RSVP program and is taking the lead to assess the possibility of expanding the program in Summit County. RSVP is a program that utilizes retired and senior persons to volunteer within the community. It is a program that can be used for in-home services to seniors that can"t afford purchase home care services.

Challenge & Next Steps: The initial work on this goal has revealed that rural areas have a distinct disadvantage for attracting „age-in-place" programs. Travel distances alone, between persons in need of assistance is a difficult challenge especially for volunteer care-givers. While the "Village to Village Network" seems like a really good program, there is only one group in the region and it is still in a formative stage in the Salt Lake Valley. The Working Group will continue to explore potential programs to meet this need with a final decision on design and/or feasibility by July 2014.

Goal IV. Housing:

- Beehive Home - a senior assisted living project in the County – though delayed for more than a year, is approved for 16 rooms.
- Lower Park Avenue Redevelopment will include multi-generational units for sale and/or rent. Among these will be units especially suited for seniors wanting to downsize from larger single-family homes.

Challenges and Next Steps: Staff is continuing to monitor planning requests coming through County and City offices with an eye towards encouraging senior-friendly units to be included in future projects. One project currently making its way through planning includes four senior-friendly units in the Lower Park Avenue area. Staff will be working with the recently hired project manager for Lower Park Avenue to include additional senior-friendly units.

Goal V. Transportation:

- A joint meeting with County and City transportation directors helped the Senior Working Group to identify existing County-wide transportation resources.
- In addition to on-call volunteer drivers through the County"s Senior Services office, Park City Transit has Dial-a-Ride which provides on-call services within the transit system.

Challenges & Next Steps: For the most part there are adequate transportation services for seniors needing assistance. The newly hired Senior Coordinator is also focusing on expanding those services provided by volunteer drivers. She will be increasing the pool of volunteers in order to serve more seniors. The primary challenge is for those isolated incidents where an individual needs assistance from their front door to the street for pick up, since PC Transit drivers are not allowed to drive onto private property for insurance purposes. The Working Group continues to explore ways for meeting these very special needs such as providing home health provider information to assist seniors to get from their front door to the street.

Goal VI. Staffing:

- A 19 hour per week Senior Coordinator position was approved by Summit County in their 2013 budget process and Heather Nalette was hired in June 2013. Heather will be introduced to Council during the August 15 meeting.

Department Review
This report was reviewed by the Sustainability Department, the City Attorney and the City Manager**.**

Alternatives:

A. **Approve the continued progress on the Senior Strategic Plan.** This is **Staff's Recommendation**.

B. Deny: No further progress will be made.

C. Modify: Request that staff change direction or put greater emphasis on an alternate senior issue.

D. Continue the Item: Request that staff bring back additional information about all or a portion of the update.

E. Do Nothing: This will have the same impact as Denying the Request.

Significant Impacts:

	World Class Multi-Seasonal Resort Destination (Economic Impact)	Preserving & Enhancing the Natural Environment (Environmental Impact)	An Inclusive Community of Diverse Economic & Cultural Opportunities (Social Equity Impact)	Responsive, Cutting-Edge & Effective Government
Which Desired Outcomes might the Recommended Action Impact?	+ Balance between tourism and local quality of life	+ (Select Desired Outcome)	+ Community gathering spaces and places	+ Well-maintained assets and infrastructure
	(+/-) (Select Desired Outcome)	(+/-) (Select Desired Outcome)	(+/-) Residents live and work locally	(+/-) Ease of access to desired information for citizens and visitors
	(+/-) (Select Desired Outcome)	(+/-) (Select Desired Outcome)	(+/-) Part-time residents that invest and engage in the community	(+/-) Engaged and informed citizenry
	(+/-) (Select Desired Outcome)	(+/-) (Select Desired Outcome)	(+/-) Entire population utilizes community amenities	(+/-) (Select Desired Outcome)
	(+/-) (Select Desired Outcome)	(+/-) (Select Desired Outcome)	(+/-) Diverse population (racially, socially, economically, geographically, etc.)	(+/-) (Select Desired Outcome)
	(+/-) (Select Desired Outcome)	(+/-) (Select Desired Outcome)	(+/-) (Select Desired Outcome)	(+/-) (Select Desired Outcome)
	(+/-) (Select Desired Outcome)	(+/-) (Select Desired Outcome)	(+/-) (Select Desired Outcome)	(+/-) (Select Desired Outcome)
Assessment of Overall Impact on Council Priority *(Quality of Life Impact)*	Positive	(Select from List)	Very Positive	Very Positive

Comments: The Senior Strategic Plan is all about meeting the needs of Park City's most vulnerable citizens - a critical aspect of Park City remaining Park City.

Summary Recommendation: Staff recommends that Council review and discuss the progress report on countywide Senior Strategic Plan. An update also will be provided to the Summit County Council later this month.

Exhibit A: Senior Strategic Plan
Exhibit B: Copy of Rack Card

Senior Strategic Plan

Adopted by Summit County Council, November 30, 2011
Adopted by Park City Council, December 8, 2011

I. Introduction

What follows is a multi-year plan to address the program needs of Senior Citizens in Park City and Summit County. According to the 2010 Census, close to eight percent of the Summit County population are aged 65 and above. There are 2,768 in that age bracket and 24 percent of that total, or 653, live within the city limits of Park City.

The breakdown by age groups is as follows:

	1990	2000	2010
Park City			
65 to 74 years	105	226	481
75 to 84 years	36	47	138
85 years and over	7	29	34
Total 65 & Older	**148**	**302**	**653**
Percent of SC Totals	17%	21%	24%
Summit County			
65 to 74 years	526	993	1945
75 to 84 years	315	350	633
85 years and over	51	110	190
Total 65 & Older	**892**	**1,453**	**2,768**

There are many services available to the Senior Citizens in Summit County, including but not limited to: three Centers that provide meals and activities; a variety of medical and social services provided by the Mountainland Association of Governments (MAG); and more services provided by other providers as well. Only five percent of the Seniors in Summit County are active in one or more of the three Senior Centers. Seniors active in the centers tend to be in their 70"s and higher; most are retired; many volunteer with local nonprofits from the Hospital to the Performing Arts Foundation and even to serve as drivers to assist other seniors to get to appointments and event; some are physically active skiing, playing tennis, and hiking.

In recent years, a number of citizens have raised concerns about perceived gaps in services with a special focus on the housing needs and assisted living needs of many seniors. Most of the information was anecdotal and therefore, the City and County partnered to complete a survey of issues and needs in 2009.

The results of the survey were a key reason for the development of a working group to look more closely at the findings, review existing services and programs, analyze critical gaps in programs and services, and create a plan for filling gaps in services over a five to ten-year window.

The plan is laid out as follows:

- Section II is the background leading to this plan;
- Section III identifies the key findings from the 2009 survey, data from other studies, and identification of the gaps in programs and services from the work completed by the working group;
- Section IV is recommendations of goals to meet the gap in services and programs; and
- Section V is an implementation plan and timeline to meet those goals.

II. Background

During the past 10 years, the programs offered to the seniors have changed. A majority of the programs work through the three Senior Center locations: Kamas, Coalville and Park City. While the need for a place to get a nutritious meal and interact with others is very important, the seniors are also seeking other opportunities to be active and involved.

The Centers are currently open two days a week for lunch and activities and each Senior Center is requesting information about additional programs to propose to their participants. This enables the Centers to offer healthy lifestyle choices to their members. In some cases, other programs may also open the doors of the Centers on additional days adding to the activities for the seniors. A diversity of programs can enhance the „image‟ of the senior programs creating an interest for others to join.

The seniors at the Centers embraced the opportunity to complete the 2009 survey, both to keep current programming funded as well as to spur future enhancements. Although many participants are proud of the Centers, it is understood that there are many seniors who do not participate. This is a challenge experienced by all senior programs in the three counties served by Mountainlands Association of Governments (MAG): how to engage more eligible seniors.

Park City Municipal Corporation has received feedback from citizen groups that there is local concern regarding the lack of senior housing options in the region. A special citizen‟s petition presented to City Council in their annual visioning session spurred a 2009 survey to analyze housing needs. Key findings from the survey are included in item III below.

Summit County is in the process of collecting information in a number of ways that will also inform the outcome of this plan. The County is in the process of completing the following:

- A County-wide environmental scan,
- Health Department strategic plan,
- A citizen‟s survey, and
- With the assistance of the University of Utah a County-wide strategic plan.

All of the above will provide additional information that will assist in improving senior programming.

III. **Current Status of Senior Services**

Following the Park City Council‟s visioning session in January of 2009, staff conducted a community-wide survey of the issues facing and concerns felt by persons aged 55 and above. The survey was conducted in partnership with Summit County in order to gather data from residents of the entire county. The goals of the process included the following:

- Solicit input from City and County residents ages 55 and above,
- Determine what programs, activities and resources are currently being utilized,
- Determine what additional programs, activities and resources are needed,
- Conduct an initial assessment of the need for affordable housing for seniors, and
- Begin to assess the nature of the existing market for smaller, downsized-type housing options.

A. Summary of Survey Responses

Below are key findings discovered through the 2009 survey. Over 300 completed surveys were collected via hard copy and electronic submissions for a return rate of 14 percent of the Summit County population aged 55 and over.

1. Information dissemination seems to be an unmet need. A total of 122 (43%) respondents indicated that "Knowing where to turn for information on benefits and services for seniors" is a problem.
2. A variety of sources are currently used to access information about senior services and programs. The most highly used sources are family and friends, phone book and newspaper. The internet and Senior Centers are also used a lot.
3. A majority of the respondents are currently highly self-sufficient with little need for services that are typically available for senior populations. A small number of people receive daily care such as personal care and meal preparation. On occasion respondents expressed a need for assistance with yard work and home maintenance, management of personal finances, housekeeping or household chores, and getting to appointments.
4. A total of 48 respondents (16%) are care-givers for someone in their household and indicated a need for better information about services for caregivers
5. A total of 42 respondents (15%) indicated that finding affordable housing was frequently or sometimes a problem. Although this issue does not seem to be at critical levels, a small number of affordable housing units for seniors might need to be included in future developments.
6. An evaluation of services commonly available for seniors, indicated that respondents feel that the most important services in order of highest number of votes, are:
    - transportation,
    - recreational & exercise programs,
    - home maintenance and repairs,
    - maintaining social ties,
    - access to health care information, and
    - help in accessing medical benefits.

7. A total of 46 (15%) respondents indicated that they would likely move in the next five to ten years. Most of these respondents indicated that a move was likely because of "snow and the difficulty in getting around" or "the need for smaller housing options".
8. A total of 65 (50% of those who answered the question) respondents indicated that they would have to move at some point to downsize to a smaller housing option.
9. A total of 108 (37%) respondents indicated that it was "moderately or highly likely" that they will need an assisted living facility. And a total of 94 (42% of those that

responded) felt that they would need to move to such an arrangement in the next five to ten years.

B. Key Findings

The following items are highlighted based on the number of respondents that emphasized these needs and/or issues.

1. Information about services and programs available for seniors and their caregivers is not widely disseminated and there is a real need to increase amounts of information as well as expanding how it is distributed.
2. In order to allow seniors to age in place, there is a need for in-home assistance such as with yard work, home maintenance, personal finances, housekeeping, household chores, and transportation;
3. The available services and programs that are most important to the survey respondents are: transportation, recreational and exercise programs, home maintenance and repairs, maintaining social ties, access to health care information, and help in accessing medical benefits; and,
4. There is a need to begin providing a small number of housing options so that seniors can "downsize" their homes and age in place.

C. Working Group

In the fall of 2010, a Senior Issues Working Group was formed to begin the process of analyzing the survey findings and developing recommendations for a strategic plan to address the issues and gaps in service. Below is a listing of services currently in place as well as a chart of programs provided by the Senior Centers located in the County.

F. Mountainlands Association of Governments Aging and Family Services Department

- Chronic Disease Service Management Plan (CDSP), a 6-week workshop with hands-on training for people with chronic diseases (funded through a grant).
- Two caregiver support groups: Coalville and Elk Meadows.
- Health Fair held once-a-year
- Appreciation dinner for caregivers once-a-year
- Five in-home health programs: III-B (assisting seniors with organic brain disorder to remain in their homes; HCBA (Community Based Assistance program also referred to the Alternatives Program – provides in-home care to help seniors remain in their homes); Aging Waiver; New Choice Waiver; NCSP (Respite Program); Waiting list services; Local intake/info packets, and Meals On Wheels
- Chore Service (snow removal, etc.) through the Inmate Program
- Senior Health Insurance Information Program (SHIIP - helps with Medicare)
- Retired Senior Volunteer Program (RSVP) & appreciation dinner
- Information Referrals
- Distribution of Ensure (health supplement drink)
- Community Resource Booklet
- Free legal assistance
- Durable medical equipment
- Home visits by the Alzheimer"s Association to train caregivers
- Adult Protective Service Worker

- Weatherization services through a Federal Housing Program

B. Other Services Provided by Private Entities
- Elk Meadows Assisted Living in Oakley provides daycare, respite and assisted living services
- Community Action Program Services based in Provo provides locations for food pick up from their food bank and also provides financial assistance with heating bills.
- Fee for service programs to assist people to stay in their homes such as Applegate Homecare & Hospice.
- Hi Mountain Drugstore in Kamas provides home delivery for seniors.

There are three Senior Centers located in Summit County. They are located in Park City, Coaville and Kamas. Each one provides programming, some services and meals on select days of the week. The activities and services are summarized in the following chart.

	Coalville	**Kamas**	**Park City**
Hours	9:30am-3:30pm	11am-3pm	11am-3pm
Meals Offered	Twice a week, Wed & Fri	Twice a week, Mon & Thurs	Twice a week, Mon & Thurs
Number of Meals	Wed-50 meals, Fri-33 meals	35-40 2 times/week	Sum-45, Winter- 30
Games Available	Cards, Pool, Puzzles	Cards, Pool	Cards, Pool, Puzzles
Health Check (blood sugar/pressure, bone density)	Once/month	2 times/month	One time per month
Happy Feet (Podiatrist Visit)	Every 60 days	NA	NA
Monthly Activity	Yes	Yes	Yes
Exercise Classes	NA	NA	Yes
Bingo	Yes	Last Thursday of the month	NA
Quilting	Yes	NA	NA
Band & Singing	Yes	NA	NA
Board Officers (President, Vice President and Secretary)	Paid	Paid	Paid
Officers and Board Term Length & Meetings	2 years Monthly Meetings	2 years Monthly Meetings	2 years Monthly Meetings
Membership	60 paid and 40 inactive	61 paid and 22 inactive	75 paid and 25 inactive
Transportation	Once a month for shopping, prescriptions, groceries	Meals at Sr. Center, shopping, prescriptions, groceries	Through PC Transit, Mobility Bus
Buildings	Summit County owns building and maintains everything – need a maintenance agreement	Kamas owns building. County pays for cleaning etc. Need maintenance agreement	Park City owns building, County pays for cleaning, both County and City pay for upgrades/repairs, etc. Need maintenance agreement
Complimentary Use of South Summit Recreation Center	Yes-60+	Yes-60+	Yes-60+
Companion Services	NA	NA	Yes

D. Current Gaps in Senior Services

The 2009 Senior Services Survey conducted in October of 2009, Housing Market Survey completed in 2010 by University of Utah Business and the Summit County Senior Services Working Group, have identified the following gaps in service:

1. More information and better distribution about current services;
2. A small number of units that would enable people to "downsize" their households, both market rate and affordable options;
3. A plan for some form of additional assisted living units in the next five to ten years;
4. More links between senior housing and community facilities;
5. Better accessibility in old & historic buildings;
6. More "aging in place" programs such as a social or Senior Companion Program, both paid and volunteer (perhaps with help from high school students);
7. Additional volunteers for transportation with vehicles provided by Summit County;
8. Enhanced programming at Centers in order for a wider audience to utilize the space – perhaps through local newspaper articles, ads, senior center newsletters and brochures; and
9. A partnership program with high schools and other community programs to gain access to more community service volunteers.

IV. Recommendations

A. Establish a More Effective Communication Program – this includes items such as:

- determine best source(s) of information for seniors;
- establish wider distribution of information about current programs;
- design, printing and distribution of brochures or pamphlets;
- utilize the web through a Facebook page, SC and PC websites with links to other important websites such as Medicare, etc;
- target mailings and a special newsletter;
- establish a presence at community events such as SC fair parade and PC 4th of July Parade, Oakley Rodeo, etc.;
- create a variety of sources of information that provide a consistent message about programs and services;
- develop a Summit County/Park City resource guide;
- create monthly newsletter articles for caregivers;
- write regular features in the Park Record and the Summit News;
- provide better information in doctors offices and clinics that cater to seniors; gardening project;
- assist with Medical and Insurance Issues – workshops and training programs to assist in the interpretation of Medicare bills, services and policies;
- provide a list of discounted services and programs provided by MAG, Summit County, local pharmacies, and People"s Health Clinic;
- utilize County Health Department professionals to conduct healthy living workshops; and
- improve education regarding the changing healthcare environment;

B. **Encourage Wider Participation in Senior Programming** – establish a wider diversity of programs to attract more participation, for instance:
- special library day once a month;
- coffee house meeting days;
- book clubs, walking groups; group exercise programs, legal/financial management services;
- daycare programs to give care-givers a break;
- education series on medical issues in partnership with Summit County Health Department;
- computer classes;
- hobby classes (knitting, arts, pottery, etc.);
- senior discounts at local health clubs and pools;
- special events such as a 40's dance or square dance;
- partnership programs with daycare centers, hospitals, and local schools to provide volunteer opportunities for seniors to interact with infants, children and youth; and
- senior center exercise programs with Silver Mountain Sports Club, the Racquet Club and/or Basin Recreation programs.

Conduct a comprehensive assessment of the current facilities to establish a plan for upgrading and enhancing the centers and/or adaptation of older buildings for greater accessibility to ensure that everyone who wants to is able to participate.

C. Aging in Place Programs – establish a companion program or a "village concept" to assist seniors in caring for themselves and their homes. Also expand the Summit County prisoner assistance program to help seniors with household chores and increase County involvement in the RSVP program (a program administered by MAG).

D. Housing – work with city and county planners to review development proposals for assisted living facilities and to ensure that a small number of "downsizing" units appropriate for seniors are included in future development plans such as Park City Heights.

E. Transportation – improve number of transportation assistance options for seniors and explore ways of providing this service – potentially outsourcing to the private sector.

V. Implementation Plan

<u>Assignments and Timeline</u>

Year One Priority – November, 2011 to October 2012:

Goal I. Information Dissemination: Establish an effective communication program.

I.A. Objective: Information on senior services, programs and resources needs to be more available, in a number of formats as well as from multiple sources.

I.B.Objective: Ensure that a much higher percentage of seniors in Summit County and Park City are well-informed of all available services and programs.

Strategies:

1. Create a cumulative service and program directory for Summit County and Park City: *Park City Sustainability staff will take the lead with assistance from Summit County staff and the Mountainlands Association of Governments to design and print a rack-card/bookmark-style handout to be distributed throughout the region. Distribute to doctor's offices and pharmacies as well as other places frequented by Seniors.*
   i. Timeframe: Completed and ready for distribution by March 31, 2012.
2. Place articles in local newspapers on a regular basis: *Senior Issues Working Group will compile a list of volunteers and create a calendar of assignments to share responsibility for submitting monthly articles to the Summit County News and the Park Record.*
   i. Timeframe: Calendar set and submissions begun by March 31, 2012.
3. Create a special monthly newsletter for seniors: *Summit County Staff will take the lead with assistance from Park City Sustainability Staff to oversee a monthly newsletter compiled by the Senior Issues Working Group.*
   i. Timeframe: Developed and ready for distribution by March 31, 2012
4. Provide updates, program and services news as well as listings of resources via email and social media: *Senior Issues Working Group will identify a member or two from each Senior Center to establish a social media program such as a facebook page and develop regular email updates.*
   i. Timeframe: To be launched by March 31, 2012.
5. Provide notes and reminders in utility bills; -- *use only for emergencies or critical notices.*
6. Educate senior population about recycling, trash pick-up and medication disposal (County trash & recycling arrangements are changing in June of 2012): *Summit County Staff will take the lead and Park City Sustainability Staff will assist to utilize Senior Center Boards to distribute announcements and do educational workshops on the trash/recycling service in the Count.*
   i. Timeframe: Begin education efforts by March of 2012.
7. Work with churches to circulate information to their senior members: *Summit County Staff will take the lead and Park City Sustainability Staff will assist in meeting with church leaders about creating a strategy and timeline for this effort.*
   i. Timeframe: complete meetings by July of 2012.
8. Educate senior population about heating bill assistance available through MAG: *Summit County Staff will take the lead with assistance from Park City Sustainability Staff to utilize Senior Center Boards and their networks to make sure all seniors in need have applied for the heating bill assistance program by December of 2011.*
   i. Timeframe: complete by December 31, 2011.
9. Ensure that Seniors know of the County-wide Emergency notification program and that they are signed up for the Reverse911 and 211: *Park City*

Sustainability Staff will take the lead with assistance from Summit County Staff and working with Park City's Emergency Management office, Summit County Emergency Services, Mountainlands Association of Governments and the Summit County Sheriff's office to ensure that notice has gone to all Seniors of the emergency notification system and that as many of them are signed up as possible.

i. Timeframe: Complete initial assessment by July, 31 2012.

Year Two and Three Priorities – November, 2012 to October 2014:

Goal II. Program Participation: Expand program and service options and number to encourage wider participation.

II.A. Objective: Enhance programming at Centers in order to provide a diversity of options and attract a higher number of seniors – especially younger seniors.
II.B. Objective: Enhance off-site programming to provide a greater number of activity options throughout the region.
II.C. Objective: Ensure a more welcoming atmosphere in all Senior Centers for new members and younger seniors.
II.D. Objective: Ensure that current facilities are in optimum condition.

Strategies: *Establish a Senior Issues subgroup to work on these efforts.*

i. Timeframe: Establish by August of 2012.

1. Develop partnerships with community entities to gain access to additional programming and resources – such as Silver Mountain Sports Club, Basin Recreation Center.
2. Work with Summit County Health Department to conduct a medical education series.
3. Inspect all Senior Center facilities for current condition of structure, appliances, electrical, plumbing, etc. and draw up a wish-list to repair and renovate facilities to meet current ADA codes and make the buildings more user-friendly.

Goal III. 'Age-in-Place' Programs: Explore "Aging-in-Place" programs to find a feasible fit for Summit County and Park City seniors.

III.A. Objective: Help Seniors stay in their homes as long as possible.

Strategies: *Begin work on this by meeting with MAG representatives to discuss expanded use of MAG age-in-place programs in Summit County and to review the following list of strategies.*

i. Timeframe: Hold initial meeting by August of 2012.

1. Explore the feasibility of launching a "Companion" or "Village" program.

2. Work with high school students to gain access to more „community service‟ volunteers.
3. Organize a Senior Volunteer program to assist seniors in helping seniors.
4. Expand existing home repair and maintenance program provided through County prison- perhaps utilizing juvenile service agencies & Home Depot employees.
5. Expand the existing RSVP program through Mountainland Association of Government‟s Aging Services Office.
6. Assess the Feasibility of establishing an Adult Day Care program.

Goal IV. Housing: Facilitate the development of more housing options for seniors.

IV.A. Objective: Ensure that there are an adequate number of well-managed assisted living/long-term care units available to aging seniors as they need them.
IV.B. Objective: Ensure that over the next five to ten years, up to 20 smaller units are developed in a variety of styles (detached, condos, townhomes, etc.) for senior households wanting to downsize from larger houses.
IV.C. Objective: Ensure that one to three of the units built in each of the future affordable housing developments are targeted for seniors.

Strategy: *This work will begin with a meeting organized by Park City Sustainability Staff and assisted by Summit County Staff of City and County planning staffs to share information about Senior Housing needs and review any projects in the pipeline that can serve senior populations and review the following list of strategies.*

i. Timeframe: Hold initial meeting by August of 2012.

1. Work with City and County planning staff to ensure that in five to ten years a "continuum of care campus style" development of modest proportions is planned to meet growing assisted living/long-term care needs (20-25 units total).
2. Work with City and County planners to ensure that future residential developments include units that are suitable for senior households wanting to downsize (both affordable and market options). Three to five units are needed per year.
3. Assist planners in integrating regulatory language into the General Plan addressing the "senior downsizing unit" concept.

Goal V. Transportation: Improve the number of transportation assistance options.

V.A. Objective: Ensure that seniors have access to transportation when and where they need it.

Strategy: *Begin work on this with a meeting coordinated by City and County staff with Kent Cashel and Kevin Callahan and review strategies listed below.*

i. Timeframe: Hold initial meeting by March of 2012.

1. Work with current volunteers and paid Senior Center providers to develop a plan for expanded transportation using both volunteers and paid contract employees where possible.
2. Work with Park City Transportation Department to develop an expanded service component for seniors.

Goal VI. Staffing: Assess feasibility and devise a plan for funding a full-time position to oversee Senior programming for both the County and the City.

i. Timeframe: Assess annually beginning with July 1, 2012.

For further information, contact Anita Lewis, 435-615-3220 or alewis@co.summit.ut.us or Rhoda J. Stauffer at 435-615-5152 and rhoda.stauffer@parkcity.org.

Key Information for Seniors

Medical Care

Coalville Health Center—435-336-4403
Kamas Health Center—435-783-4385
Park City Clinic—435-649-7640
Park City Medical Center
435-658-7000
People's Health Clinic—435-333-1850
Snow Creek Medical—435-655-0055
University Redstone Center
435–658-9262

Health and Wellness

Education, information and limited health services: Agency on Aging 435-783-5708 or Summit County Health Department 435-333-1500, 435-336-3234, or 435-783-4351 EXT 3071

Lists of Home Health Providers: Medical Centers listed above or Agency on Aging—435-783-5708

Summit County Caregiver Support Group 435-783-5708

Transportation

Park City Mobility Bus—435-615-5353
Summit County (Medical only)
435-336-3042

Miscellaneous Assistance

Assisted Living: Elk Meadows in
Oakley—435-783-5575

Assistance with Snow Removal:
Summit County Sheriff's Office
435-659-8807

Weatherization Assistance
801-344-5184

Grocery/Food Assistance:
Christian Center—435-649-2260
Coalville—435-336-4277
Kamas— 435-783-4303

Meals on Wheels—435-783-5708

Information about Insurance

Agency on Aging—435-783-5708

Hotlines & Emergency Assistance

Adult Protective Services
800-371-7897

Alert Utah—866-955-4949

ActiveCare—877-219-6050

Rescue Alert —800- 688-9576

Utah Senior Legal Helpline
800-662-1772

All Other Information

• Summit County: 435-336-3220, 615-3220 or 783-4351 EXT. 3220

• Mountainland Association of Governments: 435-783-5708

Provided by the Park City Summit County Senior Issues Working Group
435-615-5152 www.parkcity.org
www.summitcounty.org

City Council Staff Report

Subject: Recreation Strategic Action Plan
Author: Ken Fisher, Recreation Manager
Department: Recreation
Date: August 15, 2013
Type of Item: Informational

Summary Recommendations:
Council should hold a discussion regarding Mountain Recreation Strategic Action plan. If Council is supportive staff will return in the future for discussions on possible implementation of the plan.

Topic/Description:
Presentation on the recently completed joint Mountain Recreation Strategic Action Plan by Landmark Design

Background:
In 2002 Basin Recreation and Park City hired Wikstrom Economic and Planning Consultants to look at current recreation programming, facilities & budgets of the two entities and to also determine future facility needs of each entity based on the Mountain Recreation Standard. The bottom line of the "Wikstrom Report" was that whenever possible Park City and Basin Recreation should look to develop recreation facilities and operate programs and facilities in a cooperative effort as there is an economy of scale that is realized when we work together versus as separate entities.

In December 2011 Park City Municipal and Basin Recreation District hired Zions Bank Public Finance to update the 2002 Wikstrom Report. This study took a scientific approach to looking at the number of facilities offered comparing it to the Mountain Recreation Standard. This study is an analytical approach while the community survey is a citizen driven approach to determining what recreational amenities and programs we should be providing to the community.

In May 2007 Leisure Vision completed a Community Attitude & Interest Citizen Survey for Park City. This survey was a key component to many of the recreational improvements that were made between 2007 and 2012.

In May 2012, Basin Recreation and Park City jointly conducted a citizen survey with Leisure Vision. The citizen survey identified priorities for facilities and programs based on the level of importance and need by the citizens of the Park City School District.

Analysis:
In February 2013, Basin Recreation and Park City issued an RFP for qualified consultants to submit proposals for developing a Strategic Action Plan for Park City & the Basin.

The selection committee made up of staff from both entities reviewed the proposals and selected Landmark Design. Once selected Landmark Design began an intensive analysis of existing facilities, the Recreation Facility Demand Study and the Community Attitudes and Interest Survey. They also began the public engagement process by holding several different open houses.

Staff put a “Plan Committee” together that was responsible for working with Landmark Design on the review and development of the strategic action plan. This group consisted of representatives from, PCMC, RAB, PCSD Board Members, PCSD Staff, Basin Recreation, and Basin Board Members.

The Mountain Recreation Strategic Action Plan can be accessed on the City’s website under document central then Recreation Center or can be reached at the following link http://www.parkcity.org/Modules/ShowDocument.aspx?documentid=11584

Department Review:
This report has been reviewed by Recreation & Library Departments, Sustainability Department, Legal Department, & the City Manager

Alternatives:

A. **Approve:** If Council is supportive of the Mountain Recreation Strategic Action plan staff will return in the future for discussions on possible implementation of the plan

B. **Deny:** Council may provide direction to not implement any of the Mountain Recreation Strategic Action Plan

C. **Modify:** Council may ask for modifications to the Mountain Recreation Strategic Action Plan

D. **Continue the Item:** Council may ask to continue the Mountain Recreation Strategic Action Plan to a future date

E. **Do Nothing:** Council may do nothing with regard to the Mountain Strategic Action Plan. This will result in a lack of clarity.

Significant Impacts:

	World Class Multi-Seasonal Resort Destination (Economic Impact)	Preserving & Enhancing the Natural Environment (Environmental Impact)	An Inclusive Community of Diverse Economic & Cultural Opportunities (Social Equity Impact)	Responsive, Cutting-Edge & Effective Government
Which Desired Outcomes might the Recommended Action Impact?	+ Accessible and world-class recreational facilities, parks and programs + Balance between tourism and local quality of life	+ Abundant preserved and publicly-accessible open space - Reduced municipal, business and community carbon footprints	+ Part-time residents that invest and engage in the community + Entire population utilizes community amenities + Community gathering spaces and places	+ Well-maintained assets and infrastructure ~ Engaged and informed citizenry
Assessment of Overall Impact on Council Priority *(Quality of Life Impact)*	Very Positive	Neutral	Positive	Positive
Comments:				

Funding Source:
This project was funded by the general fund with contributions from Recreation, Sustainability, Ice and Golf. Total cost to the City was $20,000

Consequences of not taking the recommended action:
If Council is not supportive of the plan it will be difficult to plan for future recreational improvements in Park City.

Recommendation:
Council should hold a discussion regarding Mountain Recreation Strategic Action plan. If Council is supportive staff will return in the future for discussions on possible implementation of the plan.

PARK CITY COUNCIL WORK SESSION MINUTES **DRAFT**
SUMMIT COUNTY, UTAH,
JUNE 27, 2013

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

Diane Foster, City Manager; Mark Harrington, City Attorney; Tyler Poulson, Environmental Sustainability Manager; Matt Abbott, Environmental Project Manager; Heinrich Deters, Trails and Open Space Project Manager; Tommy Youngblood, Special Events Coordinator

Council questions and comments
Councilwoman Matsumoto attended the Chamber Board meeting and was pleased to learn that 76% of their budget goes toward programs. She also participated in Recycle Utah meeting; they just completed their first year of their county wide recycling program. She also participated in a public information meeting for the library expansion project and felt there was a nice cross section of guests.

Councilman Peek mentioned that Hugh Daniels, Emergency Manager, presented a Fire Wise Landscaping orientation that was very interesting and helpful.

Councilman Butwinski thanked legal staff and the water manager for the phenomenal job they did on the Western Summit County Water Agreement project. He had attended the Park City Summit County Arts Council meeting as well as the Planning Commission meeting where both Green Park and Park City Heights were discussed. He mentioned that the month of July is Clear the Air month.

Councilwoman Simpson participated in the Mountainland Community Housing Trust reception honoring Bob Wells for his many years of service.

Councilman Beerman: also attended the Mountainland celebration for Bob Wells. He participated in Savor the Summit and was pleased that it continued to thrive. He, too, congratulated the water manager for all of his hard work. He participated in the candidate briefing meeting sponsored by the City Staff and noted that the management team did a great job.

Mayor Williams commented that the water project was very beneficial to the county. He had attended Rabbi Josh's last service and mentioned the Rabbi's impact on the community. He reported on the recruitment for Assistant City Manager and announced a celebration for retiring City Recorder Jan Scott on Friday from 9:00 am to noon in the Executive Office.

Planning Manager Thomas Eddington introduced Kayla Sintz who had returned to the Planning Department as the Current Planning Manager.

1. Old Town Curb Recycling. Tyler Poulson, Environmental Sustainability Manager Coordinator and explained that the new residential curbside waste and recycling contract took effect for Summit County residents on July 1, 2012. The City was an active partner with the County in bringing the goals and expectations of that contract and Staff feels that the contract delivered an improved product over the previous twelve years.

He described some of the impacts of the new contract on Old Town residents. About 1,000 customers in Old Town had been part of a pilot program started in 2000 who received weekly recycling pickup and they were switched to bi-weekly pickup. Old Town had received glass curbside for homes and that service is no longer provided. In terms of bin size flexibility, many households had various sized and shaped bins and approximately 80% of Old Town customers are now using the largest sized bins

Mr. Poulson introduced Jaren Scott, Waste, Recycling and Land Fill Manager for Summit County; Reece DeMille with Republic Services; and Shirin and Dirk Spangenburg with Curb-it Recycling, a subcontractor of Republic Services serving the Old Town area. Staff has been an active partner with the County and Republic Services in terms of passing along information and recommendations but ultimately the contract is held and funded by Summit County.

Matt Abbott, Environmental Project Manager, explained there four interrelated problems that needed to be addressed in order to improve Old Town curbside recycling: Material Overflow, Cross Contamination, Collection Schedule, and Container Confusion. In the transition, many customers did not understand the system and it has not always been clear which is recycling and which is waste. In addition, recycling is currently picked up on Tuesdays, bi-weekly, and waste is picked up on Thursdays.

He explained the group had identified some solutions, with a main focus on education, providing bi-lingual information, and enhancing information on the carrier's website. Uniformity of bins would create a uniform system for users, visitors and service staff. Labeling bins should help alleviate cross contamination. The group is also in favor of shifting all collections to Thursdays.

Mr. Abbott added that outside of the issues in Old Town, there are ongoing issues throughout the county regarding weekly recyclable collection and glass recycling. The estimated cost to move to weekly collection in Old Town alone is $40,000. During contract negotiations, the decision was made to exclude glass.

Mr. Abbott requested Council's input on efforts to improve curbside recycling in Old Town and asked what other issues they saw coming out of this discussion

Cindy Matsumoto asked about the communication process between the Old Town residents, the City, and the other entities involved. Mr. Poulson explained Staff had received input from Old Town residents individually, but had not proactively reached out to residents. In terms of meetings, those have occurred between Republic Services, the City and the County, and Recycle Utah. Ms. Matsumoto relayed citizen input about random cans around town that don't appear to be assigned to any particular house and it would be nice to solve that problem. She believed changing pickup to one day would resolve a lot of issues

Mayor Dana Williams clarified that Thursday recycling pick-up would be bi-weekly.

Councilman Beerman recommended matching bins with houses and labeling them. Lack of storage space is a problem and he would like to pursue small cans and weekly pick-up on Thursdays.

Ms. Simpson felt it was more confusing to have pickup every other week then it is to have it be a different day than the trash day. She recommended a combination of communication and education.

Mayor Williams stated that his recycling bin filled up sooner than his trash bin and suggested recycle pickup every week and trash pickup every other week. He liked the idea of pick-up on the same day. Old Town is so different because it turns over so much and education of people is going to be really tough. He also thought labeling, with addresses, was a good idea because we are asking visitors to participate and they don't know which cans they should use.

Ms. Matsumoto encouraged taking these steps but suggested that staff find out what other issues there are in Old Town. She also encouraged staff to involve the citizens to come up with ideas.

Alex Butwinski commented that recycling bins are literally overflowing every two weeks and it was not coincidental that recycling was being included with trash. He felt it was worth exploring the ability to provide additional services.

Jared Scott, Summit County Waste, Recycling and Landfill Manager, stated there was money for education and to label bins. They understand that residents want more services and they need to find a total package that fits the needs of the County as a whole. He noted that Old Town has its own issues and pick up of recyclables and trash on the same day would help solve one of the biggest issues.

Liza Simpson asked if residents were allowed to put addresses on the bins. Reece DeMille, Republic Services, replied they don't make any statements regarding that because often when someone moves the can is taken by a neighbor. Identification of cans is more difficult that just putting addresses on them. The transient nature of the Old Town neighborhood adds to the difficulty and identification of cans.

Mayor Williams summarized that Council was in agreement with Staff's recommendation in terms of education outreach and directed Staff to continue working on it. Staff was encouraged to involve Old Town residents to disseminate information to the neighborhoods

2. COSAC IV Property Acquisition Criteria. Heinrich Deters, Trails and Open Space Project Manager, introduced COSAC IV members Jim Doilney, Tim Henney and Meg Ryan. They presented an overview of the COSAC (Citizens Open Space Advisory Committee) property acquisition criteria that had been established to weigh, prioritize and to determine the proper legal binding process to recommend to council for their consideration.

Councilman Beerman commended the group for their thorough work. Ms. Simpson also mentioned the terrific work space and how much the group had accomplished. She wanted to ensure the wildlife corridor connections were also considered. Mayor Williams brought up Easement versus Deed Restrictions and stressed the importance of being as definitive as possible on what potential uses or non uses could be.

City Council conducted Recreation Advisory Board interviews.

PARK CITY COUNCIL MEETING **DRAFT**
SUMMIT COUNTY, UTAH
JUNE 27, 2013

I ROLL CALL

Mayor Dana Williams called the regular meeting of the City Council to order at the 6:00 p.m. at the Marsac Municipal Building on Thursday, June 30, 2013. Members in attendance were Dana Williams, Andy Beerman, Alex Butwinski, Cindy Matsumoto, Dick Peek, and Liza Simpson. Staff present was Diane Foster, City Manager; Mark Harrington, City Attorney; Jon Weidenhamer, Economic Development Manager; Matt Twombly, Project Manager; Sherry Snyder, Building Permits Coordinator;

II COMMUNICATIONS AND DISCLOSURES FROM COUNCIL AND STAFF

Councilman Alex Butwinski stated the Quality Growth Commission members had been asked to reach out to respective State Legislators regarding funding for the Commission.

Phyllis Robinson, Public Affairs and Communications Manager, announced that the bi-annual Citizens Survey has been mailed and would be arriving in randomly selected Park City mailboxes shortly.

III PUBLIC INPUT

On behalf of Council, Mayor Williams thanked Tom Daley, Deputy City Attorney for his outstanding work on the Western Summit County Water Project.

IV MINUTES OF MEETING OF MAY 30, 2013

Liza Simpson, "I move to approve the minutes of May 30, 2013 as corrected". Alex Butwinski seconded. Motion unanimously carried.

V CONSENT AGENDA

Dick Peek, "I move to remove the items from Consent Agenda for discussion". Andy Beerman seconded. Motion unanimously carried.

1. Consideration of an Amended Lease with the Park City Co-op for space located at the Library and Education Building, 1255 Park Avenue, Park City, Utah, in a form approved by the City Attorney

2. Consideration of an Amended Lease with the Park City Film Series for space located at Miners Hospital, 1354 Park Avenue, Park City, Utah, in a form approved by the City Attorney

Jonathan Weidenhamer advised Council that construction sequencing for the Library had changed after publication of the packet. They had intended to build out the entire third floor this summer and the leases in the packet reflected that. Changes to the construction schedule will defer that construction to next summer and he provided them with updated leases for review and approval.

He explained we are going to work on just the Co-op space on the third floor this summer and they will remain in the current space through Spring Break, 2014 when construction begins for the entire first and second floors. The Film Series will remain in their current space and will move out next summer. In terms of the leases, that means the Co-0p is going to remain in their current space, with no rent mitigation, through February 2014 when the real construction starts for the whole first and second floors. The Film Series will remain in their current space through next summer. At this time, Council is being asked to approve an extension of their lease.

Liza Simpson, "I move to approve Amended Leases with the Park City Co-op for space located at the Library and Education Building, 1255 Park Avenue and the Park City Film Series for space located at Miners Hospital, 1354 Park Avenue, Park City, Utah, in a form approved by the City Attorney subject to amendments discussed". Andy Beerman seconded. Motion unanimously carried.

VI RESIGNATIONS AND APPOINTMENTS

1. Consideration of appointing Bobbie Pyron and Faye Malnar to the Library Board for terms expiring July 2016. Cindy Matsumoto, "I move to appoint Bobbie Pyron and Faye Malnar to the Library board for terms expiring July 2016 ". Alex Butwinski seconded. Motion unanimously carried.

2. Consideration of resignation of Janet M. Scott as City Recorder Liza Simpson, "I move to accept the resignation of Janet M. Scott as City Recorder". Dick Peek seconded. Motion unanimously carried.

VII NEW BUSINESS

1. Consideration of Addendum #2 to the Construction Manager at Risk Contract for Miller Paving for Main Street Improvements and authorize the City Manager to enter into an agreement in a form approved by the City Attorney Matt Twombly, Senior Project Manager, stated that Miller Paving was wrapping up the Phase One Main Street Improvements ahead of schedule. Work covered in Addendum 2 will include the section between Fifth Street and the Claimjumper Hotel. This addendum does not include Terigo Plaza and Seventh Street and Staff will return to Council in late summer for an addendum to the contract for those two projects. He stated Staff recommends Council authorize the City Manager to enter into an addendum No. 2 with Miller Paving for the Construction Manager at Risk Contract in a form approved by the City Attorney's office for the guaranteed maximum price of $413,504.

Andy Beerman thanked the team (Matt Twombly, Dave Gustafson and Craig Sanchez) for working with the street and bending over backwards to coordinate schedules. He suggested that as Council receives addendums for lengthy projects that Staff includes an itemization of each phase so Council can have a comprehensive look at the project budget. Mr. Twombly commented that with the Construction Manager at Risk format there will be a final guaranteed maximum price and Council will see all the costs together. Alex Butwinski agreed it would be helpful to compare costs, both estimates and actuals, as well as the percentage of completion for these projects.

Mayor Williams requested public input. Hearing none, he requested a motion. .

Alex Butwinski, "I move to approve Addendum #2 to the Construction Manager at Risk Contract for Miller Paving for Main Street Improvements and authorize the City Manager to enter into an agreement in a form approved by the City Attorney". Liza Simpson seconded. Motion unanimously carried.

2. Consideration of an Ordinance amending Title 4, Licensing, Chapter 2, Sections 4, 8 and 10 regarding inspections and creating a process for pre-inspections. Sherry Snyder, Building Department, explained this new process of requiring pre-inspections was designed to make the business license process quicker and easier for all business owners. She was aware of Council's concerns about discussing this with property management companies in the City and asked Council to discuss any other concerns they may have about the proposed changes.

Liza Simpson added the Lodging Association was aware of the proposed changes, but would like to discuss it with staff and possibly exam ideas of changing renewal dates for night lodging licenses to mid-year and the City is not swamped with the new year, and Sundance. She requested Sherry present an overview of the proposal.

Mayor Williams state they would open the hearing tonight and make a motion to continue.

Sherry Snyder explained the business license process currently begins with the submission of a business license application to the Finance Department. Once the application has been submitted, owners are able to do business at their own risk, but are required to have a building inspection where the inspectors check for health, safety issues. It currently takes an average of fifty (50) days to complete an inspection and get the licenses approved. The changes would place the responsibility on owners to have their inspection done first and once the inspection is approved it would only take two to five days to approve and issue a business license.

Ms. Snyder stated the pre-inspection would begin with the Building Department and owners would be allowed two inspections: the initial inspection and to check corrections if needed. If it requires more than two inspections, the Building Department will assess a $75.00 re-inspection fee, but she has prepared extensive paperwork to prepare business owners for inspections.

Mayor Williams opened the public hearing.

Mike Sweeney, local businessman, stated he had not had an opportunity to review the proposal, and cautioned about unintended consequences. He supports Chad Root and the Building Department for the progressive changes they are making. He explained that obtaining a business permits required coordination between various entities and adding an additional step can create an untenable situation. He would like to review the various permutations that he has seen happen with businesses that he has helped obtain permits over the past fifteen years.

Hearing no further input, Mayor Williams closed the public hearing.

Dick Peek supported the policy of reaching out to constituents who are affected by changes. Alex Butwinski suggested placing an agenda item for public input and a motion to continue to the next meeting date so it would be noticed a week before Council was going to take action. City Manager Diane Foster relayed a Management Team discussion about creating a system of internal checks to make sure we check in with all interested parties. Jonathan Weidenhamer stated a stakeholder meeting has been scheduled for August 2nd. Andy Beerman stressed the importance of allowing sufficient time as many groups only meet once a month.

Liza Simpson, "I move to continue the consideration of an ordinance amending Title 4, Licensing, Chapter 2, Sections 4, 8 and 10 regarding inspections and creating a process for pre-inspections to a date uncertain". Andy Beerman seconded. Motion unanimously carried.

3. Consideration of approval of the City/County Cooperative Agreement with the Utah Department of Transportation associated with the Highway 40 Underpass Project in the amount of $250,000, in a form approved by the City Attorney Heinrich Deters, Trails and Open Space Project Manager, introduce Ritchie Taylor from the Utah Department of Transportation.

Mr. Deters noted new information had come to light since the report was written. He described the location of the Highway 40 Underpass Project and noted it was a partnership between UDOT, Basin Recreation, and the City. Heinrich, Ritchie Taylor and Derek Radke have discussed utilizing existing RAP tax funds to help fund the project. They learned that UDOT is willing to delay the construction until spring, which allows the County and City to apply for RAP Tax funds. If they were able to receive that additional funding, it would lower funding needed from the City and County. Heinrich noted the Trails Master Plan budget has funds that will be utilized to provide the initial funding. Due to the possibility of receiving RAP Tax funds, Mr. Deters recommended that Council continue discussion of the cooperative agreement to a date uncertain.

Ritchie Taylor appreciated the Council's consideration of this project. He stressed it was a joint project involving four entities. The underpass will provide a regional trail connection of adequate height and width and wildlife proponents believe it is likely that large ungulates will utilize the tunnel.

Dick Peek asked if bikers would be restricted from using that trail connection. Mr. Taylor clarified that the trail would be used by bicyclists, pedestrians, horseback riders, and wildlife, but it would be prohibited from ever becoming a road.

Liza Simpson stated this was an important wildlife corridor and she also appreciated being able to hold off in order to make a sound budgetary decision.

Andy Beerman, "I move to continue consideration of approval of the City/County Cooperative Agreement with the Utah Department of Transportation associated with the Highway 40 Underpass Project in the amount of $250,000, to a date uncertain". Liza Simpson seconded. Motion unanimously carried.

4. Consideration of approval of the amended supplemental plan that includes the removal of the expanded Farmers Market in the Swede Alley Surface Lot during the Park Silly Sunday Market, in a form approved by the City Attorney. Tommy Youngblood, Special Events Coordinator, explained that Park Silly Market would like to amend the supplemental plan amendment that extended their farmers market into the Swede Alley Surface Parking lot. They found that the traffic and pedestrian management on Swede Alley was difficult at best and dangerous at worst. They would like to revert to the terms of the original plan and take the idea of expanding the market back to their working group for some input.

Liza Simpson, "I move to approve the Amended Supplemental Plan that includes the removal of the expanded Farmers Market in the Swede Alley Surface Lot during the Park Silly Sunday Market, in a form approved by the City Attorney". Alex Butwinski seconded. Motion unanimously carried.

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VIII ADJOURNMENT

With no further business, the meeting adjourned at approximately 7:00 p.m. Council members announced they would be gathering at The Blind Dog and no official business would be conducted.

MEMORANDUM OF CLOSED SESSION

The City Council met in closed session at approximately 2 p.m. Members in attendance were Mayor Dana Williams, Andy Beerman, Alex Butwinski, Cindy Matsumoto, Dick Peek, and Liza Simpson. Staff present was Diane Foster, City Manager; Jonathan Weidenhamer, Economic Development Manager; Tom Daley, Deputy City Attorney, Clint McAffee, Water Manager, and Mark Harrington, City Attorney. Alex Butwinski, "I move to close the meeting to discuss personnel, property and litigation". Liza Simpson seconded. Motion carried unanimously. The meeting opened at approximately 3:20 p.m. Alex Butwinski, "I move to open the meeting". Cindy Matsumoto seconded. Motion unanimously carried.

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

Prepared by Sharon Bauman, Senior Recorder/Elections Official.

City Council Staff Report

Subject: **Resolution Proclaiming September, 2013 as National Preparedness Month in Park City**
Author: **Hugh Daniels, Emergency Program Manager**
Jeremy Cuddeback, Emergency Management Intern
Department: **Executive**
Date: **August 15, 2013**
Type of Item: **Administrative**

Summary Recommendation:
Consider adopting a Resolution proclaiming September, 2013 as National Preparedness Month in Park City.

Topic/Description:
The Congress and President of the United States have for the sixth year in a row, proclaimed September, 2013 as National Preparedness Month. Park City has begun and is continuing to develop its *Be Ready Park City* campaign that builds on the Federal Emergency Management Administration (FEMA) *Ready* campaign and the State of Utah's *Be Ready Utah* campaign to assist our citizens and businesses in preparing for natural disasters and human caused emergencies.

Park City Municipal Corporation is a Member of the National Preparedness Coalition and continues to work with a diverse group of individuals, agencies and associations to better prepare our community.

During times of severe emergencies and disasters, basic city services will be overwhelmed. It is inherent that all citizens and businesses be prepared to care for themselves and their neighbors until additional help is available. We are asking all our citizens to make a plan and become better prepared in conjunction with this year's National Preparedness Month's theme "You Can Be the Hero."

Department Review:
The City Manager and Legal have reviewed the Resolution.

Alternatives:

A. Approve the Request:
Adopt a Resolution proclaiming September, 2013 as National Preparedness Month in Park City. **This is the recommended option.**

B. Deny the Request:
Council could choose to deny the request with no significant consequences. We would lose the opportunity to publicize and support National Preparedness Month.

C. Continue the Item:

Council could choose to continue the item however; we would miss the window to support National Preparedness Month.

D. Do Nothing:

This would be the same as denying the request.

Significant Impacts:

Encourages all members of the community to prepare for all types of disasters and emergencies leading towards a more resilient community.

	World Class Multi-Seasonal Resort Destination (Economic Impact)	Preserving & Enhancing the Natural Environment (Environmental Impact)	An Inclusive Community of Diverse Economic & Cultural Opportunities (Social Equity Impact)	Responsive, Cutting-Edge & Effective Government
Which Desired Outcomes might the Recommended Action Impact?	+ Safe community that is walkable and bike-able + Internationally recognized & respected brand + Every City employee is an ambassador of first-class service			+ Engaged and informed citizenry + Ease of access to desired information for citizens and visitors
Assessment of Overall Impact on Council Priority *(Quality of Life Impact)*	Positive			Positive
Comments:				

Funding Source:

There are no funding requirements beyond staff time.

Consequences of not taking the recommended action:

We would lose the opportunity to publicize and support National Preparedness Month.

Recommendation:

Adopt a Resolution proclaiming September, 2013 as National Preparedness Month in Park City.

Resolution No. 13-

**RESOLUTION PROCLAMING SEPTEMBER, 2013 AS
NATIONAL PREPAREDNESS MONTH IN PARK CITY, UTAH**

WHEREAS, the Congress and President of the United States have designated September, 2013 as National Preparedness Month; and

WHEREAS, “National Preparedness Month” creates an important opportunity for every resident of Park City to prepare their families, homes, businesses and community for any type of emergency including natural disasters and human caused emergencies; and

WHEREAS, investing in the preparedness of ourselves, our families, businesses and community can reduce fatalities and economic devastation within our communities and in our nation; and

WHEREAS, the Federal Emergency Management Agency’s *Ready* Campaign, the State of Utah’s *Be Ready Utah* Campaign and Park City’s *Be Ready Park City* Campaign along with other federal, state, local, tribal, territorial, private and volunteer agencies are working to increase public activities in preparing for emergencies and to educate individuals on how to take action; and

WHEREAS, emergency preparedness is the responsibility of every citizen of Park City and all citizens are urged to make preparedness a priority and work together, as a team, to ensure that we are prepared for disasters and emergencies of any type; and

WHEREAS, all citizens of Park City are encouraged to participate in citizen preparedness activities and asked to visit the websites of the *Ready* campaign at Ready.gov or Listo.gov (in Spanish) and become more prepared.

NOW, THEREFORE BE IT RESOLVED that the Mayor and City Council herby proclaim September, 2013 as National Preparedness Month in Park City and encourages all citizens and businesses to develop their own emergency preparedness plan, prepare their own families and businesses and work together toward creating a more prepared society.

PASSED AND ADOPTED this 15th day of August, 2013.

PARK CITY MUNICIPAL CORPORATION

____
Mayor Dana Williams

Attest:

____
Sharon Bauman, Senior City Recorder

Approved as to form:

____
Mark D. Harrington, City Attorney

City Council Staff Report

Subject: **Crescent Tramway Trail: Phase II**
Authors: **Sayre Brennan, Engineering**
Kelly Johnston, Engineering
Date: **August 15, 2013**
Type of Item: **Administrative**

Summary Recommendations:
City Council should authorize the City Manager to execute a construction agreement for the construction of Phase II of Crescent Tramway Trail with Lyndon Jones Construction in a form approved by the City Attorney and in an amount of **$82,042.50**

Topic/Description:
The segment of Crescent Tram Trail that runs from Woodside Avenue to 8th Street/Crescent Road is currently in a state of disrepair. Council supported placing a sidewalk on the tramway in 2011. Phase I of the project was completed in 2012, and Phase II will finish the upper section of the Trail. The construction improvements will include the following tasks: Grading, Concrete Sidewalk, Retaining Walls (stacked rock), and Landscaping.

Background:
Since its inception as an ore rail line in the late 19th century, the Crescent Tramway has served as a vital transportation link. The historical alignment of the original Tramway runs from the southwest corner of the intersection of Park Avenue and Heber Avenue to the east, across Woodside Avenue, Eighth Street and Empire Avenue until moving upwards into Park City Mountain Resort (PCMR). The grade was abandoned in the late 19th century. At present, the trail serves as a non-motorized route for residents of Old Town, trail users, and mountain bikers to connect downtown to Treasure Hill and PCMR.

The Crescent Tramway is identified on the Snyder's Addition plat maps. The protection of the historic tramway's location has been a priority of the Planning Commission throughout the course of the development of adjacent parcels. This proposal will clarify for both the users and the adjacent property owners the exact location of the "trail" and will re-establish connectivity in this part of Old Town.

The design and layout of the proposed Crescent Tramway Trail was a collaboration between Sustainability and Engineering. Based on this work, Alliance Engineering was hired in the spring of 2013 to design and engineer the second phase of Crescent Tram Trail. The project went out to bid on July 22th, 2013.

Analysis:

Repairing the path from Woodside Avenue to 8th Street will be a public benefit in several ways. First, it will help to identify and prioritize the path as a public trail by recognizing the existing easement that is in place. Secondly, the proposed improvements will provide for broadened neighborhood connectivity by completing the upper section of the historic trail. Lastly, completion of repairs will guarantee continuity between the two sections of the trail.

Alliance Engineering and staff advertised to obtain competitive bids for the construction of the Crescent Tram Trail Phase II. The project was advertised in the Park Record and the Salt Lake Tribune. Six (6) bids were received on August 6th, 2013. :

COMPANY	**BID AMOUNT**
Beck Construction & Excavation, Inc.	**$133,758.75**
Hidden Peak Electric Company, Inc.	**$170,013.13**
Lyndon Jones Construction	**$82,042.50**
Miller Paving, Inc.	**$129,850.05**
S&L Incorporated	**$143,105.51**
Terra Engineering & Construction	**$137,962.50**

All bids submitted were reviewed and deemed compliant with the terms of the contract documents. No companies were “local” as defined in the contracting policy. Lyndon Jones Construction was the low bidder. It is anticipated that this project will be completed by October 15th, 2013.

Department Review:
This report has been reviewed by Planning, Public Works, Engineering, Legal, Sustainability, and the City Manager’s office. All issues have been resolved.

Alternatives:

A. Approve the Request:
This is the staff’s recommendation.

B. Deny the Request:
This would not allow for the identification and preservation of this important pedestrian thruway.

C. Continue the Item:
If the Council needs more information the item can be continued, but this could impact the contractor’s ability to complete the construction this season.

D. Do Nothing:
This option would make it impossible to complete the construction in a timely manner.

Significant Impacts:
Impacts associated with construction, such as noise, delays, parking and traffic circulation may become apparent. Coordination before and during construction with the

adjacent residents will not eliminate the impacts, but should greatly mitigate the situation. Completion of the project will positively impact the walkability of the area.

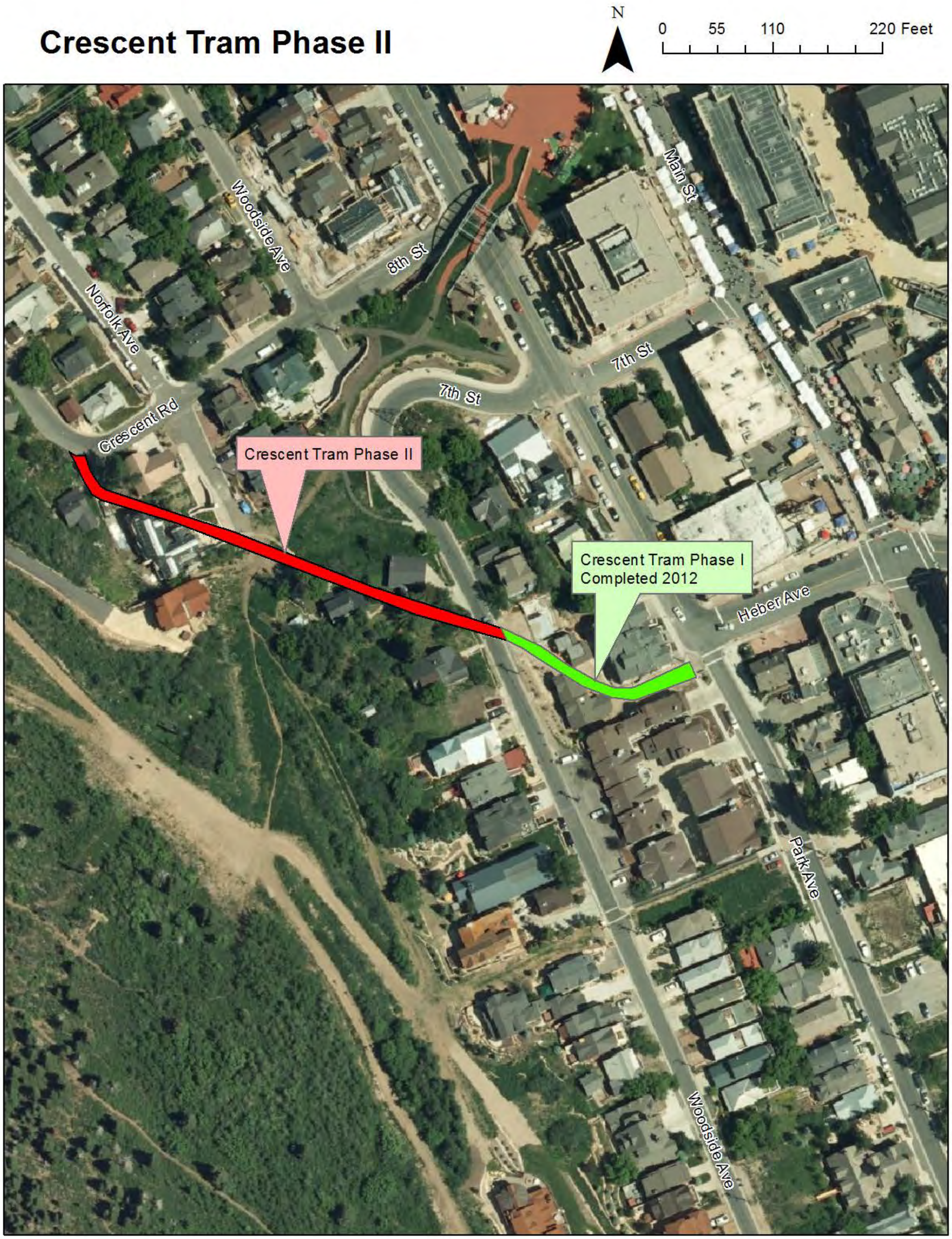
Funding:
Sufficient funding for this project has been allocated from the Lower Park Avenue RDA.

Consequences of not taking the recommended action:
By not taking the recommended action, the upper section of the Crescent Tramway Trail will remain in a state of disrepair, with an unclear delineation of the walkway and reduced continuity and connectivity to the previously completed first phase. Its effect will continue to be felt by the trail users and neighboring home owners.

Recommendation:
City Council should authorize the City Manager to execute a construction agreement for the construction of Phase II of the Crescent Tramway Trail with Lyndon Jones Construction in a form approved by the City Attorney and in an amount of **$82,042.50**

Exhibit A - A Crescent Tram Aerial
Exhibit B- Construction Plans

Exhibit A - A Crescent Tram Aerial



EXISTING CONDITIONS

—— ESD ——	EXISTING STORM DRAIN	—— SD ——	NEW STORM DRAIN
—— ESS ——	EXISTING SEWER	—— SS ——	NEW SEWER
—— EW ——	EXISTING WATER	—— W ——	NEW WATER
—— EP ——	EXISTING POWER	—— EG ——	EXISTING GAS
—— EOHU ——	EXTG OVERHEAD UTILITY	—— ET ——	EXISTING TELECOMM

REGISTERED PROFESSIONAL ENGINEER
No. 4857264
MICHAEL DEMKOWICZ
7/13/13
STATE OF UTAH

(435) 649-9467
Alliance Engineering Inc.
CONSULTING ENGINEERS LAND PLANNERS SURVEYORS
323 Main Street P.O. Box 2664 Park City, Utah 84060-2664

STAFF: MICHAEL DEMKOWICZ

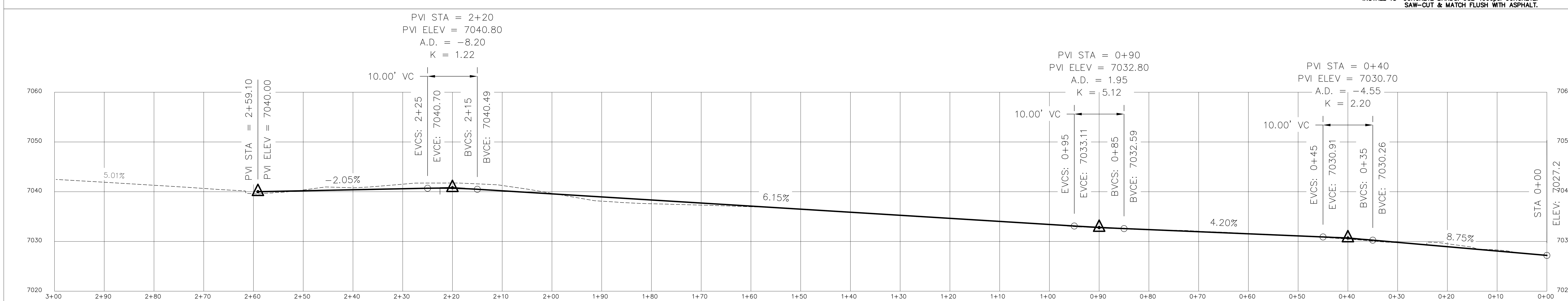
DATE: 7/13/13

HISTORIC "OLD TOWN" PARK CITY
WOODSIDE AVENUE TO 8th STREET

CRESCENT TRAMWAY SIDEWALK
EXISTING CONDITIONS

FOR: PARK CITY MUNICIPAL CORPORATION
JOB NO.: 5-5-13
FILE: X:\ParkCitySurvey/dwg/Crescent Tram Walkway/Crescent Tramway.dwg

SHEET
2



NOTE:
ALL MATERIAL FROM EARTHWORK OPERATIONS SHALL REMAIN ON-SITE AND COVERED WITH SIDEWALK OR LANDSCAPE RESTORATION

SIDEWALK CENTERLINE PROFILES

ESD	EXISTING STORM DRAIN	SD	NEW STORM DRAIN
ESS	EXISTING SEWER	SS	NEW SEWER
EW	EXISTING WATER	W	NEW WATER
EP	EXISTING POWER	EG	EXISTING GAS
EOHU	EXTG OVERHEAD UTILITY	ET	EXISTING TELECOMM

REGISTERED PROFESSIONAL ENGINEER No. 4857264 MICHAEL DEMKOWICZ 7/13/13 STATE OF UTAH

(435) 649-9467
Alliance Engineering Inc
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323 Main Street P.O. Box 2664 Park City, Utah 84060-2664

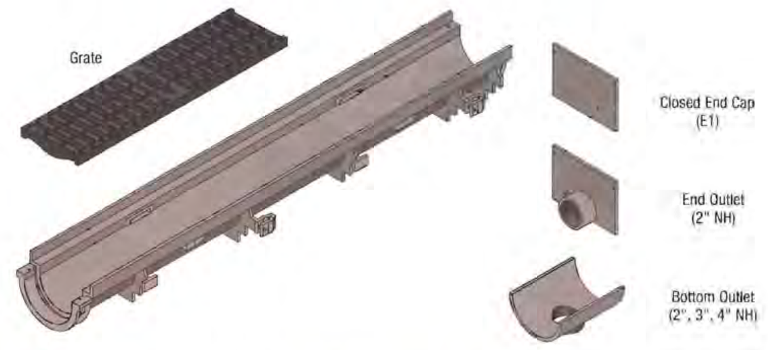
STAFF: MICHAEL DEMKOWICZ
DATE: 7/13/13

HISTORIC "OLD TOWN" PARK CITY
WOODSIDE AVENUE TO 8TH STREET

CRESCENT TRAMWAY SIDEWALK PHASE 2
PLAN AND PROFILE STA 0+00 TO 3+00

FOR: PARK CITY MUNICIPAL CORPORATION
JOB NO.: 5-5-13
FILE: X\ParkCitySurvey/dwg/Crescent Tram Walkway/Crescent Tramway.dwg

SHEET 3



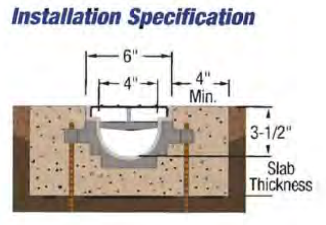
Z883 Applications

- Sidewalks
- Parking Garages
- Gas Stations
- Kitchens
- Pools
- Residential

Features and Benefits

- *40" Modular Channel Sections with 20" Grates*
- *Smooth Seamless Construction – Clean, sanitary installation.*
- *Durable and Lightweight – Strong corrosion-resistant material.*
- *3-1/2" Trench Depth – For depth restricted applications.*
- *Variety of Gratings – Able to meet specific job requirements.*
- *Grate Options – Available in ADA. See pages 22-23.*

Installation Specification



4" Throat / 6" Overall Width

Z883 Dimensional Data

Top Size	Overall Depth C Minimum Inches	C Minimum mm	D Maximum Inches	D Maximum mm	Approx. Wt. (Less Grate) Lbs.	Kg
883	3.5	88.9	3.5	88.9	4	1.8

NOTE:

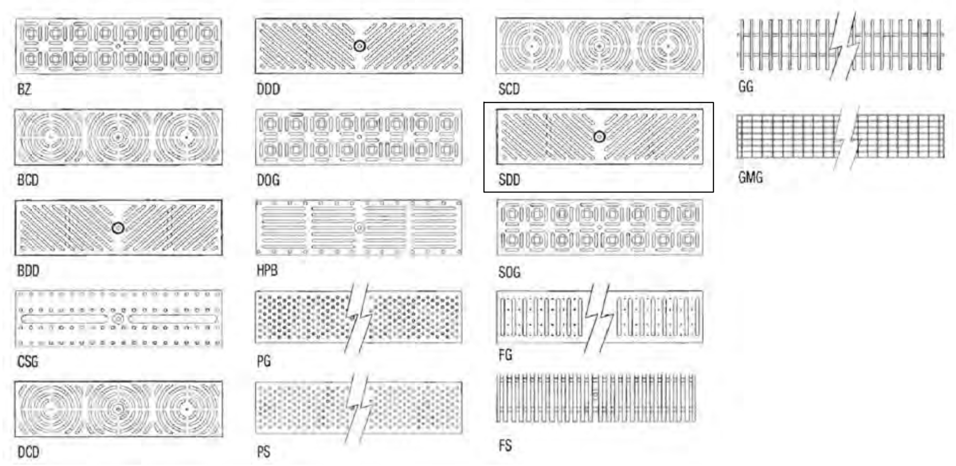
1. WRAP ZURN DRAIN WITH NEW SNOW MELT TUBING.
2. PLACE ZURN DRAIN ADJACENT TO EXISTING HEATED CONCRETE.

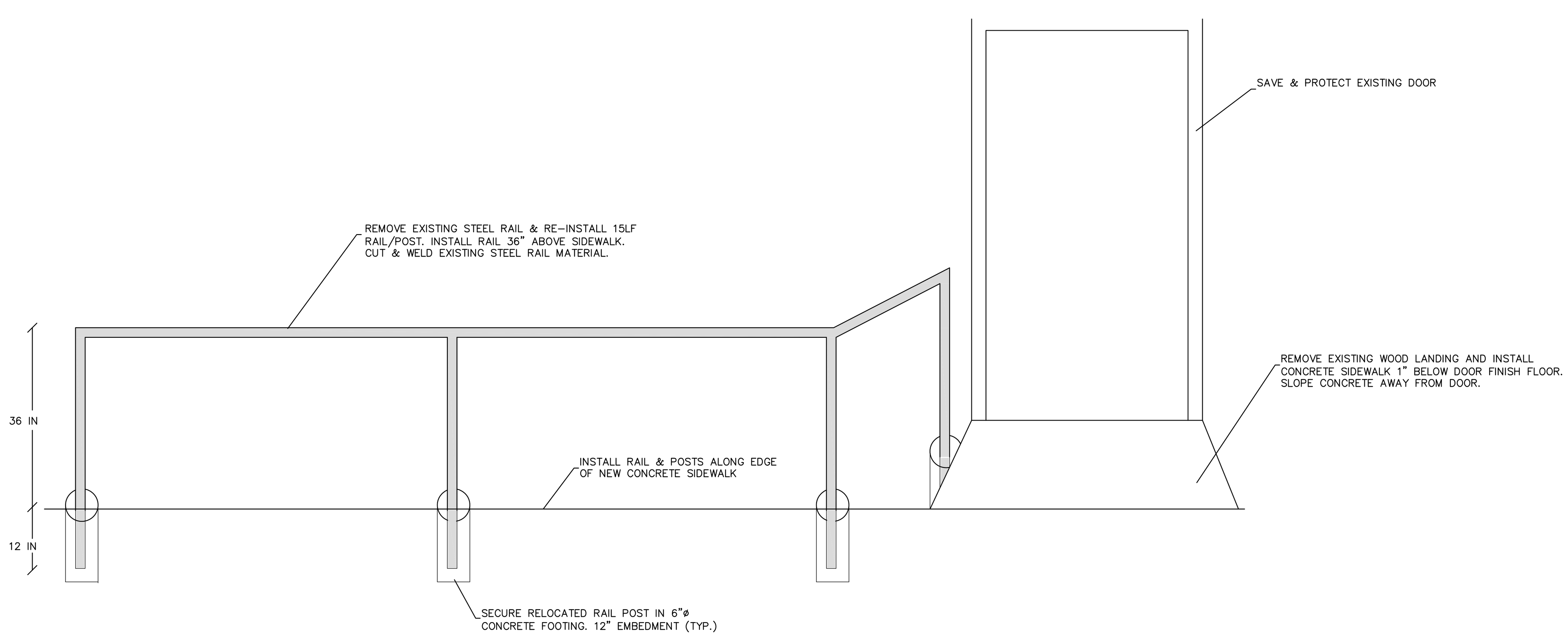
Engineering Specification Channels shall be 40" long, 6" wide, and have a 4" wide throat. Modular channel sections shall be made of High Density Polyethylene (HDPE), have interlocking ends, and radiused bottom. Channel shall be provided flat (neutral) with a 3-1/2" invert. Channels shall have clips molded into the sides of the channel to accommodate vertical rebar for positioning and anchoring purposes. Choice of class A, B, and C grates shall be available with H-20 and/or ADA compliance with mechanical lockdown devices. End caps and catch basins shall be available to complement the channels and grates. End outlets in 2" diameter and bottom outlets in 2", 3", and 4" diameters shall be available. Trench drain shall be Flo-Thru model Z883.

6" System Grates

Suffix	Description	Material	Weight (lbs./ft.)	Length	Open Area (sq. in. per ft.)	DIN	ANSI	ADA	H-20	FAA
BZ	Bronze Decorative	Bronze	5.39	20"	17.57	A	Light Duty	Yes	No	No
BCD	Circular Decorative	Bronze	5.6	20"	6.8	A	Light Duty	Yes	No	No
BDD	Diagonal Decorative	Bronze	5.3	20"	15.2	A	Light Duty	Yes	No	No
CSG	Center Slot Grate	Cast Iron	6.9	20"	7.45	A	Medium Duty	No	No	No
DCD	Circular Decorative	Ductile Iron	4.6	20"	6.8	A	Light Duty	Yes	No	No
DDD	Diagonal Decorative	Ductile Iron	4.6	20"	15.2	A	Light Duty	Yes	No	No
DOG	Decorative	Ductile Iron	4.57	20"	17.57	A	Light Duty	Yes	No	No
HPB	Heel-proof Slotted	Bronze	5.9	20"	15.5	A	Light Duty	No	No	No
PG	Fabricated Perforated	Galvanized Steel	1.65	40"	7.17	A	Light Duty	Yes	No	No
PS	Fabricated Perforated	Stainless Steel	1.65	40"	7.17	A	Light Duty	Yes	No	No
SCD	Circular Decorative	Stainless Steel	5.46	20"	6.8	A	Light Duty	Yes	Yes	No
* SDD	Diagonal Decorative	Stainless Steel	5.19	20"	15.2	A	Light Duty	Yes	Yes	No
SOG	Decorative	Stainless Steel	5.21	40"	17.57	A	Light Duty	Yes	No	No
FG	Fabricated Slotted	Galvanized Steel	1.88	40"	13.66	B	Light Duty	No	No	No
FS	Fabricated Slotted	Stainless Steel	1.66	40"	13.68	B	Light Duty	No	No	No
GG	Slotted Grate	Fiberglass	0.90	40"	41.63	B	Medium Duty	No	No	No
GMG	Mesh Grate	Galvanized Steel	3.3	40"	50.2	B	Medium Duty	No	No	No

All gratings for the 6" systems have a width of 5.375" and a height of 3/4". For grate definitions and classifications, see page 33.

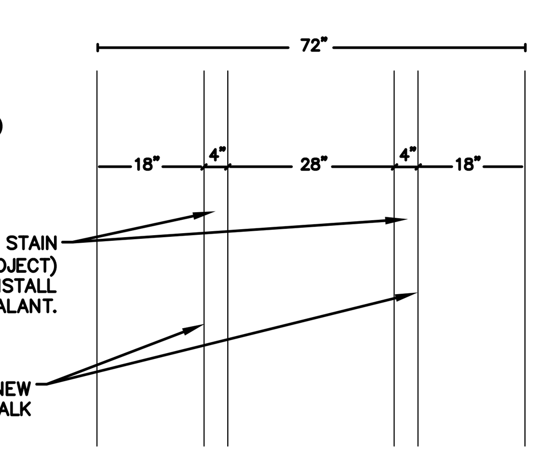




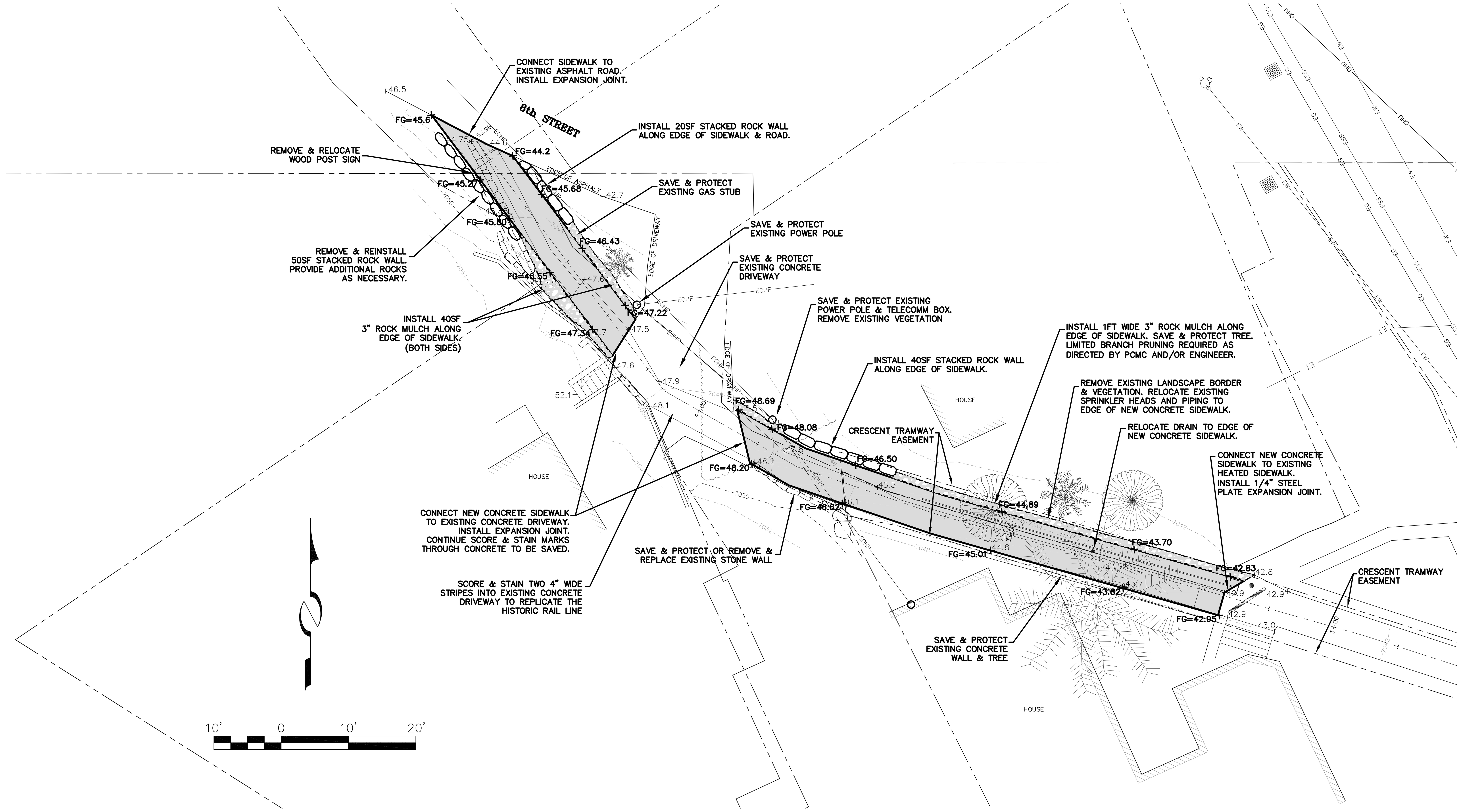
RAIL DETAIL AT 622 CRESCENT TRAMWAY GARAGE

NOTES:

1. CONTRACTOR TO SCORE AND STAIN EXISTING CONCRETE DRIVEWAY BETWEEN PORTIONS OF NEW SIDEWALK TO REPLICATE THE HISTORIC RAIL LINE. INSTALL 1/2 IN x 1/4 IN SCORE MARKS (4 TOTAL) PROVIDING (2) 4" WIDE AREAS TO BE STAINED.



ACID STAIN CONCRETE SIDEWALK PATTERN



NOTE:
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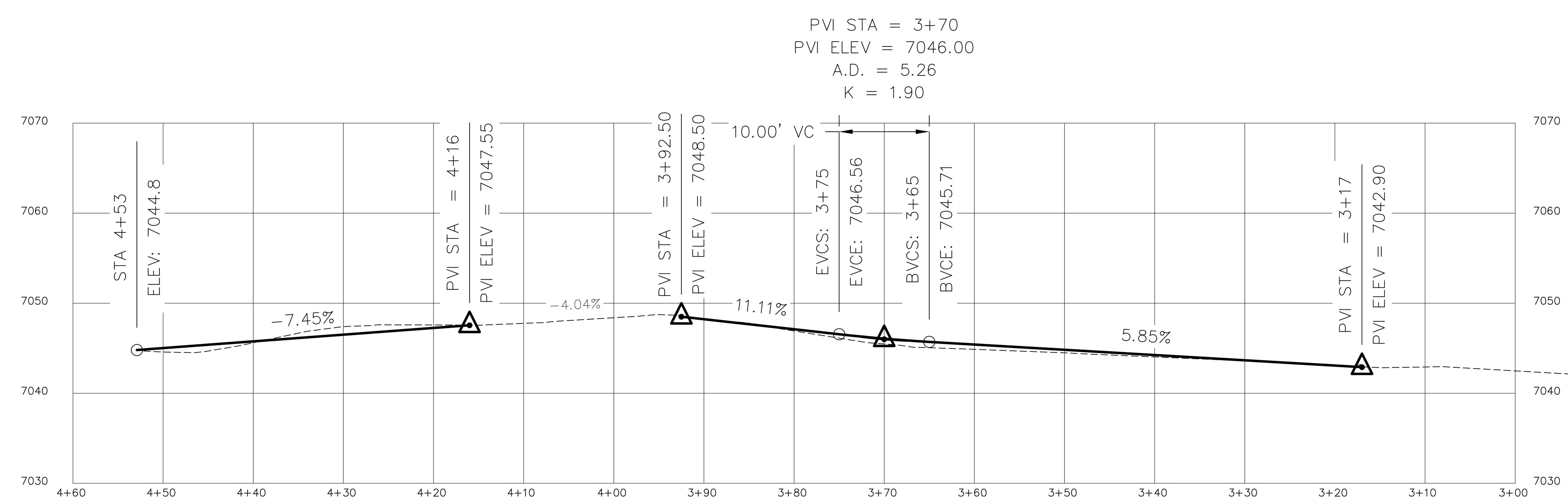

SIDEWALK CENTERLINE PROFILES

—— ESD ——	EXISTING STORM DRAIN	—— SD ——	NEW STORM DRAIN
—— ESS ——	EXISTING SEWER	—— SS ——	NEW SEWER
—— EW ——	EXISTING WATER	—— W ——	NEW WATER
—— EP ——	EXISTING POWER	—— EG ——	EXISTING GAS
—— EOHU ——	EXTG OVERHEAD UTILITY	—— ET ——	EXISTING TELECOMM

Know what's below. Call 811 before you dig. BLUE STAKES OF UTAH UTILITY NOTIFICATION CENTER, INC. www.bluestakes.org 1-800-662-4111

REGISTERED PROFESSIONAL ENGINEER No. 4857264 MICHAEL DEMKOWICZ 7/13/13 STATE OF UTAH

(435) 649-9467
Alliance Engineering Inc.
CONSULTING ENGINEERS LAND PLANNERS SURVEYORS
323 Main Street P.O. Box 2664 Park City, Utah 84060-2664

STAFF: MICHAEL DEMKOWICZ
DATE: 7/13/13

HISTORIC "OLD TOWN" PARK CITY
WOODSIDE AVENUE TO 8TH STREET

CRESCENT TRAMWAY SIDEWALK PHASE 2
PLAN AND PROFILE STA 3+00 TO 4+00

FOR: PARK CITY MUNICIPAL CORPORATION
JOB NO.: 5-5-13
FILE: X\ParkCitySurvey/dwg/Crescent Tram Walkway/Crescent Tramway.dwg

SHEET 4

City Council Staff Report

Subject: **10^{th} and 11^{th} Streets Project Construction Agreement**
Author: **Sayre Brennan, Engineering**
Kelly Johnston, Engineering
Date: **August 15, 2013**
Type of Item: **Administrative**

Summary Recommendations:
City Council should authorize the City Manager to execute a construction agreement for the reconstruction of 10^{th} and 11^{th} Streets with Wolff Excavating, Inc. in a form approved by the City Attorney and in an amount of **$314,512.00**.

Topic/Description:
10^{th} Street is a residential street that extends from Park Avenue up to Empire Avenue. 11^{th} Street is also a residential street that extends only from Park Avenue to Woodside Avenue.

The 10^{th} and 11^{th} Street Reconstruction Project is part of the Old Town Infrastructure Study (OTIS) projects. The project will include reconstructing and grading both streets, upgrading a small amount of sewer infrastructure, and installing concrete gutters and storm drains along their length.

Adding gutters and storm drains to these streets will increase their capacity to handle run-off and storm water and reduce the possibility of flooding on city streets and private property. These construction improvements will include the following tasks: road reconstruction, concrete gutter installation, grading, utility upgrades, retaining wall upgrades, minor landscaping, and construction management.

This project will use funds from the OTIS phase II (a) capital improvement project, resort communities sales tax bond. There is $350,000.00 in the budget for this project available this fiscal year.

Background:
City Council adopted the Old Town Improvement Study (OTIS) in 2002. This was actually the second study, as the City has been steadily improving infrastructure in Old Town since an earlier study in 1992 had made similar recommendations. Street projects which have been accomplished since 1992 include most of Swede Alley, King Road, Ontario Avenue, Marsac Avenue, Woodside Avenue south of 12^{th} Street, Upper Park Avenue, Prospect Street, Upper Norfolk and lower Woodside/Norfolk, Hillside Avenue, Sandridge Drive and Empire Avenue. In May 2011, the OTIS study was updated with current estimates of construction costs and with a reprioritization of projects.

Alliance Engineering was hired November 19, 2012 for the existing condition and property survey and engineering design for the road reconstruction and storm drain improvements along 10th and 11th Street right of way. Public open house meetings were conducted for residential input on the design. Alliance shall conduct inspection and contract administration for the construction project. **"Exhibit B"** shows a map displaying the locations of the planned work.

Analysis:

Alliance Engineering and staff advertised to obtain competitive bids for the reconstruction of 10th and 11th Streets. The project was advertised in the Park Record, the Salt Lake Tribune, and Utah Legal Notices. The project went out to bid on April 29th; bids were received on May 13th, 2013.Three bids were received. All bids submitted were reviewed and compliant with the terms of the contract documents.

COMPANY	BID AMOUNT
Wolff Excavating, Inc.	**$314,512.00**
Lyndon Jones	**$350,278.75**
Miller Paving, Inc.	**$357,930.00**

The low bidder for this project was Wolff Excavating. Staff initially anticipated a start date in July for this project, but due to construction delays on Empire Avenue, Wolff Excavating held their bid prices due to the fact that funding for 10th/11th Street was contingent on the completion of Empire Avenue. If Empire Avenue had run over budget, the money earmarked for 10th and 11th Streets would have been used to offset Empire Avenue's potential overrun. It has been determined that sufficient funds are available to execute a construction contract for 10th and 11th Street.

Department Review:

This report has been reviewed by Budget, Public Works, Legal, and the City Manager's office. All issues have been resolved.

Alternatives:

A. Approve the Request:

This is the staff's recommendation.

B. Deny the Request:

This could make it impossible to complete the reconstruction in the 2013 construction season. The project would also likely need to be rebid.

C. Continue the Item:

If the Council needs more information the item can be continued, but this would probably impact the contractor's ability to complete the reconstruction this season.

D. Do Nothing:

This option would make it impossible to complete the construction in a timely manner.

Significant Impacts:

The reconstruction of these streets will impact the adjacent residents and local traffic. Work on 11th Street is mostly contained within one block, but may have some impact on Woodside Avenue and Park Avenue. Work on 10th Street spans three blocks, and may affect north/south traffic through the area. Coordination before and during construction with the adjacent residents will not eliminate the impacts, but should greatly help the situation. Staff, Alliance Engineering, and the Contractor will be meeting with the neighborhood on Wednesday, August 21st, 2013 from 4pm-6pm to help coordinate the project with neighboring residents.

Consequences of not taking the recommended action:
10th and 11th Streets are local streets which are ready to be reconstructed as part of the Council adopted OTIS plan. Not taking the recommended action will not allow the reconstruction of 10th and 11th Street to be completed in the 2013 construction season.

Funding Source:
This contract will be funded out of the OTIS Phase II(a) capital improvement project, using resort communities sales tax bonds as adopted by Council in the 5-year capital improvement plan.

Recommendation:
City Council should authorize the City Manager to execute a construction agreement for the reconstruction of 10th and 11th Streets with Wolff Excavating, Inc. in a form approved by the City Attorney and in an amount of **$314,512.00**.

Exhibits – A- Bid Abstract
B- Map

Exhibit- A

10th and 11th Street Bid Tabulation 5-14-13

Item	Description	Quantity	Unit	Engr	Engr Est.	Wolff Ex.		L. Jones		Miller	
1	Mobilization & Demobilization	1	LS	10000	$ 10,000.00	8518	$ 8,518.00	31500	$ 31,500.00	5732	$ 5,732.00
2	Storm Water Management	1	LS	5000	$ 5,000.00	4057	$ 4,057.00	3500	$ 3,500.00	2000	$ 2,000.00
3	Traffic Control and Signing	1	LS	5000	$ 5,000.00	6254	$ 6,254.00	16750	$ 16,750.00	3000	$ 3,000.00
4	Demolition (asphalt and concrete)	14,160	SF	1.5	$ 21,240.00	1.4	$ 19,824.00	1.25	$ 17,700.00	0.67	$ 9,487.20
5	Subgrade Preparation, Incidentals, and Final Surface Grading	1	LS	20000	$ 20,000.00	22419	$ 22,419.00	12300	$ 12,300.00	30074	$ 30,074.00
6	Tree Pruning	1	LS	1000	$ 1,000.00	2252	$ 2,252.00	2250	$ 2,250.00	150	$ 150.00
7	Install New Traffic Sign	8	EA	750	$ 6,000.00	563	$ 4,504.00	175	$ 1,400.00	375	$ 3,000.00
8	Structural Fill	1000	CY	30	$ 30,000.00	37.5	$ 37,500.00	32	$ 32,000.00	35.64	$ 35,640.00
9	30" Concrete Gutter	1340	LF	30	$ 40,200.00	26	$ 34,840.00	25	$ 33,500.00	18.42	$ 24,682.80
10	4" Concrete Sidewalk	400	SF	5	$ 2,000.00	5.76	$ 2,304.00	5.5	$ 2,200.00	4.35	$ 1,740.00
11	7" Concrete Driveway	495	SF	10	$ 4,950.00	9.2	$ 4,554.00	7.25	$ 3,588.75	5.66	$ 2,801.70
12	5" Asphalt Pavement	11100	SF	4	$ 44,400.00	3.6	$ 39,960.00	3.35	$ 37,185.00	3.13	$ 34,743.00
13	Pavement Marking	1	LS	2500	$ 2,500.00	5003	$ 5,003.00	2000	$ 2,000.00	345	$ 345.00
14	ADA Detectable Warning Surface	4	EA	500	$ 2,000.00	625	$ 2,500.00	800	$ 3,200.00	200	$ 800.00
15	Concrete Wall	110	LF	200	$ 22,000.00	364	$ 40,040.00	612	$ 67,320.00	842	$ 92,620.00
16	Guardrail for Concrete Wall	110	LF	50	$ 5,500.00	48.5	$ 5,335.00	70	$ 7,700.00	155.22	$ 17,074.20
17	Boulder Wall	770	SF	50	$ 38,500.00	39	$ 30,030.00	23	$ 17,710.00	25	$ 19,250.00
18	Guardrail for Boulder Wall	170	LF	75	$ 12,750.00	64.5	$ 10,965.00	85	$ 14,450.00	155.22	$ 26,387.40
19	Single Gutter Inlet Box	6	EA	3000	$ 18,000.00	1912	$ 11,472.00	1635	$ 9,810.00	1610	$ 9,660.00
20	60" Precast Concrete Storm Drain Manhole	2	EA	5000	$ 10,000.00	1902	$ 3,804.00	1720	$ 3,440.00	2300	$ 4,600.00
21	48" Square Gutter Inlet Box	1	EA	5000	$ 5,000.00	1902	$ 1,902.00	1660	$ 1,660.00	1897.5	$ 1,897.50
22	Double Gutter Inlet Box (SD#8)	1	EA	7500	$ 7,500.00	4269	$ 4,269.00	2800	$ 2,800.00	3220	$ 3,220.00
23	15" RCP Storm Drain	185	LF	50	$ 9,250.00	33	$ 6,105.00	65	$ 12,025.00	98.32	$ 18,189.20
24	Sewer Manhole Rim Grade Adjustment	5	EA	500	$ 2,500.00	385	$ 1,925.00	650	$ 3,250.00	475	$ 2,375.00
25	Rock Rip-Rap	920	SF	5	$ 4,600.00	2.5	$ 2,300.00	7	$ 6,440.00	4.2	$ 3,864.00
26	Existing Stair Reinforcement	1	LS	2500	$ 2,500.00	1876	$ 1,876.00	4600	$ 4,600.00	4597	$ 4,597.00
					$ 332,390.00		**$ 314,512.00**		$ 350,278.75		$ 357,930.00

Exhibit- B


N
10th & 11th Street Reconstruction
0
55
110
220 Feet
11th St
10th St
Woodside Ave
Park Ave
Norfolk Ave
Empire Ave

City Council
Staff Report

Author: Matt Twombly, Sustainability
Subject: Carl Winter's Building 3rd Floor Renovation – Reject all Bids
Date: August 15, 2013
Type of Item: Administrative – Reject all bids

PARK CITY 1884

Sustainability

Summary Recommendation –
Staff requests the City Council reject all bids on the Carl Winter's School Building 3rd Floor Renovation project.

Topic: Carl Winter's Building 3rd Floor Renovation project reject all bids.

Background:
On March 28, 2013 the City Council directed staff to pursue a renovation and expansion to the Library that included expanding into the entire first and second floors for library use, as well as a renovation of the 3rd floor that allows for flexible community space including a temporary senior center and permanent relocation of the Park City Cooperative Preschool. The architecture firm of Blalock and Partners developed construction drawings for the 3rd Floor remodel project. The project was to include the remodel of the Coop space, the temporary Senior Center and future community space, the Southeast stairway from 1st floor to 3rd floor, the elevator, restrooms and a new roof.

Do to conflicts with the use of the Santy Auditorium and significant utility and mechanical issues the project team decided to reduce the scope to only the 3rd floor Coop and the Southeast stairway remodel. The design team recommended grouping these items with the larger remodel project to help with the economies of scale and mitigate impacts of construction with tenants.

Analysis:
The invitation to bidders was advertised in the legal notices of the Park Record on June 22nd and 26th , and in the Salt Lake Tribune on June 22-23. The invitation was also advertised through the City's website and e-notify. The bid opening was Tuesday, August 6, 2013. There was one bidder on the project and the bids are as follows:

Bidder	Base Bid Amount
Ascent Construction Inc.	$363,000

There was only one bid by Ascent Construction Inc., at **$363,000**. The Architect's estimate was approximately $300,000.

There were 10 construction firms holding plans on the project however only one bid. Staff has heard that many of the firms were busy and not able to bid and that other projects in the Salt Lake area were bidding the same date and time.

Accordingly, staff finds there is "good cause" to reject all bids/the sole bid due to 1) the best interests in the public due to lack of competitive bids; 2) the sole bid was over the architect's estimate; and 3) finding the timing of the bid and proposed construction schedule had an adverse impact on the bid response. Therefore, staff recommends rejecting all the bids and including this portion of work with the entire project. The design team believes that there will be significant cost savings in doing so. The team estimates that this portion of work will be more in line with the architect's estimate ($60,000 savings) if included with the entire project.

Department Review: This report has been reviewed by representatives of Sustainability, Legal, and the City Manager's Office and their comments have been integrated into this report.

Alternatives:

A. **Approve the request, and reject all bids for the Carl Winter's School 3rd Floor remodel project: (Staff recommendation)**
B. Modify the request: Council could choose to further modify the project and re-bid the project.
C. Deny the request: Council could choose to continue with the project and have staff return with a recommendation to award the bid.
D. Continue the Item: Council may feel there is not enough information to make a decision.
E. Do Nothing: Same effect as continuance.

Significant Impacts: Rejection of bids will not impact the overall project schedule which estimates 90% completion and occupancy for Sundance by January 2015. The Coop lease for room 201 extends through February 23, 2014. Delaying this portion of work will necessitate extension of the lease in the current space.

	World Class Multi-Seasonal Resort Destination (Economic Impact)	Preserving & Enhancing the Natural Environment (Environmental Impact)	An Inclusive Community of Diverse Economic & Cultural Opportunities (Social Equity Impact)	Responsive, Cutting-Edge & Effective Government
Which Desired Outcomes might the Recommended Action Impact?	+ Balance between tourism and local quality of life (+/-) (Select Desired Outcome) (+/-) (Select Desired Outcome) (+/-) (Select Desired Outcome) (+/-) (Select Desired Outcome) (+/-) (Select Desired Outcome) (+/-) (Select Desired Outcome)	~ Reduced municipal, business and community carbon footprints (+/-) (Select Desired Outcome) (+/-) (Select Desired Outcome) (+/-) (Select Desired Outcome) (+/-) (Select Desired Outcome) (+/-) (Select Desired Outcome) (+/-) (Select Desired Outcome)	+ Entire population utilizes community amenities (+/-) (Select Desired Outcome) (+/-) (Select Desired Outcome) (+/-) (Select Desired Outcome) (+/-) (Select Desired Outcome) (+/-) (Select Desired Outcome) (+/-) (Select Desired Outcome)	+ Well-maintained assets and infrastructure + Fiscally and legally sound (+/-) (Select Desired Outcome) (+/-) (Select Desired Outcome) (+/-) (Select Desired Outcome) (+/-) (Select Desired Outcome) (+/-) (Select Desired Outcome)
Assessment of Overall Impact on Council Priority *(Quality of Life Impact)*	Positive ⇧	Neutral ⇔	Positive ⇧	Positive ⇧

Comments: Soils are to be kept on site and capped in conformance with the ordinance.

Funding:

There is currently approximately $15.6M budgeted from the Lower Park Avenue RDA for the entire Carl Winter’s School Building and Library Renovation project.

Staff Recommendations:

Staff requests the City Council reject all bids on the Carl Winter’s School Building 3rd Floor Renovation project.

City Council
Staff Report

Subject: **Purchase Public Art**
Author: **Sharon Bauman**
Department: **Executive**
Date: **August 15, 2013**
Type of Item: **Administrative**

Summary Recommendations:
Approve the Public Art Advisory Board recommendation and authorize the purchase of Flaco from James Burnes for the amount of Seventeen Thousand Dollars ($17,000.00) subject to the gallery foregoing any commission.

Topic/Description:
Purchase of new piece of public art to add to the Public Art Inventory.

Background:
The Public Art Advisory Board began an Art on Loan Program in 2012; three submissions were received and one sculpture was selected to be displayed for a one year period. Flaco has been displayed in City Park since October. The Board would like to add Flaco to the Public Art Inventory and has forwarded to Council their recommendation to purchase it.

Because the Art on Loan Program did not discuss the possibility of the City purchasing the sculptures, this purchase is governed by the Public Art Master Plan. **Purchase of existing art** states that, "the Board may consider the purchase of an existing work of art if the piece identified meets the intent of the Public Art Policy. Once a piece is identified, the selection and approval process … will be followed with the exception of the generation of a request for proposal. In this case, no more than 10 percent of the cost of the work may go toward a dealer or agent."

The Board directed Staff to extend an offer to the artist, James Burnes. Mr. Burnes agreed to accept an offer of $17,000, subject to final approval by City Council. A member of the Public Art Advisory Board represents Mr. Burnes at a local gallery and the Board stated that their offer was subject to that member foregoing any commission on the purchase. The member agreed to the Board's request to forego the commission.

Analysis:
This is the first time the Board has recommended the purchase of an existing work of art. They believe it meets the intent of the program and want to add it to the Public Art Inventory. The price has been discounted from the artist's published prices and the Board believes it is a fair price. Because these are public funds, the Board felt strongly that the gallery owner should agree to forego any commission and they have requested an opportunity to review that section and have further discussion about commissions being paid to any dealer or agent.

Department Review:
Legal and Executive departments have reviewed the proposal and comments have been incorporated into the report.

Alternatives:

A. Approve:
Authorize the purchase of Flaco in the amount of Seventeen Thousand Dollars ($17,000).

B. Deny:
The Council could decide against the purchase.

C. Modify:
Council could direct Staff to request modifications to the purchase.

D. Continue the Item:
Council could delay a decision and request additional information.

E. Do Nothing:
The sculpture would not be purchased and added to the Public Art Inventory.

Significant Impacts:

	World Class Multi-Seasonal Resort Destination (Economic Impact)	**Preserving & Enhancing the Natural Environment (Environmental Impact)**	**An Inclusive Community of Diverse Economic & Cultural Opportunities (Social Equity Impact)**	**Responsive, Cutting-Edge & Effective Government**
Which Desired Outcomes might the Recommended Action Impact?	+ Accessible and world-class recreational facilities, parks and programs		+ Vibrant arts and culture offerings	
Assessment of Overall Impact on Council Priority *(Quality of Life Impact)*	Positive	Neutral	Very Positive	Neutral

Comments: The Public Art CIP has sufficient funds to make this purchase which will enhance the City's inventory of public art.

Consequences of not taking the recommended action:
The sculpture would not be added to the City's Public Art Inventory and Flaco would be removed by the sculpture in November.

Recommendation:

Approve the Public Art Advisory Board recommendation and authorize the purchase of Flaco from James Burnes for the amount of Seventeen Thousand Dollars ($17,000.00) subject to the gallery foregoing any commission.

Flaco – in City Park

City Council
Staff Report

Subject: **Revision to Housing Resolutions 20-07 and 25-12**
Author: **Rhoda Stauffer**
Department: **Sustainability**
Date: **August 15, 2013**
Type of Item: **Legislative**

Summary Recommendations: Staff recommends that the Council review the proposed Affordable Housing Guidelines and Standards, conduct a public hearing and adopt an amendment to Housing Resolutions 20-07 and 25-12.

Topic/Description: Affordable Housing

Background:
In conjunction with review of a recent Affordable Housing Mitigation plan, staff determined minor changes are in order to clarify several key points in Housing Resolutions 20-07 and 25-12. Both Resolutions should be amended due to the fact that a number of yet-to-be-fulfilled Affordable Housing Mitigation Plans fall under one or more of these Resolutions.

Analysis:
Section 9.A in both Resolution 20-07 and Resolution 25-12 are identical. Sub-section 1 addresses type of units and requires that on-site units be built to fit within the context of the market units. Sub-section 2 establishes standards for unit size. In the past, applicants have been able to deviate from these standards with approval. Therefore, we are adding language that clarifies that ability. Deviating from per unit square footage while the total square footage obligation does not change allows for creative and sustainable approaches to unit design. Compact design is becoming more acceptable, and it is more conducive to energy efficiency. Since it is so highly sustainable, compact design should be encouraged rather than discouraged.

In order to clarify these sub-sections, staff is recommending the language in both resolutions be changed as follows:

SECTION 9. METHODS OF HOUSING REQUIREMENT COMPLIANCE

1. Unit Types: The distribution of on-site dwelling unit types that meet the deed restricted affordable unit requirements of this section shall be as follows:

- **Single Family:** In developments where only single-family detached dwelling units are being produced, the required on-site Affordable Unit Equivalents shall also be single-family detached dwelling units.
- **Multi**-Family: In developments where only multi-family buildings are being produced, the required on-site Affordable Unit Equivalents shall also be within the multi-family building or buildings.
- **Mixed:** In developments where there is a mix of dwelling unit types such as: detached single-family, townhomes, duplexes or other attached single-family, or multi-family condominium or apartment buildings, or other types of units, the required on-site Affordable Unit Equivalent shall also be a mix in the same proportion as the market rate dwelling units.
- **Alternative Distribution Ratios**: Different unit distribution among the Affordable Unit Equivalents may be permitted on a case-by-case basis if doing so would accomplish additional benefits or result in a better design than not using the distribution of units provided for in this section.

2. **Minimum Square Footage Standards:** In order to assure livability, the standard net livable square footage for affordable units shall be as follows:

Dormitory	150 square feet
Single Room Occupancy	275 square feet
Studio	400 square feet
One Bedroom	650 square feet
Two Bedroom	900 square feet
Three Bedroom	1,150 square feet
Four Bedroom	1,400 square feet

Any deviation from these standards shall be approved by Park City Housing Authority as part of the applicable Affordable Housing Mitigation Plan.

The Building Department prior to the issuance of any building permits for either the free market or employee housing component of the project must verify square footage. The Building Department may check the actual construction of the Affordable Unit Equivalents.

Department Review:

This report was reviewed by the Sustainability Department, the City Attorney and the City Manager**.**

Alternatives:

A. **Approve: The amendments** to Housing Resolutions 20-07 and 25-12 will clarify definitions and application of the Housing Resolution and reduce the potential opportunities for misinterpretation. This is **Staff's Recommendation**.

B. Deny: The Housing Authority could deny the request. It is likely that confusion will continue regarding size and distribution requirements and most staff reports for approval of Affordable Housing Mitigation Plans will include requests waivers or exceptions.

C. Modify: The Housing Authority could modify the staff recommendation. Depending on the nature of the modification, it is likely that confusion will continue regarding size and distribution requirements and most staff reports for approval of Affordable Housing Mitigation Plans will include requests waivers or exceptions.

D. Continue the Item: Additional information may be requested. Staff will return to the Housing Authority at a later date. In the interim, staff will proceed with requesting waivers and/or exceptions.

E. Do Nothing: This will have the same impact as Denying the Request.

Significant Impacts:

	World Class Multi-Seasonal Resort Destination **(Economic Impact)**	**Preserving & Enhancing the Natural Environment** **(Environmental Impact)**	**An Inclusive Community of Diverse Economic & Cultural Opportunities** **(Social Equity Impact)**	**Responsive, Cutting-Edge & Effective Government**
Which Desired Outcomes might the Recommended Action Impact?	+ Balance betw een tourism and local quality of life	+ (Select Desired Outcome)	+ Residents live and w ork locally	+ Streamlined and flexible operating processes
	(+/-) (Select Desired Outcome)	(+/-) (Select Desired Outcome)	(+/-) (Select Desired Outcome)	(+/-) (Select Desired Outcome)
	(+/-) (Select Desired Outcome)	(+/-) (Select Desired Outcome)	(+/-) (Select Desired Outcome)	(+/-) (Select Desired Outcome)
	(+/-) (Select Desired Outcome)	(+/-) (Select Desired Outcome)	(+/-) (Select Desired Outcome)	(+/-) (Select Desired Outcome)
	(+/-) (Select Desired Outcome)	(+/-) (Select Desired Outcome)	(+/-) (Select Desired Outcome)	(+/-) (Select Desired Outcome)
	(+/-) (Select Desired Outcome)	(+/-) (Select Desired Outcome)	(+/-) (Select Desired Outcome)	(+/-) (Select Desired Outcome)
	(+/-) (Select Desired Outcome)	(+/-) (Select Desired Outcome)	(+/-) (Select Desired Outcome)	(+/-) (Select Desired Outcome)
Assessment of Overall Impact on Council Priority *(Quality of Life Impact)*	Positive	(Select from List)	Very Positive	Very Positive

Comments: Assist in making the processing of Affordable Housing Mitigation Plans more efficient. and allowing for changes in the housing design and consturction fields.

Funding Source: There is no funding source needed for this item.

Consequences of not taking the recommended action: It is likely that confusion will continue and most future Affordable Housing Mitigation Plans will involve requests for changes to size and distribution rules.

Recommendation: Staff recommends that the Council review the proposed Affordable Housing Guidelines and Standards, conduct a public hearing and adopt amendments to Housing Resolutions 20-07 and 25-12.

Exhibit A: 20-07 Housing Resolution Amended with Proposed Changes
Exhibit B: 25-12 Housing Resolution Amended with Proposed Changes

Resolution 20-07 Amended

RESOLUTION ADOPTING AFFORDABLE HOUSING GUIDELINES AND STANDARDS FOR PARK CITY, UTAH

WHEREAS, the livability and viability of Park City is directly affected by the availability of a sufficient amount of housing affordable to all residents; and

WHEREAS, the City Council desires to establish policies to ensure a reasonable opportunity for a variety of housing and which bears an essential nexus to maintaining the social, economic and political fabric of the community; and

WHEREAS, the 2005 Park City Housing Assessment and Demand Analysis concluded that the rise of housing costs has outpaced the increase in wages in the service sector areas of the resort based economy and has resulted in making housing unaffordable to working residents of the City; and

WHEREAS, the 2005 Park City Housing Assessment and Demand Analysis projects in the Leisure and Hospitality employment sector will continue to drive the demand for additional workforce housing in Park City; and

WHEREAS, it is in the best interest of the community and a legitimate government interest to formulate guidelines and standards to establish a consistent criteria for review of Master Planned Development applications and annexation petitions and other development actions where affordable housing is needed to mitigate the impact of the project on the community; and

WHEREAS, the cost of providing affordable housing and any solutions should equitably apportion the cost based on impact generation, growth inducement and the underlying goal to provide a diversity of housing types and prices in our community in order to maintain a healthy economy and diverse population.

NOW, THEREFORE BE IT RESOLVED, by the City Council of Park City, Utah as follows:

SECTION 1. ADOPTED HOUSING STANDARDS AND GUIDELINES. The following housing standards and guidelines are hereby adopted. Unless otherwise defined separately herein, all words and terms shall have the same meaning as defined in the Land Management Code, as amended.

SECTION 2. APPLICABILITY. These standards shall apply to all new Housing and Commercial Development created under Title 15, Chapter 6 Master Planned Developments and Title 15, Chapter 8 Annexations of the Park City Land Management Code. These standards shall apply to prior agreements on density or configuration unless specifically addressed within Development Agreements.

SECTION 3. PURPOSE. The purpose of this Resolution is to ensure that new development does not adversely affect the supply of affordable housing in the City and to maintain Park City's social, economic and political fabric of its community character. It is intended that the requirements imposed herein are roughly proportionate and reasonably related to the impacts of the Development.

SECTION 4. REVIEW. This Resolution shall be reviewed by the City Council at least biennially to ensure that these standards are meeting the housing goals and objectives.

SECTION 5. DEFINITIONS.
Affordable Housing: Housing costs – rent plus basic utilities or mortgage, tax, insurance and/or Homeowners Association payments – that consume no more than 30 percent of a household's income.
Affordable Housing Unit: Dwelling units that are deed restricted to the housing size and type for individuals meeting occupancy guidelines approved by the Park City Council.
Affordable Unit Equivalent: A two-bedroom unit with 900 square feet of Net Livable Space shall be considered one Affordable Unit Equivalent.
Bedroom: Designed to be used for sleeping purposes and which contains closets and meets all applicable City Building Code requirements for light, ventilation, sanitation and egress.
Deed Restriction: A contract entered into between Park City Municipal Corporation and the owner or purchaser of real property identifying the conditions or occupancy and resale.
Household: All related and unrelated individuals occupying a unit.
Household Income: Combined gross income of all individuals who will be occupying the unit regardless of legal status. Adjustments to the gross for business expenses can be made for persons who are self-employed.
Net Livable Square Footage: Is calculated on interior living area and is measured interior wall to interior wall, including all interior partitions. Also included, but not limited to, habitable basements and interior storage areas, closets and laundry areas. Exclusions include, but are not limited to, uninhabitable basements, mechanical areas, exterior storage, stairwells, garages (either attached or detached), patios, decks and porches.
Park City Housing Wage: The median wage of the core Park City workforce as determined annually by the City Council.
Studio Unit: Living quarters designed around a relatively large single room incorporating the features of a living room, bedroom, dining room/kitchen and bathroom.

SECTION 6. EXEMPTIONS. The development of affordable housing units as defined by the Land Management Code is exempt from the requirements of this Resolution. This may include projects developed by or sponsored by nonprofit organizations and projects for which agreements have been executed that provided affordable housing or land for said purpose.

SECTION 7. FEE WAIVERS. Section 11-12-13 of the Municipal Code provides that "any part of the fees included in this Title may be waived by the City Council upon recommendation of the City Manager, for those projects which are deemed to serve a beneficial public purpose that would be harmed by the City requiring the payment of such fees, such as low income housing projects." Pursuant to Section 11-13-4(A) of the Municipal Code, the City Council can waive impact fees for construction of affordable housing up to $5,000 per unit.

SECTION 8. CALCULATION OF MINIMUM AFFORDABLE HOUSING REQUIREMENTS
A. Residential Development.
For projects where units are offered for sale or rent, the Developer shall provide affordable housing units in an amount equal to fifteen percent (15%) of the total residential units constructed. Affordable units developed on-site in fulfillment of this requirement are not included in the density calculation for the project.

RESIDENTIAL GENERATION CALCULATION EXAMPLE

An Applicant has received approval for a 128 unit Master Planned Development.
1. 128 units (total units approved) multiplied by .15 (residential mitigation rate) equals 19.2 Affordable Unit Equivalents.
2. One Affordable Unit Equivalent is 900 square feet of net livable space.
3. The total approved units for this MPD is 128 market rate units plus 19.2 affordable unit equivalents.

B. Commercial Development

The Developer shall be required to mitigate 20 percent of the employees generated. For projects with a commercial component, the minimum affordable housing requirements shall be determined according to the following formulas:

Table 1: Employee Generation by Type of Use.

Type of Use	**Full Time Equivalents (2080 hours) per 1,000 net leasable square feet**
Restaurant/Bar	6.5
Education	2.3
Finance/Banking	3.3
Medical Profession	2.9
Other professional services	3.7
Personal services	1.3
Real Estate/Property management	5.9
Commercial/Retail	3.3
Recreation/amusements	5.3
Utilities	2.9
Lodging/hotel	0.6/room
Condominium Hotel	Greater of lodging/hotel calculation or residential mitigation rate
Overall/General	4.4

The Overall/General Type of Use shall apply to any use not listed in the Employee Generation Table if an Independent Calculation is not performed.

EMPLOYEE GENERATION CALCULATION EXAMPLE

An application for a Master Planned Development of 20,000 square feet of commercial space and 100 hotel rooms has been submitted. The commercial uses include:
10,000 square feet of retail space
5,000 square feet of restaurant/bar space
5,000 square feet of professional services

1. Using the above Employee Generation Table, the project will generate 114 employees.
- *Retail* at 3.3 employees per 1,000 square feet equals 33 employees
- *Restaurant/Bar* at 6.5 employees per 1,000 square feet equals 32.5 employees
- *Professional Services* at 3.7 employees per 1,000 square feet equals 18.5 employees
- *Hotel* at .6 employees per unit equals 60 employees.

2. 144 (total number of employees) multiplied by .20 (mitigation rate) equals 28.8 employees.

3. 28.8 employees divided by 1.5 (workers per household) equals 19.2 employee unit equivalents required.

4. 19.2 employees is equivalent to 9.6 Affordable Unit Equivalents configured as two-bedroom, 900 net livable square foot units.

5. The Developer is required to provide 9.6 Affordable Unit Equivalents in addition to approved commercial and hotel density.

C. Reduction of Employee Generation for Institutional/Nonprofit Use. The City Council may reduce the base employee generation rate by up to fifty percent for uses that are “non-commercial or non-residential in nature, which provide educational, social or related services to the community and which are proposed by public agencies, nonprofit agencies, foundations and other similar organizations “upon finding that the benefits/impacts of such Development as they relate to other general plan goals and/or action items outweigh the housing impacts.

D. Independent Calculation. An applicant may submit an independent calculation of the number of employees to be generated by a proposed development, to be used in place of the Employee Generation Table. The independent calculation shall be accepted by the City Council if the Council determines the calculation constitutes compelling evidence of a more accurate calculation of employee generation than Table 1: Employee Generation Table. Should the independent calculation not be accepted, then the applicable employee generation factor from the Employee Generation Table shall be applied to the proposed Development. Any acceptance of an Independent Calculation shall be site and use specific, non-transferable and be memorialized in a Development Agreement between the property owner and the City. Such Agreement shall be executed prior to the issuance of any building permit.

E. Redevelopment: Additions and Conversions of Use. Redevelopment or remodeling in an existing use or the change in use from one use to another is exempt from the requirements of this Resolution, provided such activity does not create additional employment generation as determined in *Table 1: Employee Generation by Type of Use*. Only the uses and areas that existed prior to the redevelopment or remodeling shall be exempt from the requirements of this Resolution. Any new area or unit or any change in use which creates additional Employee Generation as determined in *Table 1: Employee Generation by Type of Use* shall be subject to this provisions of this Resolution. Mitigation shall be required for the employees generated by the proposed total square footage (including addition) minus the employment generation of the total structure. If the developer converts one land use to another with higher employment generation rates, the mitigation will be based on the increase in FTEs. For example, a conversion of a 1,000 sq. ft. retail establishment with an employee generation rate of 3.3 FTEs per 1,000 square feet to a private club with a generation rate of 6.5 FTEs per 1,000 square feet results in a net increase in 3.2 FTE and would require additional mitigation.

F. Final Unit Requirement Calculations. The final calculations for the number of inclusionary units and the rental or sales price for these units shall be made prior to the issuance of building permits for the covered project.

SECTION 9. METHODS OF HOUSING REQUIREMENT COMPLIANCE

1. **Unit Types:** The distribution of on-site dwelling unit types that meet the deed restricted affordable unit requirements of this section shall be as follows:
   - Single-Family: In developments where only single-family detached dwelling units are being produced, the required on-site Affordable Unit Equivalents shall also be single-family detached dwelling units.
   - Multi-Family: In developments where only multi-family buildings are being produced, the required on-site Affordable Unit Equivalents shall also be within the multi-family building or buildings.
   - Mixed: In developments where there is a mix of dwelling unit types such as: detached single-family, townhomes, duplexes or attached single-family, or multi-family condominium or apartment buildings, or other types of units, the required on-site Affordable Unit Equivalents shall also be a mix in the same proportion as the market rate dwelling units.
   - Alternative Distribution Ratios: Different unit distribution among the Affordable Unit Equivalents may be permitted on a case-by-case basis if doing so would accomplish additional benefits or result in a better design than not using the distribution of units provided for in this section.

2. **Minimum Square Footage Standards:** In order to assure livability, the standard net livable square footage for affordable units shall be as follows:

Dormitory	150 square feet
Single Room Occupancy	275 square feet
Studio	400 square feet
One Bedroom	650 square feet
Two Bedroom	900 square feet
Three Bedroom	1,150 square feet
Four Bedroom	1,400 square feet

Any deviation from these standards shall be approved by Park City Housing Authority as part of the applicable Affordable Housing Mitigation Plan.

The Building Department prior to the issuance of any building permits for either the free market or employee housing component of the project must verify square footage. The Building Department may check the actual construction of the Affordable Unit Equivalents.

3. Winter Seasonal Units. Pursuant to the applicable City codes, an applicant for a development may, at the sole discretion of the City and subject to certain requirements, satisfy the employee housing requirements by provision of dormitory/lodge units designed for occupancy by seasonal employees. The dormitory/lodge units must satisfy all requirements of the applicable Guidelines and shall be required to meet the following minimum standards:

- Occupancy of a dormitory unit shall be limited to no more than 8 persons.
- There shall be at least 150 square feet of net livable square footage per person, including sleeping and bathroom uses.
- At least one bathroom shall be provided for shared use by no more than four persons. The bathroom shall contain at least one toilet, one wash basin, one bathtub with a shower and a total area of at least 60 net livable square feet.

- A kitchen facility or access to a common kitchen or common eating facility shall be provided subject to the Building Department's approval and determination that the facilities are adequate in size to service the number of people using the facility.
- Use of 20 net leasable square feet per person of enclosed storage area located within, or adjacent to, the unit.
- Rents for dormitory units will be set by Special Review on a case-by-case basis, given the unique and varying characteristics of dormitory units, with affordability as the key issue.
- Seasonal Lodge Developments may be required to house qualified employees of the community at large.

4. Special Needs Emergency/Transitional Housing. Pursuant to the applicable City codes, an applicant for a development may, at the sole discretion of the City and subject to certain requirements, satisfy a portion of its employee housing requirements by provision of special needs emergency/ transitional housing units through either direct construction, land donation or the donation of existing units. There must be a quantified, demonstrated need for the emergency/transitional housing within the Park City boundaries. The housing must be developed in collaboration with a federally recognized, 501(c)(3) nonprofit organization. The housing must satisfy all requirements of the applicable Housing Guidelines and Standards as well as comply with all applicable local, state and federal requirements. Given the unique and varying characteristics of the population to be served, the rents for emergency/transitional housing must be approved in advance by the City Council.

5. Minimum Green Building Requirements. All new construction or substantial rehabilitation projects developed in fulfillment of the affordable housing obligation must demonstrate that it meets, at minimum, LEED Certified level. All appliances and products including light bulbs shall be Energy Star qualified products for all new construction or substantial rehabilitation.

6. Affordable Unit Amenities. Inclusionary units may differ from the market units with regard to interior amenities and gross floor area provided that:

- These differences, excluding differences related to size differentials are not apparent in the general exterior appearances of the project's units; and
- These differences do not include insulation, windows, heating systems and other improvements related to the energy efficiency of the project's units.
- The gross floor area of the inclusionary units is not less than the following minimum requirements, unless waived by the City.

B. Methods of Meeting Minimum Requirements.

The following methods, in order of priority, may be used to meet the minimum affordable housing mitigation requirements.

1. Construction of unit(s) on the site on which the development is proposed.
Affordable housing units shall be constructed on the project site, unless the developer can demonstrate compelling evidence that an alternative method would result in a better design, enhanced level of affordability or that the construction on-site would adversely affect the design of the project.

2. ***Construction of the unit(s) within the Park City corporate limits provided such land, site or structure had not been previously deed-restricted to affordable housing by Park City or Summit County.***

3. ***Dedication of existing units provided such units have not been previously restricted to employee or affordable housing by Park City or Summit County.*** Units shall be located within the City limits unless otherwise approved by the City. Units must be of equivalent value, quality and size of the deed restricted units that would have been constructed on-site. Existing units must be in move-in condition with appliances, windows, heating, plumbing, electrical systems, fixtures and equipment in good working condition. The value of dedicated existing units will be determined, at the expense of the developer, by an appraiser selected by the developer from a list of certified appraisers provide by the City of by such alternative means of valuation as to which a developer and the City may agree. All units shall be inspected and shall meet applicable Park City building codes. Applicant shall bear the costs and expenses of any required upgrades to meet the above standards as well as any reports required to assess the suitability for occupancy and compliance with the standards of the proposed units. All appliances and products including light bulbs shall be Energy Star qualified products.

4. ***Construction of units outside Park City, but within the Park City School District boundary and/or the boundaries of the free transit system.***

5. ***Conveyance of land within the Park City School District boundary and/or the boundaries of the free transit system provided such land has not been previously restricted to employee or affordable housing by Park City or Summit County.*** The developer may elect to (a) convey land to the City or its designee that is of equivalent value to the cash in lieu contributions that would be required under this Resolution, plus an additional 25 percent to cover costs associated with holding, developing, improving or conveying such land; or (b) convey land to the City or its designee that is of equivalent value (as of the date of conveyance) to that land upon which required units would otherwise have been constructed and properly zoned such as to allow construction of at least that number of units for which the obligation of construction is being satisfied by the dedication of the land. Land conveyance shall occur prior to the issuance of any building permit for the free market portion of the development. Should the City Council later elect to sell the land, all proceeds from the sale of the land shall be placed in a dedicated housing fund.

6. ***Payment of Fees in Lieu of Development***. If the City determines that (1) no other alternative is feasible, or (2) such a payment would result in more immediate development of housing or (3) such a payment would leverage additional resources, then a Payment of Fees in Lieu of Development may be accepted. The Payment in Lieu Fee for 2007 is $160,553. The fees shall be reviewed and updated at least biennially. Updates may occur more frequently at the request of the City Council to reflect changing real estate conditions. The funds, and any interest accrued, shall be used only for the purpose of planning for, subsidizing or developing affordable and employee housing.

   One-half of the in-lieu fee shall be paid (or a letter of credit posted) prior to issuance of a building permit for all or any part of the MPD. The remainder of the fee shall be paid before a certificate of occupancy (temporary or permanent) is issued for any unit in the Residential Development. The remaining fee will be calculated at the in lieu fee rate in effect at the time of payment. The Developer retains the option of paying the fees in full at time of building permit to avoid any increase in fees.

SECTION 10. DEED RESTRICTION. Prior to the plat recordation provisions to ensure continued affordability of inclusionary units shall be embodied in legally binding agreements and/or deed restrictions, which shall be prepared by the developer, but which shall not be recorded or filed until reviewed and approved by the City Attorney with such modifications as it may deem necessary to carryout the purpose of this Resolution. No building permit application shall be accepted in the absence of proof of the execution of requirement agreements and covenants. In the event such restrictions are voided by bankruptcy or other legal action, the City may revoke the Certificate(s) of Occupancy until such time as subsequent owner complies with the standards herein.

SECTION 11. TIMING OF OCCUPANCY. The affordable units shall be ready for occupancy no later than the date of the initial or temporary occupancy of the free market portion of the project. If the free market units are to be developed in phases, then the affordable housing can be developed in proportion to the phasing of the free market units as approved in the Housing Mitigation plan.

SECTION 12. APPLICABILITY OF RESOLUTION TO PRIOR APPROVALS OR PENDING APPLICATIONS.

A. Prior Development Agreements. Developments, which received development plan approvals prior to the adoption of this housing resolution, shall conform to the provisions of the resolution in place at the time of applicable complete application. Any modifications to an existing Development Agreement that results in an increase in housing units or employee generation shall be subject to the provisions of this Resolution.

B. Prior Annexation. Unless otherwise provided in Conditions of Approval or a Development Agreement, Developments subject to affordable housing requirements imposed by annexation agreements entered into prior to the effective date of this Resolution may develop in conformity with the Resolution in place at the time the Annexation Agreement was approved.

C. Pending Project Approval Actions. Developments for which complete applications were filed prior to the effective date of this Resolution, but have not been reviewed by the appropriate body, must conform to the Resolution in place at time of application.

SECTION 13. HOUSING MITIGATION PLAN. The Applicant shall submit a Housing Mitigation Plan. The Housing Mitigation Plan shall be reviewed by the Planning Commission as part of the application to the City for the Annexations or Master Planned Development with a recommendation forwarded to the City Council. The Housing Mitigation Plan shall include the following:

A. Calculation and Method. The calculation of, and method by which housing is to be provided, in compliance with Section 6 "Calculation of Minimum Affordable Housing Requirement" and Section 7 "Method for Providing Housing"

B. Unit Descriptions. If affordable housing units are to be developed, a site plan and building floor plans (if applicable), illustrating the number of units proposed, their location, the number of bedrooms in and square foot of each unit, and the rental/sale mix of the development. The proposed sale prices and rent levels shall also be included.

SECTION 14. CONSTRUCTION TIMING. Affordable units shall be made available for occupancy on approximately the same schedule as a project's market units; except that Certificates of Occupancy (temporary or permanent) for the last ten percent of the market units shall be withheld until Certificates of Occupancy have been issued for all of the inclusionary units. Other phasing agreements may be accepted, if doing so would accomplish additional benefits fro the City consistent with the purposes of this Resolution. A schedule setting forth the phasing of the total number of units in a covered project, along with a schedule setting forth the phasing of the required inclusionary units shall be approved prior to the issuance of a building permit.

SECTION 15. GOOD FAITH MARKETING REQUIRED. All sellers or owners of deed restricted affordable units shall engage in good faith marketing efforts each time a deed restricted unit is rented or sold such that members of the public who are qualified to rent or purchase such units have a fair chance of becoming informed of the availability of such units. A public marketing plan shall be submitted by the developer for the initial sale or lease of the units.

SECTION 16. LOCAL PREFERENCE OPTION. The Park City area is defined as the Park City School District limits. The following target groups should be given priority in any deed restricted affordable housing project.

- Full time (30 hours of employment per week) employees of businesses located in the City limits.
- A resident of the City for the prior 24 months.
- An owner or owner's representative of a business within the City limits.
- Senior Citizens
- Physically and/or mentally challenged individuals.

SECTION 17. MAXIMUM RENTS AND SALES PRICES. The following provision shall apply to the calculation of rents, selling prices and/or carrying charges of deed restricted affordable units.

A. Occupancy. In calculating the rents or carrying charges of inclusionary units, the following relationship between unit size and household size shall apply:

Dormitory/Single Room Occupancy:	1 person per 150 net livable square feet.
Studio/Efficiency:	1 person per household
One-bedroom:	1.5 person household
Two-bedrooms:	2.5 person household
Three-bedroom:	4 person household
Four-bedroom:	6 person household.

B. Rental Units. Inclusionary rental units in any one development shall be rented at a price, which, on average, is affordable to a household with an annual income of 100% of the Park City Workforce Wage.

C. For Sale Units. The initial sales prices for affordable units in any one development shall average a price affordable to a household earning 150 percent of the Workforce Housing Wage for Park City according to the following guidelines.

a. An available fixed-rate thirty year mortgage, consistent with the First Time Homebuyer Rate offered by the Utah Housing Corporation, plus 50 basis points. A lower rate may be used in calculating affordable prices if the developer can guarantee the availability of a fixed rate, 30-year mortgage at this lower rate for all of the inclusionary units.

b. A down payment of no more than 5 percent of the purchase price
c. A calculation of property taxes; and
d. A calculation of homeowner insurance and/or homeowner association fees.

D. Appreciation Limits. Provisions to ensure continued affordability of inclusionary units offered for sale shall include a formula limiting equity appreciation to either a shared percentage of the equity appreciation or a cap on the equity appreciation, with such adjustments for improvements made by the seller and necessary costs of sale as may be approved by the City. The form of the resale restriction shall be determined by the City at the time of approval of the Housing Mitigation Plan.

E. Limitation on Rental Rates and Terms. The rate at which the Owner shall rent the Units shall not exceed the Maximum Rent. The Maximum Rent shall be adjusted on January 1 of each year by the annual percentage increase in the Consumer Price Index for the western region using a base year of 2006. Unless otherwise approved, the minimum lease term shall be six months.

F. Income Limits. The City reserves the right to place an income/asset limitation for prospective owners or renters as needed to further the goals of this Resolution.

SECTION 18. TERM OF AFFORDABILITY. The Term of Affordability shall be for a period of not less than forty (40) years. At the expiration of the initial forty (40) year term, this Agreement shall be reviewed for additional consecutive ten (10) year terms, unless the City shall determine, based an independent housing needs assessment, that the Unit is no longer necessary to satisfy the affordable/employee housing needs in Park City.

SECTION 19. WAIVERS. The City Council may waive all or part of the requirements of this Resolution in exchange for enhanced project affordability or livability including but not limited to the incorporation of sustainable building practices and systems in the unit design and development.

SECTION 20. ADMINISTRATIVE RELIEF. The City Council may waive all or part of the requirements of this Resolution where the applicant can establish by clear and convincing financial data and other evidence relating to the character of the development or surroundings that the imposition of the requirements set forth in this article shall create an economic hardship. The Council shall use the same standards that it applies to historic properties in making a determination of economic hardship. A waiver under this section shall be granted only to the extent necessary to relieve the hardship or difficulty that serves as the basis for the requested waiver and shall not be considered precedent for future requests for administrative relief.

SECTION 21. SEVERABILITY. If any section, subsection, sentence, clause, phrase or portion of this Resolution is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate distinct and independent provision and such holding shall not affect the validity of the remaining portions of the Resolution.

SECTION 22. EFFECTIVE DATE. This Resolution shall take effect upon adoption by the City Council. All prior Housing Resolutions and parts of Resolutions in conflict with the provisions of this Resolution are hereby repealed. This Resolution repeals and replaces all prior housing resolutions including Resolution s 37-91, 8-93, 6-94, 7-95, 17-99 and 10-2006.

PASSED AND ADOPTED this day of, 2007.

PARK CITY MUNICIPAL CORPORATION

____

Mayor Dana Williams

Attest:

____

Sharon Bauman, City Recorder

Approved as to form:

____

Mark Harrington, City Attorney

Resolution 25-12

RESOLUTION ADOPTING AFFORDABLE HOUSING GUIDELINES AND STANDARDS FOR PARK CITY, UTAH

WHEREAS, the livability and viability of Park City is directly affected by the availability of a sufficient amount of housing affordable to all residents; and

WHEREAS, the City Council desires to establish policies to ensure a reasonable opportunity for a variety of housing and which bears an essential nexus to maintaining the social, economic and political fabric of the community; and

WHEREAS, the 2012 Park City Housing Assessment and Plan concluded that housing costs continue to outpace wages in the service sector areas of the resort-based economy and has resulted in making housing unaffordable to working residents of the City; and

WHEREAS, the 2012 Park City Housing Assessment and Plan projects that the Leisure and Hospitality employment sector will continue to drive the demand for additional workforce housing in Park City; and

WHEREAS, it is in the best interest of the community and a legitimate government interest to formulate guidelines and standards to establish a consistent criteria for review of Master Planned Development applications and annexation petitions and other development actions where affordable housing is needed to mitigate the impact of the project on the community; and

WHEREAS, the cost of providing affordable housing and any solutions should equitably apportion the cost based on impact generation, growth inducement and the underlying goal to provide a diversity of housing types and prices in our community in order to maintain a healthy economy and diverse population.

NOW, THEREFORE BE IT RESOLVED, by the City Council of Park City, Utah as follows:

SECTION 1. ADOPTED HOUSING STANDARDS AND GUIDELINES. The following housing standards and guidelines are hereby adopted. Unless otherwise defined separately herein, all words and terms shall have the same meaning as defined in the Land Management Code, as amended.

SECTION 2. APPLICABILITY. These standards shall apply to all new Housing and Commercial Development created under Title 15, Chapter 6 Master Planned Developments and Title 15, Chapter 8 Annexations of the Park City Land Management Code. These standards shall apply to prior agreements on density or configuration unless specifically addressed within Development Agreements.

SECTION 3. PURPOSE. The purpose of this Resolution is to ensure that new development does not adversely affect the supply of affordable housing in the City and to maintain the social, economic and political fabric of Park City's community character. It is intended that the requirements imposed herein are roughly proportionate and reasonably related to the impacts of the Development.

SECTION 4. REVIEW. This Resolution shall be reviewed by the City Council at least biennially to ensure that these standards are meeting the housing goals and objectives.

SECTION 5. DEFINITIONS.

- **Affordable Housing:** Housing costs – rent plus basic utilities or mortgage, tax, insurance and/or Homeowners Association payments – that consume no more than 30 percent of a household's income.
- **Affordable Housing Unit:** Dwelling units that are deed restricted to the housing size and type for individuals meeting occupancy guidelines approved by the Park City Council.
- **Affordable Unit Equivalent:** A two-bedroom unit with 900 square feet of Net Livable Space shall be considered one Affordable Unit Equivalent.
- **Bedroom:** Designed to be used for sleeping purposes and which contains closets and meets all applicable City Building Code requirements for light, ventilation, sanitation and egress.
- **Deed Restriction:** A contract entered into between Park City Municipal Corporation and the owner or purchaser of real property identifying the conditions for occupancy and resale.
- **Household:** All related and unrelated individuals occupying a unit.
- **Household Income:** Combined gross income of all individuals who will be occupying the unit regardless of legal status. Adjustments to the gross for business expenses can be made for persons who are self-employed.
- **Net Livable Square Footage:** Is calculated on interior living area and is measured interior wall to interior wall, including all interior partitions. Also included, but not limited to, habitable basements and interior storage areas, closets and laundry areas. Exclusions include, but are not limited to, uninhabitable basements, mechanical areas, exterior storage, stairwells, garages (either attached or detached), patios, decks and porches.
- **Park City Workforce Wage:** The median wage of the core Park City workforce as determined annually by the City Council. See Section 17.G. for calculation method.
- **Studio Unit:** Living quarters designed around a relatively large single room incorporating the features of a living room, bedroom, dining room/kitchen and bathroom.

SECTION 6. EXEMPTIONS. The development of affordable housing units as defined by the Land Management Code is exempt from the requirements of this Resolution. This may include projects developed by or sponsored by nonprofit organizations and projects for which agreements have been executed that provided affordable housing or land for said purpose.

SECTION 7. FEE WAIVERS. Title 11, Chapter12-13 of the Municipal Code provides that "any part of the fees included in this Title may be waived by the City Council upon recommendation of the City Manager, for those projects which are deemed to serve a beneficial public purpose that would be harmed by the City requiring the payment of such fees, such as low income housing projects." Pursuant to Title 11, Chapter 13-4(A) of the Municipal Code, the City Council can waive impact fees for construction of affordable housing up to $5,000 per unit.

SECTION 8. CALCULATION OF MINIMUM AFFORDABLE HOUSING REQUIREMENTS

A. Residential Development.

For projects where units are offered for sale or rent, the Developer shall provide affordable housing units in an amount equal to fifteen percent (15%) of the total residential units constructed. Affordable units developed on-site in fulfillment of this requirement are not included in the density calculation for the project.

RESIDENTIAL GENERATION CALCULATION EXAMPLE

An Applicant has received approval for a 128 unit Master Planned Development.

1. 128 units (total units approved) multiplied by .15 (residential mitigation rate) equals 19.2 Affordable Unit Equivalents.
2. One Affordable Unit Equivalent equals 900 square feet of net livable space.
3. The total approved units for this MPD is 128 market rate units plus 19.2 affordable unit equivalents which equals 17,280 total net square feet of additional livable space.

B. Commercial Development

The Developer shall be required to mitigate 20 percent of the employees generated. For projects with a commercial component, the minimum affordable housing requirements shall be determined according to the following formulas:

Table 1: Employee Generation by Type of Use.

Type of Use	**Full Time Equivalents (2080 hours) per 1,000 net leasable square feet**
Restaurant/Bar	6.5
Education	2.3
Finance/Banking	3.3
Medical Profession	2.9
Other professional services	3.7
Personal services	1.3
Real Estate/Property management	5.9
Commercial/Retail	3.3
Recreation/amusements	5.3
Utilities	2.9
Lodging/hotel	0.6/room
Condominium Hotel	Greater of lodging/hotel calculation or residential mitigation rate
Overall/General	4.4

The Overall/General Type of Use shall apply to any use not listed in the Employee Generation Table if an Independent Calculation is not performed.

EMPLOYEE GENERATION CALCULATION EXAMPLE

An application for a Master Planned Development of 20,000 square feet of commercial space and 100 hotel rooms has been submitted. The commercial uses include:

- 10,000 square feet of retail space
- 5,000 square feet of restaurant/bar space
- 5,000 square feet of professional services

1. Using the above Employee Generation Table, the project will generate 144 employees.
   - *Retail* at 3.3 employees per 1,000 square feet equals 33 employees
   - *Restaurant/Bar* at 6.5 employees per 1,000 square feet equals 32.5 employees
   - *Professional Services* at 3.7 employees per 1,000 square feet equals 18.5 employees
   - *Hotel* at .6 employees per unit equals 60 employees.
2. 144 (total number of employees) multiplied by .20 (mitigation rate) equals 28.8 employees.
3. 28.8 employees divided by 1.5 (workers per household) equals 19.2 employee unit equivalents required.

4. The Developer is required to provide 19.2 Affordable Unit Equivalents or a total of 17,280 net square feet of additional livable space in addition to approved commercial and hotel density.

C. Reduction of Employee Generation for Institutional/Nonprofit Use. The City Council may reduce the base employee generation rate by up to fifty percent for uses that are "non-commercial or non-residential in nature, which provide educational, social or related services to the community and which are proposed by public agencies, nonprofit agencies, foundations and other similar organizations "upon finding that the benefits/impacts of such Development as they relate to other general plan goals and/or action items outweigh the housing impacts*.*

D. Independent Calculation. An applicant may submit an independent calculation of the number of employees to be generated by a proposed development, to be used in place of the Employee Generation Table. The independent calculation shall be accepted by the City Council if the Council determines the calculation constitutes compelling evidence of a more accurate calculation of employee generation than Table 1: Employee Generation Table. Should the independent calculation not be accepted, then the applicable employee generation factor from the Employee Generation Table shall be applied to the proposed Development. Any acceptance of an Independent Calculation shall be site and use specific, non-transferable and be memorialized in a Development Agreement between the property owner and the City. Such Agreement shall be executed prior to the issuance of any building permit.

E. Redevelopment: Additions and Conversions of Use. Redevelopment or remodeling in an existing use or the change in use from one use to another is exempt from the requirements of this Resolution, provided such activity does not create additional employment generation as determined in *Table 1: Employee Generation by Type of Use*. Only the uses and areas that existed prior to the redevelopment or remodeling shall be exempt from the requirements of this Resolution. Any new area or unit or any change in use which creates additional Employee Generation as determined in *Table 1: Employee Generation by Type of Use* shall be subject to this provisions of this Resolution. Mitigation shall be required for the employees generated by the proposed total square footage (including addition) minus the employment generation of the total structure. If the developer converts one land use to another with higher employment generation rates, the mitigation will be based on the increase in FTEs. For example, a conversion of a 1,000 sq. ft. retail establishment with an employee generation rate of 3.3 FTEs per 1,000 square feet to a private club with a generation rate of 6.5 FTEs per 1,000 square feet results in a net increase in 3.2 FTE and would require additional mitigation.

F. Final Unit Requirement Calculations. The final calculations for the number of inclusionary units and the rental or sales price for these units shall be made prior to the issuance of building permits for the covered project.

SECTION 9. METHODS OF HOUSING REQUIREMENT COMPLIANCE

1. **Unit Types:** The distribution of on-site dwelling unit types that meet the deed restricted affordable unit requirements of this section shall be as follows:

- <u>Single-Family:</u> In developments where only single-family detached dwelling units are being produced, the required on-site Affordable Unit Equivalents shall also be single-family detached dwelling units.

- Multi-Family: In developments where only multi-family buildings are being produced, the required on-site Affordable Unit Equivalents shall also be within the multi-family building or buildings.
- Mixed: In developments where there is a mix of dwelling unit types such as: detached single-family, townhomes, duplexes or attached single-family, or multi-family condominium or apartment buildings, or other types of units, the required on-site Affordable Unit Equivalents shall also be a mix in the same proportion as the market rate dwelling units.
- Alternative Distribution Ratios: Different unit distribution among the Affordable Unit Equivalents may be permitted on a case-by-case basis if doing so would accomplish additional benefits or result in a better design than not using the distribution of units provided for in this section.

2. **Minimum Square Footage Standards:** In order to assure livability, the standard net livable square footage for affordable units shall be as follows:

Dormitory	150 square feet
Single Room Occupancy	275 square feet
Studio	400 square feet
One Bedroom	650 square feet
Two Bedroom	900 square feet
Three Bedroom	1,150 square feet
Four Bedroom	1,400 square feet

Any deviation from these standards shall be approved by Park City Housing Authority as part of the applicable Affordable Housing Mitigation Plan.

The Building Department prior to the issuance of any building permits for either the free market or employee housing component of the project must verify square footage. The Building Department may check the actual construction of the Affordable Unit Equivalents.

3. **Winter Seasonal Units.** Pursuant to the applicable City codes, an applicant for a development may, at the sole discretion of the City and subject to certain requirements, satisfy the employee housing requirements by provision of dormitory/lodge units designed for occupancy by seasonal employees. The dormitory/lodge units must satisfy all requirements of the applicable Guidelines and shall be required to meet the following minimum standards:

- Occupancy of a dormitory unit shall be limited to no more than 8 persons.
- There shall be at least 150 square feet of net livable square footage per person, including sleeping and bathroom uses.
- At least one bathroom shall be provided for shared use by no more than four persons. The bathroom shall contain at least one toilet, one wash basin, one bathtub with a shower and a total area of at least 60 net livable square feet.
- A kitchen facility or access to a common kitchen or common eating facility shall be provided subject to the Building Department's approval and determination that the facilities are adequate in size to service the number of people using the facility.
- Use of 20 net leasable square feet per person of enclosed storage area located within, or adjacent to, the unit.

- Rents for dormitory units will be set by Special Review on a case-by-case basis, given the unique and varying characteristics of dormitory units, with affordability as the key issue.
- Seasonal Lodge Developments may be required to house qualified employees of the community at large.

4. Special Needs Emergency/Transitional Housing. Pursuant to the applicable City codes, an applicant for a development may, at the sole discretion of the City and subject to certain requirements, satisfy a portion of its employee housing requirements by provision of special needs emergency/ transitional housing units through either direct construction, land donation or the donation of existing units. There must be a quantified, demonstrated need for the emergency/transitional housing within the Park City boundaries. The housing must be developed in collaboration with a federally recognized, 501(c)(3) nonprofit organization. The housing must satisfy all requirements of the applicable Housing Guidelines and Standards as well as comply with all applicable local, state and federal requirements. Given the unique and varying characteristics of the population to be served, the rents for emergency/transitional housing must be approved in advance by the City Council.

5. Minimum Green Building Requirements. All new construction or substantial rehabilitation projects developed in fulfillment of the affordable housing obligation must demonstrate that it meets the NAHB Green Standards or a LEED Certification level. All appliances and products including light bulbs shall be Energy Star qualified products for all new construction or substantial rehabilitation.

6. Affordable Unit Amenities. Inclusionary units may differ from the market units with regard to interior amenities and gross floor area provided that:

- These differences, excluding differences related to size differentials are not apparent in the general exterior appearances of the project's units; and
- These differences do not include insulation, windows, heating systems and other improvements related to the energy efficiency of the project's units.
- The gross floor area of the inclusionary units is not less than the following minimum requirements, unless waived by the City.

B. Methods of Meeting Minimum Requirements.
The following methods, in order of priority, may be used to meet the minimum affordable housing mitigation requirements.

1. ***Construction of unit(s) on the site on which the development is proposed.*** Affordable housing units shall be constructed on the project site, unless the developer can demonstrate compelling evidence that an alternative method would result in a better design, enhanced level of affordability or that the construction on-site would adversely affect the design of the project.

2. ***Construction of the unit(s) within the Park City corporate limits provided such land, site or structure had not been previously deed-restricted to affordable housing by Park City or Summit County.***

3. ***Dedication of existing units provided such units have not been previously restricted to employee or affordable housing by Park City or Summit County.*** Units shall be located within the City limits unless otherwise approved by the City. Units must

be of equivalent value, quality and size of the deed restricted units that would have been constructed on-site. Existing units must be in move-in condition with appliances, windows, heating, plumbing, electrical systems, fixtures and equipment in good working condition. The value of dedicated existing units will be determined, at the expense of the developer, by an appraiser selected by the developer from a list of certified appraisers provide by the City of by such alternative means of valuation as to which a developer and the City may agree. All units shall be inspected and shall meet applicable Park City building codes. Applicant shall bear the costs and expenses of any required upgrades to meet the above standards as well as any reports required to assess the suitability for occupancy and compliance with the standards of the proposed units. All appliances and products including light bulbs shall be Energy Star qualified products.

4. ***Construction of units outside Park City, but within the Park City School District boundary and/or the boundaries of the free transit system.***

5. ***Conveyance of land within the Park City School District boundary and/or the boundaries of the free transit system provided such land has not been previously restricted to employee or affordable housing by Park City or Summit County.*** The developer may elect to (a) convey land to the City or its designee that is of equivalent value to the cash in lieu contributions that would be required under this Resolution, plus an additional 25 percent to cover costs associated with holding, developing, improving or conveying such land; or (b) convey land to the City or its designee that is of equivalent value (as of the date of conveyance) to that land upon which required units would otherwise have been constructed and properly zoned such as to allow construction of at least that number of units for which the obligation of construction is being satisfied by the dedication of the land. Land conveyance shall occur prior to the issuance of any building permit for the free market portion of the development. Should the City Council later elect to sell the land, all proceeds from the sale of the land shall be placed in a dedicated housing fund.

6. ***Payment of Fees in Lieu of Development***. If the City determines that (1) no other alternative is feasible, or (2) such a payment would result in more immediate development of housing or (3) such a payment would leverage additional resources, then a Payment of Fees in Lieu of Development may be accepted. The Payment in Lieu Fee shall be calculated and published annually in April on the City's affordable housing webpage. Updates may occur more frequently at the request of the City Council to reflect changing real estate conditions. Any Fees in Lieu collected and any interest accrued, shall be used only for the purpose of planning for, subsidizing or developing affordable and employee housing.

   The Payment in Lieu Fee is calculated as follows:
   - Median market value per square foot for 600 to 1,600 square foot properties sold in prior year (Summit County Assessor's Office provides the data sets);
   - Multiply by 900 square feet (AHU equivalent); and
   - Subtract out the affordable home sale price for a household earning Park City Workforce Wage (See calculation in Section 17.C);

   One-half of the in-lieu fee shall be paid (or a letter of credit posted) prior to issuance of a building permit for all or any part of the MPD. The remainder of the fee shall be paid before a certificate of occupancy (temporary or permanent) is issued for any unit in the Residential Development. The remaining fee will be calculated at the in lieu fee rate in effect at the time of payment. The Developer retains the option of paying the fees in full at time of building permit to avoid any increase in fees.

SECTION 10. DEED RESTRICTION. Prior to the plat recordation provisions to ensure continued affordability of inclusionary units shall be embodied in legally binding agreements and/or deed restrictions, which shall be prepared by the developer, but which shall not be recorded or filed until reviewed and approved by the City Attorney with such modifications as it may deem necessary to carryout the purpose of this Resolution. No building permit application shall be accepted in the absence of proof of the execution of requirement agreements and covenants. In the event such restrictions are voided by bankruptcy or other legal action, the City may revoke the Certificate(s) of Occupancy until such time as subsequent owner complies with the standards herein.

SECTION 11. TIMING OF OCCUPANCY. The affordable units shall be ready for occupancy no later than the date of the initial or temporary occupancy of the free market portion of the project. If the free market units are to be developed in phases, then the affordable housing can be developed in proportion to the phasing of the free market units as approved in the Housing Mitigation plan.

SECTION 12. APPLICABILITY OF RESOLUTION TO PRIOR APPROVALS OR PENDING APPLICATIONS.

A. Prior Development Agreements. Developments, which received development plan approvals prior to the adoption of this housing resolution, shall conform to the provisions of the resolution in place at the time of applicable complete application. Any modifications to an existing Development Agreement that results in an increase in housing units or employee generation shall be subject to the provisions of this Resolution.

B. Prior Annexation. Unless otherwise provided in Conditions of Approval or a Development Agreement, Developments subject to affordable housing requirements imposed by annexation agreements entered into prior to the effective date of this Resolution may develop in conformity with the Resolution in place at the time the Annexation Agreement was approved.

C. Pending Project Approval Actions. Developments for which complete applications were filed prior to the effective date of this Resolution, but have not been reviewed by the appropriate body, must conform to the Resolution in place at time of application.

SECTION 13. HOUSING MITIGATION PLAN. The Applicant shall submit a Housing Mitigation Plan. The Housing Mitigation Plan shall be reviewed by the Planning Commission as part of the application to the City for the Annexations or Master Planned Development with a recommendation forwarded to the City Council. The Housing Mitigation Plan shall include the following:

A. Calculation and Method. The calculation of, and method by which housing is to be provided, in compliance with Section 8 "Calculation of Minimum Affordable Housing Requirement" and Section 9 "Method of Housing Requirement Compliance."

B. Unit Descriptions. If affordable housing units are to be developed, a site plan and building floor plans (if applicable), illustrating the number of units proposed, their location, the number of bedrooms in and square foot of each unit, and the rental/sale mix of the development. The proposed sale prices and rent levels shall also be included.

SECTION 14. CONSTRUCTION TIMING. Affordable units shall be made available for occupancy on approximately the same schedule as a project's market units; except that Certificates of Occupancy (temporary or permanent) for the last ten percent of the market units shall be withheld until Certificates of Occupancy have been issued for all of the inclusionary units. Other phasing agreements may be accepted, if doing so would accomplish additional benefits fro the City consistent with the purposes of this Resolution. A schedule setting forth the phasing of the total number of units in a covered project, along with a schedule setting forth the phasing of the required inclusionary units shall be approved prior to the issuance of a building permit.

SECTION 15. GOOD FAITH MARKETING REQUIRED. All sellers or owners of deed restricted affordable units shall engage in good faith marketing efforts each time a deed restricted unit is rented or sold such that members of the public who are qualified to rent or purchase such units have a fair chance of becoming informed of the availability of such units. A public marketing plan shall be submitted by the developer for the initial sale or lease of the units.

SECTION 16. LOCAL PREFERENCE OPTION. In order to address the City's local preference options, any deed restricted affordable housing project shall give preference to full-time employees (a minimum of 30 hours per week) of businesses within the Park City School District boundaries. Preference is also given to Senior Citizens (62 & older) and persons who are physically and/or mentally challenged.

SECTION 17. MAXIMUM RENTS AND SALES PRICES. The following provision shall apply to the calculation of rents, selling prices and/or carrying charges of deed restricted affordable units.

A. Occupancy. In calculating the rents or carrying charges of inclusionary units, the following relationship between unit size and household size shall apply:

- Dormitory/Single Room Occupancy: 1 person per 150 net livable square feet.
- Studio/Efficiency: 1 person per household
- One-bedroom: 1.5 person household
- Two-bedrooms: 2.5 person household
- Three-bedroom: 4 person household
- Four-bedroom: 6 person household.

B. Rental Units. Inclusionary rental units in any one development shall be rented at a price, which, on average, is affordable to a household with an annual income of 100% of the Park City Workforce Wage.

C. For Sale Units. The initial sales price for an affordable unit in any one development shall average a price affordable to a household earning 150 percent of Park City Workforce Wage ("Target Household Income"). Sale Price shall be calculated according to the following guidelines: utilities plus mortgage payment for the Owner Occupied Unit, including principal, interest, taxes and insurance ("PITI"), shall not exceed 30% of the Target Household Income. The assumptions used to calculate the sales price shall be: (i) a 5% down payment; (ii) a 30-year term; and (iii) an interest rate equal to the prevailing FirstHome rate, or its program equivalent, of the Utah Housing Corporation (www.utahousingcorp.org) at the time of the offer.

D. Appreciation Limits. Provisions to ensure continued affordability of inclusionary units offered for sale shall include a formula limiting equity appreciation to either a shared percentage of the equity appreciation or a cap on the equity appreciation, with such adjustments for improvements made by the seller and necessary costs of sale as may be approved by the City. The form of the resale restriction shall be determined by the City at the time of approval of the Housing Mitigation Plan.

E. Limitation on Rental Rates and Terms. The rate at which an Owner shall rent the Units shall not exceed the Maximum Rent as established by the City. The Maximum Rent shall be set as affordable to households earning 100% of Park City Workforce Wage and adjusted annually by the percentage increase in the Consumer Price Index for the western region. Allowable increase will be published in April of each year on the City's affordable housing webpage. Unless otherwise approved, the minimum lease term shall be six months.

F. Income Limits. The City reserves the right to place an income/asset limitation for prospective owners or renters as needed to further the goals of this Resolution.

G. Park City Workforce Wage. Park City Workforce Wage for a family of three shall be calculated in April of each year and published on the City's affordable housing webpage. It is based on the prior year's wages as reported by the Utah Division of Workforce Services. Workforce Wage is calculated as follows:

- Summit County median wage for prior year;
- Add six percent for additional earnings such as tips, incentives, bonuses, and overtime as well as other income such as investments and non-cash benefits; and
- Multiply total by 1.5 to account for the average household in Park City having 1.5 workers.

SECTION 18. TERM OF AFFORDABILITY. The Term of Affordability shall be for a period of not less than forty (40) years. At the expiration of the initial forty (40) year term, this Agreement shall be reviewed for additional consecutive ten (10) year terms, unless the City shall determine, based an independent housing needs assessment, that the Unit is no longer necessary to satisfy the affordable/employee housing needs in Park City.

SECTION 19. WAIVERS. The City Council may waive all or part of the requirements of this Resolution in exchange for enhanced project affordability or livability including but not limited to the incorporation of sustainable building practices and systems in the unit design and development.

SECTION 20. ADMINISTRATIVE RELIEF. The City Council may waive all or part of the requirements of this Resolution where the applicant can establish by clear and convincing financial data and other evidence relating to the character of the development or surroundings that the imposition of the requirements set forth in this article shall create an economic hardship. The Council shall use the same standards that it applies to historic properties in making a determination of economic hardship. A waiver under this section shall be granted only to the extent necessary to relieve the hardship or difficulty that serves as the basis for the requested waiver and shall not be considered precedent for future requests for administrative relief.

SECTION 21. SEVERABILITY. If any section, subsection, sentence, clause, phrase or portion of this Resolution is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate distinct and independent provision and such holding shall not affect the validity of the remaining portions of the Resolution.

SECTION 22. EFFECTIVE DATE. This Resolution shall take effect upon adoption by the City Council. All prior Housing Resolutions and parts of Resolutions in conflict with the provisions of this Resolution are hereby repealed. This Resolution repeals and replaces all prior housing resolutions including Resolution s 37-91, 8-93, 6-94, 7-95, 17-99,10-2006, and 20-07.

PASSED AND ADOPTED this 27th day of September, 2012.

PARK CITY MUNICIPAL CORPORATION

____
Mayor Dana Williams

Attest:

____
Jan Scott, City Recorder

Approved as to form:

____
Mark Harrington, City Attorney

City Council Staff Report

Subject: Richardson Flat OU4 (Prospector Drain) AOC Natural Resource Damages Professional Services Agreement
Author: Joan Card and Jim Blankenau
Department: Sustainability
Date: August 15, 2013
Type of Item: New Business--Administrative

Summary Recommendations:
Authorize the City Manager to execute a Professional Services Agreement in a form approved by the City Attorney's Office with URS Corporation for services related to the Natural Resource Damage aspects of the Richardson Flat Tailings Site OU4 (the Prospector Drain) Administrative Order on Consent (AOC). The Contract will allow staff to consult with URS Corporation, prepare a required Assessment Plan, and meet the requirements of the Administrative Order on Consent (AOC) with EPA and the Natural Resource Trustees (BLM, Fish & Wildlife Service, and the State of Utah). The Professional Services Agreement shall be in the amount of $49,500.00.

Topic/Description:
Execute a Professional Services Agreement with URS Corporation to perform services related to the Natural Resource Damage aspects of the Richardson Flat Tailings Site OU4 (the Prospector Drain) AOC.

Background:
In 2009, EPA Region 8 notified Park City that the Prospector Drain is a "point source discharge" under the federal Clean Water Act and directed Park City to obtain a Utah Pollutant Discharge Elimination System (UPDES) permit for the Prospector Drain. The Prospector Drain is a shallow groundwater drain installed by the developer of the Prospector Park subdivision to drain the shallow aquifer in order to facilitate the construction of houses in the eastern portion of the neighborhood known as Prospector Square. The Drain is installed under the City right-of-way and the City-owned Prospector Park.

EPA indicated its interest in designating the Prospector Drain as Operable Unit 4 (OU4) of the Richardson Flat Superfund Site. EPA's stated intent is a complete cleanup of the lower Silver Creek floodplain. According to EPA, it will address the cleanup of middle and lower Silver Creek (OU3) with the mine company under an AOC much like the Prospector Drain AOC.

On January 10, 2013, Council approved and the Mayor signed the Proposed Administrative Order on Consent (AOC) for Richardson Flat Tailings Site OU4 (the Prospector Drain) negotiated by Park City Municipal Corporation staff, the

Environmental Protection Agency, the U.S. Fish and Wildlife Service, the Bureau of Land Management and the Utah Department of Environmental Quality.

The AOC requires PCMC to perform an Engineering Evaluation/Cost Analysis (EE/CA) that will include a complete investigation of the Prospector Drain and its zone of groundwater influence, in addition to an evaluation of cleanup alternatives and their associated cost estimates. PCMC has contracted with URS Corporation to provide the environmental engineering services required to complete the EE/CA.

The AOC also requires PCMC to evaluate potential injury to natural resources caused by the Prospector Drain discharge. This evaluation, or assessment, is authorized under CERCLA and regulations promulgated by the Department of the Interior. PCMC requires an experienced professional to prepare an Assessment Plan as required by the AOC and DOI regulations. This is an area of special expertise and the field of experience consultants is relatively small.

PCMC staff requested a cost estimate from URS Corporation, PCMC's EE/CA consultant, which is a national firm that has a natural resource damage group based in their Virginia office (the prospective project manager is located in Salt Lake City). PCMC staff also requested a cost estimate from Cardno-Entrix, a firm well known for its natural resource damage expertise. This firm's prospective project manager also is located in Salt Lake City and the specialty group is located in Los Angeles, California.

The Scope of Work is described as follows:

Three tasks will be conducted under this SOW:

1. Data Review;
2. Communications; and
3. Damage Assessment Plan.

Task 1 – Data Review

The preliminary phase of the NRDA process is the development of a Damage Assessment Plan (Plan). This Plan serves as an initial guide for conducting the project NRDA in an efficient and cost effective manner, and outlines the proposed approach to determining potential injury and appropriate compensation. A key step in developing the Plan is a review of existing data to identify data needs and gaps that may inform future decision making.

Review of existing data will also help determine whether a simplified assessment ("Type A") or a comprehensive assessment ("Type B") is appropriate for the subject NRDA. The Type A procedures, which use minimal field observations in conjunction with computer models to generate a damage claim, are limited by the regulations to the assessment of relatively minor, short duration discharges. Type B procedures allow for a range of alternative scientific and economic methodologies to be used for Injury Determination, Quantification, and Damage Determination.

It is anticipated that review of existing data will involve coordination with Park City and the Trustees, and potentially adjacent property owners, to evaluate existing databases, previous reports and public documents, and existing monitoring programs. This effort will be conducted immediately following authorization to proceed.

Task 2 - Communications

As permitted under DOI's regulations for the conduct of a NRDA, it is assumed that this assessment will be conducted cooperatively with the Trustees. As such, several meetings between Park City, Trustees, and possibly others to coordinate planning and development of draft material, and review/discuss project materials and the proposed approach presented in the draft Plan are anticipated. The timing and frequency of these meetings will be dependent on Trustee availability; however, it is anticipated that a minimum of one face-to-face meeting and one conference call or web-hosted meeting will occur with the Trustees. Additionally and beyond routine communications, up to four internal client meetings are anticipated to initiate the project, discuss strategy and project materials, review project development, and prepare for Trustee meetings. Costs associated with Task 2 include meeting time, preparation of meeting materials, preparation of meeting minutes, and travel, as necessary.

Task 3 - Assessment Plan

The Plan will provide relevant background information and describe the proposed approach to the three major steps in the assessment process: 1) injury determination, including pathway determination, 2) injury quantification, and 3) damage determination and restoration. This NRDA framework is consistent with the DOI regulations (43 CFR § 11.00) and provides an effective means of considering the potential impacts of hazardous substances associated with OU4.

URS will build upon the review of the background material conducted under Task 1 and information/insight provided during initial communications under Task 2 to prepare the Plan. The Plan will include an approach to identify the assessment area, quantify baseline conditions, document potential exposure to natural resources considered under DOI regulations, if any, develop resource specific assessments to quantify potential injuries, and relate potential injuries to measurable losses of ecological service. An approach to determine damages for those injuries and evaluate appropriate restoration alternatives will also be developed as part of the Plan.

In addition, in accordance with the DOI NRDA regulations, a Quality Assurance Plan (QAP) will be provided that "satisfies the requirements listed in the National Contingency Plan and applicable EPA guidance for quality control and quality assurance plans" (43 CFR §11.31(c)(2)). The QAP helps guide the collection and analysis of data and subsequent analysis as part of the NRDA and provides a foundation for project decisions and ultimate settlement.

It is anticipated that following Task 1 and an initial kickoff meeting with the Trustees under Task 2 that a Draft Plan will be completed by URS. Following Park City's input, the Draft Plan would be provided to the Trustees for review and discussed at a review meeting (identified above). Trustee comments will be incorporated into a Draft-Final Plan distributed for second and final review ahead of completion of the Final Plan. It is anticipated that the Trustees may make the Final Plan available to the general public as public participation is a required component of the Assessment Plan's development process.

URS Corporation submitted a cost estimate of $49,500.00 for the preceding Scope of Work—Tasks 1-3. Cardno-Entrix submitted a cost estimate of $53,100.00 for Tasks 1-2, the Task 3 cost undetermined pending further review of the details of our case. Cardno-Entrix hourly rates are significantly higher than those proposed by URS Corporation. Both firms are qualified.

Staff recommends PCMC engage URS Corporation for these tasks because of their lower cost estimate. Staff also believes the use of URS for both the EE/CA and natural resource damage aspects of the AOC will benefit the City.

Department Review:
Legal and Executive Departments have reviewed this report.

Alternatives:

A. Approve:
This is staff recommendation.

B. Deny:
This would not allow to staff to move forward with the Natural Resource Damages aspects of the AOC.

C. Modify:
Council could increase or decrease the amount of the contract and require staff to modify the scope of work accordingly and scope may no longer meet terms agreed upon in the AOC.

D. Continue the Item:
The Natural Resource Trustees (BLM, FWS and Utah) expect PCMC to have a consultant engaged this summer.

E. Do Nothing:
Doing nothing would have the same effect as denying the item.

Significant Impacts:

	World Class Multi-Seasonal Resort Destination (Economic Impact)	Preserving & Enhancing the Natural Environment (Environmental Impact)	An Inclusive Community of Diverse Economic & Cultural Opportunities (Social Equity Impact)	Responsive, Cutting-Edge & Effective Government
Which Desired Outcomes might the Recommended		Managed natural resources balancing ecosystem needs		Fiscally and legally sound
Assessment of Overall Impact on Council Priority *(Quality of Life Impact)*	Neutral ⇔	Very Positive ⬆	Neutral ⇔	Positive ⇧
Comments:				

Funding Source:
There are currently environmental cleanup funds within the adopted Capital Improvement Plan (CIP) for this project. Initial costs will be for the completion of the Engineering Evaluation/Cost Analysis (EE/CA). Staff expects additional funds may be needed for the Natural Resource Damages aspect of the AOC and the CIP is expected to be adjusted as part of the regular prioritization process.

Consequences of not taking the recommended action:
Park City would not have the technical expertise to meet the requirements of the Natural Resource Damages aspects of the AOC. The AOC includes penalties for noncompliance.

Recommendation:

Authorize the City Manager to execute a Professional Services Agreement in a form approved by the City Attorney's Office with URS Corporation for services related to the Natural Resource Damage aspects of the Richardson Flat Tailings Site OU4 (the Prospector Drain) Administrative Order on Consent (AOC). The Contract will allow staff to consult with URS Corporation, prepare a required Assessment Plan, and meet the requirements of the Administrative Order on Consent (AOC) with EPA and the Natural Resource Trustees (BLM, Fish & Wildlife Service, and the State of Utah). The Professional Services Agreement shall be in the amount of $49,500.00.

City Council Staff Report

Subject: WATER CONVEYANCE - 2013 PIPELINES PROJECT – SEGMENT B CONSTRUCTION AGREEMENT
Author: Roger McClain, Water Engineer
Department: Public Works, Water
Date: August 15, 2013
Type of Item: Administrative

Summary Recommendations:
Staff recommends Council authorize the City Manager to execute a Construction Agreement, in a form approved by the City Attorney, with COP Construction, LLC, for construction of the Water Conveyance - 2013 Pipelines Project – Segment B in an amount of $3,452,615.00.

Topic/Description:
Construction of the raw water improvements are in accordance with the Water Strategic Plan's Source Strategies & Polices as follows:

- Source, Water Quality and Infrastructure
- Maximize efficient use of existing City sources;
- Protect existing water sources;
- Ensure public health and safety is protected through quality water; and
- Maximize operational efficiency.

Background:
The Water Conveyance - 2013 Pipelines Project is an integral part of the City's planned raw water delivery and treatment system for the Judge and Spiro Tunnel sources. The Project addresses, in part, the City's obligation to permit the Tunnels under the Utah Pollutant Discharge Elimination System program (the Clean Water Act). The entire Conveyance Project includes two segments. Segment A would extend the existing raw waterline from Wyatt Earp to the vicinity of the Spiro Water Treatment Plant. The proposed Segment B will extend the raw water supply line from near the existing Judge Tunnel portal to near the Spiro Water Treatment Plant. The 2013 Pipelines Project – Segment B improvements, in conjunction with additional raw water and treatment plant improvements, will facilitate the treatment and blending of Judge Tunnel source, and ultimately the Spiro Tunnel source water at either the Spiro Water Treatment Plant or the Quinns Junction Water Treatment Plant.

Park City has secured several grants from the USEPA State and Tribal Assistance Grants (STAG) program for 55% of the project cost up to $1,973,200. An Environmental Assessment (EA), which supports the environmental review process as required by the STAG program, has been completed and a Finding of No Significant Impact (FONSI) for this project was issued March 14, 2013.

Contractors for the Water Conveyance - 2013 Pipelines Project – Segment A, which included the Judge Tunnel Pipeline from Wyatt Earp to the vicinity of Spiro Water Treatment Plant and Segment B, which included the Judge Tunnel Pipeline from the Judge portal to the vicinity of Spiro Water Treatment Plant, were prequalified in late 2012 and the project was issued to the pre-qualified bidders and advertised in the Park Record on May 4 through May 22, 2013, online at utahlegals.com, and on the Park City Website beginning May 4, 2013. On May 8, 2013 a non-mandatory pre-bid meeting was held. Two bids were received and publically opened on May 23, 2013. Original Bid Results for Segment B are as follows:

Contractor	***Total Bid***
Engineer's Estimate	*$6,543,369.00*
Counterpoint Construction Inc.	$9,699,235.00
Whitaker Construction, Inc.	$9,952,500.00

Having received only two bids for the Segment B project, from 15 prequalified contractors, with the lowest responsive bid being forty-eight (48) percent above the engineer's estimate, Staff instituted an in-depth assessment. Prequalified contractors were interviewed with respect to reasons for not submitting a bid. The responses were reviewed and evaluated by Staff and the engineer with respect to project goals, schedules, and time-critical improvement needs. Subsequently all bids received were rejected and the project engineer was directed to prepare a revised bid package for re-bidding. The bid of Segment A was also unsuccessful for similar reasons. Staff is currently evaluating alternatives to Segment A including potentially eliminating it and conveying Judge to the Spiro site only.

Key revisions to and impacts of the re-bid package include:

1) Extension of construction period from mid June 2014 until early 2015. To comply with an existing Utah Division of Drinking Water compliance agreement to reduce antimony in the Judge Tunnel source below the drinking water MCL, the Judge Tunnel water will not be used in the drinking water system until completion of raw water and treatment improvements.
2) Change from directional drilling pipe installation within the Park City Golf Course to open cut pipe installation. Impacts to the Golf Course and restoration efforts have been addressed in the re-bid package.
3) Removal of Empire Tank structural repairs and interior and exterior coating and painting. The work will be delayed until a schedule for placing the tank back in service has been determined.
4) Removal of a segment of pipelines within the Park City Golf Course. The removed pipelines, if required, will be included in a future Segment A bid package. The extent of Segment A is currently being reviewed and prioritized as part of the Water Department's integrated water treatment approach and the pending Stipulated Compliance Order between Park City Water and the Utah Division of Water Quality for treatment of the Judge and Spiro mine tunnel discharges.

The revised Segment B bid package was subsequently re-advertised to previously prequalified contractors.

Proposed Construction:
The Water Conveyance - 2013 Pipelines Project – Segment B consists of five major components of work:

1. Raw Waterline Improvements. The proposed raw waterline extends from the Judge Tunnel to the Spiro Water Treatment Plant. The work consists of the installation of approximately 11,000 feet of 12-inch diameter fused joint high density polyethylene (HDPE) waterline and appurtenances. The raw waterline also includes a pressure reducing station at 9th Street. Special considerations have been made for traffic control, Golf Course Restoration, asphalt restoration, and native landscape restoration.
2. Empire Tank Site Work. The work includes site improvements related to the conversion of the existing potable water storage tank to raw water equalization tank. When fully converted, the equalization tank will function in conjunction with the raw water pipeline to provide more consistent flowrates to a future treatment facility.
3. Daly Pump Station Modifications. The modifications to the existing pump station remove the Judge tunnel source piping and relocate an existing exterior pressure reducing valve to inside the pump station.
4. Potable Waterline Replacement to Woodside Tank. The installation of 16-inch diameter fused joint high density polyethylene (HDPE) waterline from the top of King Road to the Woodside Tank will replace a section of 50 year old water transmission line. The pipeline will be placed in common alignment with the new raw water line.
5. Additive Alternate A. The installation of 12-inch diameter fused joint high density polyethylene (HDPE) waterline under the existing upper golf course pond (pond to be drained and dredged under a separate contract) was bid as additive item. This enables the City to include this work if the Water Department's integrated water treatment evaluation determines that Judge will not be sent to Quinns Junction Water Treatment Plant via Segment A and only a single raw water pipe to Spiro Water Treatment Plant is required in this area. If this work is not added to this contract, the extension of this water line will happen under a separate project.

A portion of the work is located within the Empire Canyon CERCLA site. A "Soils Handling Plan" has been prepared and incorporated into the project requirements. The required construction methods for managing the soils and groundwater discharges will meet the Soils Ordinance and a State of Utah UPDES discharge permit for construction. All excavated soils will be reintroduced on site and managed as trench backfill and site fill in designated areas. Where in-situ testing of the disturbed and site fill areas indicates the surface soils exceed the Soils Ordinance vacant property Lead limit of 1000 mg/Kg, excavated mill tailings and metals impacted soils will be identified, removed from the site, and disposed of at Clean Harbors Grassy Mountain Facility (a

Resource Conservation and Recovery Act (RCRA) Subtitle C disposal facility). All disturbed and site fill areas will be capped with topsoil and seeded. Where in-situ testing of the disturbed and site fill areas indicates the surface soils do not comply with the Soils Handling Plan, imported topsoil will be placed to a depth of 6 inches. The Contractor is required to manage the construction dewatering and pipeline testing water and not discharge without prior sampling and treatment if necessary.

To minimize the impacts of construction, as much as possible, the Water Department is working closely with area residents, golf course operations, and resort managers through a public involvement effort.

Work is located within public rights of way, City owned property, and private property. Easements across private property are currently being negotiated for limited segments of the proposed raw water line alignment and will be acquired prior to issuing a Notice to Proceed for work in those areas.

Analysis:

<u>Prequalification of Contractors:</u>

Prequalification of Contractors for the 2013 Pipelines Project construction project was advertised in the Park Record and Salt Lake Tribune October 27 through November 18, 2012, online at utahlegals.com, and on the Park City Website beginning October 27, 2012. Fifteen prequalification proposals were received, reviewed, and evaluated by the Project Engineer and City Staff. Based on the qualification information received, bidding restrictions were placed on two contractors and two contractors were found to not meet the prequalification requirements.

Contractor	***Prequalified***	***Restrictions***
Associated Brigham Contractors, Inc.	Yes	
BD Bush Excavation	Yes	Segment B only
Condie Construction, Inc.	No	
COP Construction	Yes	
Counterpoint Construction Inc.	Yes	
JB Gordon Construction	No	
Kilgore Contracting	Yes	
Lyndon Jones Construction	Yes	
Newman Construction	Yes	
Noland & Son Construction Company	Yes	
Reynolds	Yes	
SCI, Inc.	Yes	Either Segment A or B
VanCon, Inc.	Yes	
Whitaker Construction, Inc.	Yes	
WW Clyde	Yes	

The revised bid package for Segment B was issued to the pre-qualified bidders on July 2, 2013 and advertised in the Park Record July 3 through July 27, 2013, online at utahlegals.com, and on the Park City Website beginning July 2, 2013. Six bids for Segment B were received and opened on July 30, 2013. The following summarizes the bids:

Contractor	***Base Bid***	***Additive Alternate A***	***Total Bid***
Engineer's Estimate	***$5,197,421.00***	***$341,000.00***	***$5,538,421.00***
COP Construction	$3,185,855.00	$266,760.00	$3,452,615.00
Lyndon Jones Construction	$3,411,229.20	$286,230.00	$3,697,459.20
WW Clyde	$4,448,000.00	$341,970.00	$4,789,970.00
Whitaker Construction	$5,173,145.00	$272,750.00	$5,445,895.00
SCI, Inc.	$5,478,140.00	$294,700.00	$5,772,840.00
Counterpoint Construction	$5,765,375.00	$453,020.00	$6,218,395.00

COP Construction, LLC, is the lowest responsive bidder. Bid Documents have been verified by the Engineer, Bowen Collins & Associates, and by Staff. Staff therefore recommends COP Construction, LLC, as the successful Bidder.

Additive Alternate A Bid Schedule bid price by the lowest responsive bidder was reviewed by Staff and determined to be responsive. Staff therefore recommends Additive Alternate A, bid price of $266,760, be included in the contract award.

There was no local preference included in the determination of lowest responsible bidder since no firms submitting a bid have a physical presence & staff based in Summit County. Should any local construction firm have bid, the determination of lowest responsible bidder would have included consideration for local preference.

The City's Project Manager, Roger McClain, will be working under the guidance of the Water Manager.

Department Review:
This report has been reviewed by representatives of Public Works, Legal, Sustainability, and the City Manager's Office and their comments have been integrated into this report.

Alternatives:

A. Approve:

Council could authorize the City Manager to execute a Construction Agreement, in a form approved by the City Attorney, with COP Construction, LLC, for the construction of the Water Conveyance - 2013 Pipelines Project – Segment B in an amount of $3,452,615.00.

B. Deny:
Council could deny the request for the agreement. Denying the request could result in a delay to the project as alternate planning, engineering, management methods, and funding sources are evaluated.

C. Modify:
Council could modify the request for the agreement. Modifying the request could result in a delay to the project as the impacts of the requested modifications on the planning, engineering and/or management elements are evaluated.

D. Continue the Item:
Council could continue the request for the agreement. Continuing the request could result in a delay to the project until key design elements can be addressed.

E. Do Nothing:
Staff does not recommend this alternative. Doing nothing would delay the construction of the project and jeopardize the existing financing assistance from the USEPA State and Tribal Assistance Grants (STAG) program.

Significant Impacts:

	Preserving & Enhancing the Natural Environment **(Environmental Impact)**	**Responsive, Cutting-Edge & Effective Government**
Which Desired Outcomes might the Recommended Action Impact?	+ Managed natural resources balancing ecosystem needs + Enhanced water quality and high customer confidence + Adequate and reliable water supply - Reduced municipal, business and community carbon footprints	+ Fiscally and legally sound + Well-maintained assets and infrastructure + Streamlined and flexible operating processes
Assessment of Overall Impact on Council Priority *(Quality of Life Impact)*	Very Positive	Positive
Comments:		

Funding Source:
The funding for the project is from water service fees and is part of the proposed 5-year water CIP. Park City has secured financing assistance from the USEPA State and

Tribal Assistance Grants (STAG) program for the project for up to $1,973,200 on a matching basis.

Consequences of not taking the recommended action:
The project components are essential to the Water Department's integrated water treatment approach to comply with the pending Utah Pollutant Discharge Elimination system (UPDES) permit for the Judge Tunnel. Delay to the award of construction for the project could impact the ability to meet UPDES milestones and also jeopardize the existing financing assistance from the USEPA State and Tribal Assistance Grants (STAG) program.

Recommendation:
Staff recommends Council authorize the City Manager to execute a Construction Agreement, in a form approved by the City Attorney, with COP Construction, LLC, for construction of the Water Conveyance - 2013 Pipelines Project – Segment B in an amount of $3,452,615.00.

Exhibits:
EXHIBIT A: 2013 Pipelines Project – Segment B, Scope of Work
EXHIBIT B: Bid Tabulation
EXHIBIT C: Bowen Collins & Associates, Letter of Recommendation

EXHIBIT A

Scope of Work

Water Conveyance - 2013 Pipelines Project – Segment B

Construction Agreement

DESCRIPTION AND SITE OF WORK: For the project known as the 2013 PIPELINES PROJECT – SEGMENT B, (hereinafter "Project"), the Work generally consists of construction of HDPE raw and potable waterlines with associated appurtenances. The work is located in Park City, UT, as indicated on the Drawings.

Segment B (Judge Tunnel Portal to and across Park City Municipal Golf Course) consists of construction of approximately 2.6 miles of HDPE 12", 14", 16" potable and raw waterlines. Waterline appurtenances include precast vaults, valves, air release vaults, cathodic protection, directional drilling, pump station modifications, swab-pigging of an existing waterline, Golf Course restoration, asphalt restoration, and native landscape restoration.

The project is funded by Park City with assistance from the USEPA and State and Tribal Assistance Grants (STAG) program. Grant requirements shall be met.

The full scope shall be determined from the contract documents.

Inclusion of Additive Item A is subject to a specific Change Order to include the item in the Contract and subsequent Notice to Proceed.

COMPLETION OF WORK: All WORK shall be substantially completed by October 15, 2015, and Final Complete by November 15, 2015. Time is of the essence.

EXHIBIT B
Bid Tabulation
Water Conveyance - 2013 Pipelines Project – Segment B

BID TABULATION
PARK CITY MUNICIPAL CORPORATION
2013 PIPELINES PROJECT SEGMENT B
Bids Opened at 3:00 pm on July 30, 2013

Item No.	Classification of Unit Price Work	Qnty	Unit	Cop Construction		Lyndon Jones Construction		WW Clyde		Whitaker		SCI, Inc.		Counterpoint Construction	
				Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount
1	Mobilization / Demobilization	1	LS	$165,000	$165,000	$170,000	$170,000	$477,000	$477,000	$270,000	$270,000	$273,500	$273,500	$600,000	$600,000
2	Traffic Control	1	LS	$26,000	$26,000	$20,000	$20,000	$203,670	$203,670	$280,000	$280,000	$180,000	$180,000	$260,000	$260,000
3	SWPP Requirements	1	LS	$37,000	$37,000	$30,000	$30,000	$30,000	$30,000	$200,000	$200,000	$180,000	$180,000	$134,000	$134,000
4	Hauling/Disposing of Contaminated Materia	1,000	Tons	$25	$25,000	$60	$60,000	$220	$220,000	$95	$95,000	$155	$155,000	$150	$150,000
5	Furnish and Install 12-inch DR11 PE4710 **DIPS** HDPE Pipe, including pipe and fittings, Unclassified Excavation (raw waterline)	1,100	LF	$88	$96,800	$99	$108,900	$96	$105,600	$160	$176,000	$201	$221,100	$200	$220,000
6	Furnish and Install 14-inch DR7 PE4710 **DIPS** HDPE Pipe, including pipe and fittings, Unclassified Excavation (raw waterline)	3,505	LF	$120	$420,600	$118	$413,590	$115	$403,075	$205	$718,525	$223	$781,615	$165	$578,325
7	Furnish and Install 16-inch DR13.5 PE4710 **DIPS** HDPE Pipe, including pipe and fittings, Unclassified Excavation (potable waterline)	320	LF	$160	$51,200	$217.81	$69,699.20	$160	$51,200	$260	$83,200	$252	$80,640	$188	$60,160
8	Furnish and Install 12-inch DR11 PE4710 **DIPS** HDPE Pipe, including pipe and fittings, Rock Excavation (raw waterline)	2,305	LF	$78	$179,790	$125	$288,125	$153	$352,665	$195	$449,475	$237	$546,285	$275	$633,875
9	Furnish and Install 14-inch DR7 PE4710 **DIPS** HDPE Pipe, including pipe and fittings, Rock Excavation (raw waterline)	3,530	LF	$98	$345,940	$142	$501,260	$182	$642,460	$199	$702,470	$253	$893,090	$220	$776,600
10	Furnish and Install 16-inch DR13.5 PE4710 **DIPS** HDPE Pipe, including pipe and fittings, Rock Excavation (potable waterline)	790	LF	$105	$82,950	$168	$132,720	$190	$150,100	$205	$161,950	$264	$208,560	$293	$231,470
11	Directional Drill 12-inch DR11 PE4710 **DIPS** HDPE Pipe (raw waterline)	600	LF	$470	$282,000	$470	$282,000	$745	$447,000	$550	$330,000	$555	$333,000	$551	$330,600
12	Daly Pump Station Modifications	1	LS	$21,000	$21,000	$21,000	$21,000	$30,000	$30,000	$45,200	$45,200	$47,500	$47,500	$34,800	$34,800
13	Remove PRV Vault, Valve Vault, and Flow Meter Vault near Daly Pump Station (Drawing C-15); Install 10" DIP and 14" DIP, sleeves, reducers, bends, and cathodic protection to reconnect existing lines, Complete.	1	LS	$11,000	$11,000	$12,200	$12,200	$14,000	$14,000	$50,000	$50,000	$37,500	$37,500	$26,500	$26,500
14.1	2-inch Raw Water Air/Vacuum Valve Manhole, STA 36+82; 300 PSI Working Pressure	1	LS	$10,000	$10,000	$3,005	$3,005	$9,000	$9,000	$7,500	$7,500	$12,000	$12,000	$8,000	$8,000
14.2	2-inch Raw Water Air/Vacuum Valve Manhole, STA 63+71; 250 PSI Working Pressure, with Heat Trace	1	LS	$17,000	$17,000	$9,500	$9,500	$8,000	$8,000	$13,500	$13,500	$18,500	$18,500	$24,500	$24,500
14.3	2-inch Raw Water Air/Vacuum Valve Manhole, STA 101+52; 150 PSI Working Pressure, with Heat Trace	1	LS	$16,000	$16,000	$10,350	$10,350	$7,000	$7,000	$17,500	$17,500	$19,000	$19,000	$30,000	$30,000
14.4	2-inch Raw Water Air/Vacuum Valve Manhole, STA 124+86; 150 PSI Working Pressure, with Heat Trace	1	LS	$14,000	$14,000	$8,400	$8,400	$7,000	$7,000	$12,000	$12,000	$18,000	$18,000	$37,400	$37,400
15.1	3-inch Raw Water Air/Vacuum Valve Manhole, STA 95+10; 150 PSI Working Pressure	1	LS	$9,800	$9,800	$4,315	$4,315	$8,000	$8,000	$8,700	$8,700	$12,500	$12,500	$12,900	$12,900
15.2	3-inch Raw Water Air/Vacuum Valve Manhole, STA 119+25; 150 PSI Working Pressure, with Heat Trace	1	LS	$18,000	$18,000	$12,250	$12,250	$8,000	$8,000	$18,900	$18,900	$19,500	$19,500	$38,000	$38,000
16	6-inch Air/Vacuum Valve Manhole, STA 119+33 4.0 LT; 150 PSI Working Pressure, with Standpipe and Heat Trace	1	LS	$29,000	$29,000	$23,000	$23,000	$20,000	$20,000	$31,100	$31,100	$28,000	$28,000	$47,000	$47,000
17	Empire Pig Launch Manhole	1	EA	$16,000	$16,000	$11,000	$11,000	$14,000	$14,000	$21,200	$21,200	$23,250	$23,250	$14,800	$14,800
18	9th Street Pressure Reducing Valve (PRV) Vault	1	LS	$117,000	$117,000	$109,000	$109,000	$94,000	$94,000	$145,000	$145,000	$147,900	$147,900	$128,900	$128,900
19	Asphalt Trench Restoration 6-inch Asphalt	6,100	SY	$32	$195,200	$36.35	$221,735.00	$40	$244,000	$48	$292,800	$41.50	$253,150	$45	$274,500
20	Asphalt Trench Restoration 3-inch Asphalt	675	SY	$25	$16,875	$24.80	$16,740.00	$20	$13,500	$33	$22,275	$32	$21,600	$27	$18,225
21	Asphalt Rotomill (King Road from Sta 101+50 to 111+00)	2,300	SY	$10	$23,000	$4.20	$9,660	$4	$9,200	$2	$4,600	$6	$13,800	$6	$13,800
22	3-inch Asphalt (King Road from Sta 101+50 to 111+00)	1,900	SY	$19	$36,100	$25	$47,500	$20	$38,000	$18	$34,200	$20	$38,000	$14	$26,600
23	Slurry Seal Coat (Per Park City Standards)	68,000	SF	$1.10	$74,800	$0.23	$15,640.00	$0.40	$27,200	$0.30	$20,400	$0.40	$27,200	$0.34	$23,120
24	Trench Stabilization Material	300	CY	$69	$20,700	$56	$16,800	$52	$15,600	$63	$18,900	$28	$8,400	$51	$15,300
25	Golf Course Sod Restoration	60,000	SF	$1.20	$72,000	$1.21	$72,600	$1.10	$66,000	$1.40	$84,000	$1.20	$72,000	$1.50	$90,000
26	Native Seed Restoration	143,000	SF	$0.70	$100,100	$0.68	$97,240	$0.11	$15,730	$0.75	$107,250	$0.70	$100,100	$1.00	$143,000
27	Empire Tank Flow Meter Manhole and Equipment Modifications	1	LS	$28,000	$28,000	$30,250	$30,250	$35,000	$35,000	$29,000	$29,000	$29,500	$29,500	$17,200	$17,200
28	Replace Empire Tank 6-inch Drain Line Valve with 6-inch Gate Valve	1	LS	$7,400	$7,400	$2,540	$2,540	$5,000	$5,000	$4,800	$4,800	$4,950	$4,950	$8,600	$8,600
29	Golf Course Temporary Culvert and Ditch Bypass Pumping	1	LS	$5,000	$5,000	$9,000	$9,000	$5,000	$5,000	$22,000	$22,000	$12,500	$12,500	$19,400	$19,400
30	Reconnect Potable Water Service Line, 1-1/2-inch	2	EA	$1,800.00	$3,600	$1,345	$2,690	$3,000	$6,000	$1,800	$3,600	$3,750	$7,500	$4,700	$9,400
31	Remove Existing Abandoned Vault and Exposed Piping	1	LS	$3,500	$3,500	$3,200	$3,200	$5,000	$5,000	$3,000	$3,000	$6,250	$6,250	$2,400	$2,400
32	Park City Mountain Resort Parking Lot Staging Area Restoration	1	LS	$97,000	$97,000	$75,300	$75,300	$134,000	$134,000	$142,000	$142,000	$97,500	$97,500	$90,500	$90,500
33	Empire Tank Overflow Detention Basin and Pipe Modifications	1	LS	$22,000	$22,000	$14,960	$14,960	$12,000	$12,000	$25,000	$25,000	$8,750	$8,750	$13,500	$13,500
34	Buried Gate Valve, 12-inch with HDPE DIPS DR11 Ends	1	EA	$9,200.00	$9,200	$5,060.00	$5,060	$9,000	$9,000	$9,600	$9,600	$8,750.00	$8,750	$5,200	$5,200
35	Buried Gate Valve, 14-inch, FLxMJ	1	EA	$18,000	$18,000	$12,900	$12,900	$17,000	$17,000	$18,500	$18,500	$14,750	$14,750	$10,800	$10,800
36	Perform Wire Brush Foam Pig Pipeline Cleaning on Existing 14-inch Ductile Iron Waterline (approximately 2,300 linear feet).	1	LS	$19,000	$19,000	$12,600	$12,600	$20,000	$20,000	$30,000	$30,000	$45,000	$45,000	$86,000	$86,000
37.1	6" Import Top Soil Cap	1,000	SY	$5.30	$5,300	$6	$6,000	$10	$10,000	$8	$8,000	$12	$12,000	$15	$15,000
37.2	12" Import Top Soil Cap	2,000	SY	$11	$22,000	$11	$22,000	$17	$34,000	$16	$32,000	$18	$36,000	$30	$60,000
37.3	18" Import Top Soil Cap	1,000	SY	$16	$16,000	$16.50	$16,500	$25	$25,000	$24	$24,000	$24	$24,000	$45	$45,000
38.1	Bid Allowance-Differing Site Conditions (this dollar amount shall be included in the base bid by all contractors)	1	LS	$200,000	$200,000	$200,000	$200,000	$200,000	$200,000	$200,000	$200,000	$200,000	$200,000	$200,000	$200,000
38.2	Bid Allowance-Site Restoration (this dollar amount shall be included in the base bid by all contractors)	1	LS	$200,000	$200,000	$200,000	$200,000	$200,000	$200,000	$200,000	$200,000	$200,000	$200,000	$200,000	$200,000
	Total Base Bid Schedule				**$3,185,855.00**		**$3,411,229.20**		**$4,448,000.00**		**$5,173,145.00**		**$5,478,140.00**		**$5,765,375.00**
A1	Furnish and Install 14-inch DR7 PE4710 **DIPS** HDPE Pipe, including pipe and fittings, Unclassified Excavation (raw waterline)	1,420	LF	$140	$198,800	$159	$225,780	$142	$201,640	$140	$198,800	$160	$227,200	$263	$373,460
A2	Golf Course Sod Restoration	35,000	SF	$1.10	$38,500	$1.10	$38,500	$1.10	$38,500	$1.45	$50,750	$1.20	$42,000	$1.40	$49,000
A3	Golf Course Pond Ground Surface Restoration	1	LS	$27,000	$27,000	$20,000	$20,000	$100,000	$100,000	$22,000	$22,000	$22,500	$22,500	$21,500	$21,500
A4	Golf Course Asphalt Cart Path Restoration	30	SY	$82.00	$2,460	$65	$1,950	$61	$1,830	$40	$1,200	$100	$3,000	$302	$9,060
	Total Additive Alternate A Bid Schedule				**$266,760.00**		**$286,230.00**		**$341,970.00**		**$272,750.00**		**$294,700.00**		**$453,020.00**
	Total of All Schedules (Base + Add. Alt. A)				**$3,452,615.00**		**$3,697,459.20**		**$4,789,970.00**		**$5,445,895.00**		**$5,772,840.00**		**$6,218,395.00**

EXHIBIT C

Bowen Collins & Associates, Letter of Recommendation
Water Conveyance - 2013 Pipelines Project – Segment B

Bowen Collins
& Associates, Inc.
CONSULTING ENGINEERS

154 East 14000 South
Draper, Utah 84020
Phone: 801.495.2224
Fax: 801.495.2225

July 31, 2013

Roger McClain
Water Project Engineer
Park City Municipal Corporation
1053 Iron Horse Dr
Park City, UT 84060

Subject: 2013 Pipelines Project, Segment B – Bid Evaluation

Dear Roger,

Bids for the 2013 Pipelines Project Segment B were received at the office of Park City Public Works on Tuesday, July 30, 2013 at 3:00 PM. Previously, Park City had prequalified thirteen (13) contractors for the project. Of the prequalified contractors for the 2013 Pipelines Project, six contractors submitted bids on Segment B. BC&A has performed a review of the bids. Refer to the attached Bid Opening Summary & Check List and Bid Tabulation for related information.

The apparent low bidder for Segment B was COP Construction LLC with a Base Bid of $3,185,855.00 and an Additive Alternate A Bid of $266,760.00 for a Total Bid of $3,452,615.00. Lyndon Jones Construction was the second low bidder with a Base Bid of $3,411,229.20 and an Additive Alternate A Bid of $286,230.00 for a Total Bid of $3,697,459.20.

We have completed our review of all contractor bids. Based on our review, the bid from COP Construction LLC appears to be complete. An appropriate bid bond was attached with the bid. All other bid information was provided as requested in the contract documents.

Because the bidders for this project were selected through a prequalification process, BC&A does not have any concerns about COP Construction's ability to do the work. They have completed a number of projects similar in nature to the 2013 Pipelines Project, Segment B and have indicated they have adequate availability to complete the work within the schedule allowed. We also called Bill Camp (COP lead estimator on this project) and confirmed that he is comfortable with all his bid numbers.

Based on our review, we would recommend awarding the Segment B contract to COP Construction LLC. Please contact me if you have any questions or need additional information.

Sincerely,

Bowen, Collins & Associates

Tena Campbell

Tena Campbell, P.E.
Principal

Enclosures (2)

City Council Staff Report

Subject: Insurance Broker Professional Service Provider Agreement
Author: Jody Morrison
Department: Executive
Date: August 15, 2013
Type of Item: Administrative

Summary Recommendations:
Authorize the City Manager to enter into a professional service provider agreement with Moreton & Company Insurance Services, for standard broker services in the amount not to exceed $18,348 for a one year period, January 1, 2014 - December 31, 2014 and an option to renew for two additional years thereafter in a form approved by the City Attorney.

Topic/Description:
Insurance Brokerage Services for a one year period, January 1, 2014 – December 31, 2014.

Background:
Park City's exposures are unique in comparison to other small to medium sized Utah cities due to its world-class mountain resort environment and extensive public services. City staff continues to promote and implement safety procedures, processes and prevention methodologies so that risks are mitigated, the City's assets, facilities, people and property are protected, and employees, local residents and visitors are provided a safe and enjoyable place to work and play.

Park City Municipal Corporation had originally contracted with Marsh USA Risk & Insurance Services in 2001 for insurance brokerage services; they are currently Park City Municipal's insurance broker with a contract that will expire December 31, 2013. With Marsh's contract expiring at the end of this year, 2013, and consistent with the City's procurement policy, staff has recommended taking the opportunity to explore other experienced and qualified firms that provide broker-of-record insurance services by preparing and posting a Request for Proposal for Risk Management Services.

Analysis:
Staff followed the City's general policy and procedures for contracting with Park City Municipal Corporation. Requests for Proposal (RFP) were published in the Salt Lake Tribune: June 30, 2013 and July 2, 2013 editions. Four firms responded to the RFP: Olympus Insurance Agency, Moreton & Company, Marsh USA Risk & Insurance Services and Utah Local Governments Trust.

A six member selection committee made up of City staff, met on July 31st to review the four submittals. The committee evaluated the submittals with the following selection criteria:

1. Thoroughness of RFP response and documentation.
2. Demonstration of successful prior performance with comparable services in the public sector.

3. Maximum total compensation for the contract period.
4. Evidence of good organization and management practices.
5. Adequacy and breadth of services available.
6. Access to and tenure of broker and support team.
7. Insurance markets and creativity for innovative coverage solutions.
8. Insurance Broker Questionnaire.
9. The nature and extent of requested changes to our standard contract (i.e. unwillingness to comply with our insurance/indemnity provision counts against a bidder.)

Three of the four submittals provided a quote for services ranging from $10,000 to $18,348.

Park City's purchasing policy states that Professional Services Contracts are exempt from competitive bidding, where the lowest quote need not necessarily be awarded the contract. Furthermore, the policy states that emphasis will be placed on quality with cost being the deciding factor when everything else is equal. In review of the proposals the committee determined that Moreton & Company was the most qualified based on their proposal, the selection criteria and previous experience. Although Moreton & Company delivered the highest quote at $18,348, they were the only broker which provided a complete bid including all the requested services such as Cyber Liability and Environmental Coverage.

The total cost for Brokerage Services by Moreton & Company will not exceed $18,348 for the period of January 1, 2014 to December 31, 2014.

The following are the 2013-2014 insurance premiums for Park City Municipal Corporation:

1. $127,188.00: Premium payment to States Self-Insurers Risk Retention Group, Inc. ("States") for public entity broad form excess liability insurance (including General Liability, Employment Practices Liability, Automobile Liability, Law Enforcement Liability, *Terrorism Risk Insurance Act** and Public Officials Error and Omission Liability);
2. $4,276.00: Premium payment to States Self-Insurers Risk Retention Group, Inc. ("States") for Potable Water Treatment Operations insurance supplement;
3. $153,762.97: Premium payment to Workers Compensation Fund ("WCF") for Workers Compensation Insurance;
4. $111,352.00: Premium payment to Affiliated FM ("Affiliated") for Property, Boiler and Machinery Insurance; and
5. $32,166.00*: Premium Payment to Zurich's for Cyber Liability.

* Due to the delay of final analysis the City did not pay for Cyber Liability service.
* IT and Sustainability approached the Risk Management Team requesting that Cyber and Environmental services be part of the RFP. Moreton & Company addressed the Risk Management Team request in their RFP response.

Based on the market, these fees will vary for the coming year; the four submittals use many of the same insurance and consulting professionals.

Department Review:
This report has been reviewed by Budget, Sustainability, IT, Legal and Executive

Alternatives:

A. Approve:
This is staff's recommendation.

B. Deny:
Deny the request and award the broker services contract to Olympus Insurance Agency, which staff feels is the next preferred option.

C. Modify:
Council could choose to modify the agreement which would likely delay the procurement of a broker and possibly delay the placement of insurance for 2014

D. Continue the Item:
Council may feel there is not enough information to make a decision, which will delay the procurement of a broker and possibly delay the placement of insurance of 2014.

E. Do Nothing:
This would not be an option since Park City Municipal needs the services of an insurance broker in order to perform the annual insurance renewal, protect the City's assets, facilities, employees, property, guests and local residents.

Significant Impacts:

	World Class Multi-Seasonal Resort Destination (Economic Impact)	Preserving & Enhancing the Natural Environment (Environmental Impact)	An Inclusive Community of Diverse Economic & Cultural Opportunities (Social Equity Impact)	Responsive, Cutting-Edge & Effective Government
Which Desired Outcomes might the Recommended Action Impact?			(+/-) Preserved and celebrated history; protected National Historic District	(+/-) Fiscally and legally sound (+/-) Well-maintained assets and infrastructure (+/-) Streamlined and flexible operating processes (+/-)
Assessment of Overall Impact on Council Priority *(Quality of Life Impact)*	Neutral ⇔	Neutral ⇔	Very Positive ↑	Very Positive ↑
Comments:				

Funding Source:
All major City insurance costs are paid for through the Self-Insurance fund. Insurance broker costs are included in the budget for the Insurance/ Surety Bonds line item, and will be covered within existing resources.

Consequences of not taking the recommended action:
Park City Municipal Corporation will not have Public Entity Liability, Worker's Compensation, Property, Environmental, Cyber, Boilers and Machinery insurance. The City's assets, facilities, employees, local residents and visitors would be at risk.

Recommendation:
Authorize the City Manager to enter into a professional service provider agreement with Moreton & Company Insurance Services, for standard broker services in the amount not to exceed $18,348 for a one year period, January 1, 2014 - December 31, 2014 and an option to renew for two additional years thereafter in a form approved by the City Attorney.

Attachments:
A – Bid Scope of Services

Attachment A- Scope of Services:

While the exact range and extent of services is negotiable, it is anticipated that the selected broker shall provide, at a minimum, professional services and dedicated personnel necessary to perform the following:

Develop a complete understanding of the City's areas of exposure and consult with City representatives about short and long term solutions.

Identify programs, products and insurers capable of meeting the "environmental coverage", specifically bodily injury and property damage (BIPD) related to mine tailings and environmental pollution.

Identify programs, products and insurers capable of meeting Cyber Liability, Security and Privacy Liability, Regulatory Proceeding Defense Coverage and Privacy Breach Costs Coverage.

Evaluate existing insurance contracts and claims history and make recommendations concerning any changes, modifications, consolidations, and/or additions in the terms, conditions and coverage limits needed to yield a comprehensive risk management program to protect the interests of the City.

Identify programs, products and insurers capable of meeting the City's insurance needs and prepare specifications for markets capable of quoting for upcoming renewals.

When so authorized by City representatives by means of a "broker of record" letter, approach appropriate markets on behalf of the City to obtain quotes for specific insurance products / coverage.

If or when requested or recommended, provide a minimum of at least three (3) competitive quotes from reputable insurance carriers for each type of risk.

Act as an advisor to the City for specialty insurance coverage's that may be outside the normal market of the selected broker, and as authorized, negotiate, audit policies and rates and provide recommendations for City risk management staff.

Present for City consideration, in an understandable format, an evaluation of the results of each solicitation, with a comprehensive financial analysis and recommendations for selection of an insurer or risk management plan for each type of risk.

Negotiate on the City's behalf the details of insurance contracts with selected carrier and audit resulting policies and rates for accuracy of coverage, terms and conditions, and compliance with financial arrangements and administrative procedures acceptable to the City.

Provide verification of coverage as needed by the City to satisfy lessors, contractors and other parties from whom the City seeks services or use of equipment and/or facilities.

Provide evaluation, training, and education, if requested, relative to loss control, safety, claims management, and related topics in the area of risk management.

Provide recommendations for City contract staff as to risk related issues in City contractual arrangements.

If requested, assist in the design and implementation of an effective safety and loss control program.

Prepare insurance certificates and endorsements as requested by the City or its suppliers, contractors, or vendors.

Provide answers to City staff, and obtain clarification from underwriters or adjusters regarding coverage or claims questions.

Provide assistance in the form of an annual stewardship report for City management as well as advisory services or other written reports or claims summaries as is customarily expected from a professional insurance broker.

Provide premium allocation services if requested, so that premium costs may be properly charged back to appropriate departments.