

**PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
AUGUST 3, 2006**

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 3, 2006.

Executive Session – City Council Chambers

3:00 p.m. Motion to close for personnel

Work Session – City Council Chambers

4:00 p.m. Council questions/comments

4:10 p.m. Quarterly update

4:40 p.m. MFL Fee waiver discussion

5:10 p.m. Open space bond

Meeting questions/comments

5:30 p.m. Rail-Central parking

5:50 p.m. Break

Regular Meeting – City Council Chambers

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 agenda)

VI CONSENT AGENDA PUBLIC HEARINGS

1. Ordinance – 101 Prospect Street plat amendment **(motion to continue to September 14)** - Kirsten

2. Resolution amending Fee Resolution No. 17-06, Section 1, Construction and Development Related Fees, and Section 9, Ice Arena Fee Schedule and repealing Resolution No. 17-06 in its entirety

3. Ordinance amending Title 4, Chapter 8, Section 9 of the Municipal Code of Park City regulating special events and master festivals

VII CONSENT AGENDA

1. Resolution amending Fee Resolution No. 17-06, Section 1, Construction and Development Related Fees, and Section 9, Ice Arena Fee Schedule and repealing Resolution No. 17-06 in its entirety
2. Ordinance amending Title 4, Chapter 8, Section 9 of the Municipal Code of Park City regulating special events and master festivals

VIII NEW BUSINESS

1. Request for waiver of related fees in the amount of \$37,168 for the construction of Station #38, located at 1778 Deer Valley Drive, Park City, Utah – Park City Fire Service District
2. Amendment to the Master Festival License authorizing the waiver of fees associated with the Tour of Utah to be held August 12, 2006 in an amount not to exceed \$1,360
 - (a) Public hearing
 - (b) Action
3. Amendment to the Rail-Central Encroachment Agreement – Centura Development
4. Real estate purchase contract with Avenue Communities, LLC for the sale of three municipally-owned parcels located at 221 Main Street, 222 Grant Avenue, and 206 Swede Alley in the amount of \$3,050,000
 - (a) Public hearing
 - (b) Action

IX 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 435-615-5007 at least 24 hours prior to the meeting.

**PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
AUGUST 10, 2006**

PUBLIC NOTICE IS HEREBY GIVEN that the City Council of Park City, Utah will **not** hold its regularly scheduled meeting on Thursday, August 10, 2006.

Posted: 07/31/06

See: parkcity.org

Note: This future meeting schedule is TENTATIVE and subject to change.
PARK CITY COUNCIL TENTATIVE MEETING SCHEDULE

August 2006

- 10 **No meeting**
- 17 Art Board interviews (3:30 – 5:30 p.m.)
Presentation by Dr. Laura Nelson (hold)
Appointment to HPB
Walk-able communities - work
Resolution – open space bond election – Myles
- 24 One year review of Ordinance No. 05-49, outdoor display of merchandise – Ray
Miners Day MFL
Update on Quinns Recreation Complex
Appointments to Art Board
2800 Deer Valley Drive East Silver Baron Lodge at DV condo conversion – Brooks
8902 Empire Club Dr. Silver Strike Lodge condo conversion – Brooks
156 Sandrige Ave plat amendment – Ray
Wilburn West annexation – Ray
1335 Lowell Avenue, the Gales amendment to the record of survey - Ray
- 31 **No meeting - Dana gone**

September 2006

- 7 **No meeting – city tour**
- 14 Continuation of hearing on Ordinance – 101 Prospect Street plat amendment
- 21
- 28 Property taxes – work (30 min) - Gary

October 2006

- 5 **Roger gone**
- 12 **No meeting – UEA weekend**
- 19
- 26 Snow removal service levels

November 2006

- 2
- 9
- 16
- 23 **No meeting**
- 30

Pending Items:

Brewpub lease assignment – RDA

Mosquito Abatement District update - John Yassi, District Director
Eagle Pointe V annexation public hearing/action - Brooks
General Plan update
Regional bus service SLC
Conveyance of easement from Iron Mountain & Associates
Briefing on parking regulations and event parking permits for Sundance – Fall 2006

MEMO



Executive Department

To: City Council
From: Tom Bakaly, City Manager
Subject: 2006 Council Goals Update
Date: August 3, 2006

445 Marsac Avenue
P.O. Box 1470
Park City, UT 84060
Tel 435.615.5180
Fax 435.615.4901
www.parkcity.org

On August 3, 2006, we have scheduled time in work session to review City Council goals and action items.

Attached is the latest quarterly summary of action on Council goals for the period of April 2006 – June 2006. We continue to tentatively add (in bold) new action items to your goal status report based upon individual input from Council members, the Mayor and staff.

The report also includes quarterly summaries related to traffic calming and neighborhood service requests. This work session will provide an opportunity to for departments to provide operational updates on Council goals if requested.

2006 Park City Goals and Targets for Action - 2nd Quarter Report (April – June)

TOP PRIORITY				
Goal 1 Quality Water - Dana Williams and Candace Erickson; Alternate, Jim Hier				
Target for Action Staff Coordinator	Actions	Initial Target Date	Revised Target Date	Status
1. Pipeline/Preferred Project Agreements Jerry Gibbs	Determine a preferred project with Weber Basin and Bureau of Reclamation			
	1. Complete Feasibility/Preferred Project Study by Bureau of Reclamation	04/04	02/06	Complete
	2. Decision point – Park City/County may opt out	03/05	08/06	Pending
	3. WBWCD Water Sales/Petition Agreement	04/05	08/06	Pending
	4. Decision point – Park City /County may opt out	05/06	11/07	Pending
2. Water Conservation Strategy and Actions Kathy Dunks	Develop Outreach/Education/Task Force Plan			
	1. Water Conservation Task Force	Monthly		Ongoing
	2. Conservation and Drought Plans	Annual		Ongoing
	3. Water Conservation education program	Monthly		Ongoing
	4. User rates review			
	2006 Comprehensive Review	01/06	05/06	Complete
	5. Impact fee procedures review			
	2006 Comprehensive Review	01/06	05/06	Complete
3. Water Treatment Plants Kathy Dunks	1. Judge: Resolve Plant Location and Land Transfer with Talisker	12/05	08/06	Pending
	2. Judge: Determine Scope and Timing for Plant Design and Construction	09/05	08/06	Pending
	3. Park Meadows Well Treatment Facility Design & Construction	04/06	08/06	Pending
	4. <u>Judge</u> : Plant Design	08/04	04/07	Pending
	5. <u>Judge</u> : Plant Construction	04/06	07/07	Pending
4. Other Water Solutions – Supply Options Jerry Gibbs	1. Summit County, Snyderville Basin Water Reclamation District Cooperation Discussions /Stream Flow Enhancements	Annual		Ongoing
	2.JSSD Water Discussions	Annual		Ongoing

TOP PRIORITY

Goal 1 Quality Water - Dana Williams and Candace Erickson; Alternate, Jim Hier

Target for Action Staff Coordinator	Actions	Initial Target Date	Revised Target Date	Status
4. Other Water Solutions (Cont.)	3. Water Strategic Planning and Goal Setting 4. Resolve Talisker Water Supply Source 5. Snyderville Basin Water Supply Study	09/04 12/05 10/05	02/06 0806 11/06	Complete Pending Pending
5. Water Funding Strategy Jerry Gibbs	1. Pursue future appropriations and authorizations 2. Develop water strategy plan	Annual 09/05	2/06	Ongoing Complete

TOP PRIORITY				
Goal 2 Preservation of Park City Character – Marianne Cone and Dana Williams; Alternate, Candace Erickson				
Target for Action Staff Coordinator	Actions	Initial Target Date	Revised Target Date	Status
1. Old Town Improvements Interim Assignments Alison Butz – Shell/Swede Eric DeHaan – Street Const.	1. Downtown Projects - Parking Garage Open - Garage finishes/landscaping - Town Plaza - USPS Talks, Site footprint determined - Public Dialogue - Design Complete - Base Construction Complete - Swede Alley Plaza Construction Complete - Shell space/Swede Alley Realignment - Schematic Design - Construction - Construction Complete - Marsac Building - Space programming exercise - Design complete - Construction Start - Construction end	10/08	02/06 08/06	Complete In Progress
			12/06	Pending Pending Pending Pending Pending Pending Pending Pending Pending Pending Pending Ongoing
2. Affordable Housing Phyllis Robinson	2. Prospect Street – Construction			
	1. Monitoring of Deer Valley Drive Project 2. Update Affordable Housing Resolution 3. Adoption of Affordable Housing Strategic Plan 4. Identify development options and resources for City-Owned parcels identified for affordable housing 5. Housing General Plan Element Review and Update 6. Quarterly housing status updates 7. Senior Housing 8. Develop RFPs for Park Avenue and Snow Creek	02/06 02/06 03/06 05/06 09/06 Ongoing Ongoing 09/06	09/06 04/06 09/06	Ongoing Complete In Progress Complete In Progress Ongoing Ongoing Underway

TOP PRIORITY				
Goal 2 Preservation of Park City Character – Marianne Cone and Dana Williams; Alternate, Candace Erickson				
Target for Action Staff Coordinator	Actions	Initial Target Date	Revised Target Date	Status
	Parcels			
3. Trash and Recycling Jerry Gibbs	1. Assess Trash Strategies 2. Decision on recycling facility relocation	04/06 09/04	06/06 11/06	Complete Pending
4. Environmental Initiatives Alison Butz	1. Adopt Environmental Strategic Plan 2. Identify Action Items for Strategic Plan 3. Implement Strategic Plan 4. Installation of wind turbine(s) at Park City Ice Arena	02/06 07/06 08/06 10/06	11/06 11/06	Complete Pending Pending Pending
5. Historic Preservation Patrick Putt	1.HPB- Review of Historic District - - Significance Survey Complete - Historic District Guideline Review 2.Implementation of City-Owned Historic Structures Plan 3.801 Park Ave Preservation 4.Upper Main Park/Structures		10/06 10/06 10/06 10/06	Pending Ongoing Ongoing Ongoing Ongoing
6. Assisted Living Phyllis Robinson	1. Facilitate Facility Discussions	Ongoing		Ongoing

TOP PRIORITY				
Goal 3 Effective Transportation and Parking System – Jim Hier and Roger Harlan; Alternate, Marianne Cone				
Target for Action Staff Coordinator	Actions	Initial Target Date	Revised Target Date	Status
1. Traffic Calming Jerry Gibbs	See attached Traffic Calming Summary Report			
2. Regional Transportation Eric Nessett	1. Enhance Transit Marketing	Annual		Ongoing
	2. Year-round Bus Service to Kimball and Canyons operating through 12/31/04	Annual		Ongoing
	3. Pursue federal funding for buses, site, and expanded bus facility	09/04	Annual	Ongoing
	4. Complete Region-SLC-UTA Service Feasibility Analysis	12/04	2/06	Complete
	5 Update short-range transit plan with County	06/05	12/06	In Progress
	6. Secure land for expanded transit maintenance-storage facility	10/05	Complete	
	7. Implement employee carpool incentive program	Annual		Ongoing
	8. Implement action items from 7/8/05 Transit Planning Summit			
	a. Needs analysis and concept design for expanded transit storage maintenance facility	10/05	03/06	Complete
	b-Determine land needs for transit hub and park and ride (Quinn's and Kimball)	10/05	09/06	In Progress
	c-Joint Planning/review task force IHC proposal	Ongoing		Ongoing
	d-Needs analysis and concept design for expanded transit storage maintenance facility	10/05	09/06	Complete
	e-Develop public education program concept and outline (program and resource)	10/05	10/06	In Progress
	f. Draft 248 corridor agreement with UDOT	11/05	12/06	In Progress
3. Transportation Strategic Plan Kent Cashel	1. Adopt Plan and Strategies	02/06		Complete
	2. Implement Strategies	06/06	12/06	In Progress
	3. Annual Progress Report to City Council	12/06		In Progress

TOP PRIORITY				
Goal 4 World Class, Multi-Seasonal/Resort Community – Jim Hier and Marianne Cone; Alternate, Joe Kernan				
Target for Action Staff Coordinator	Actions	Initial Target Date	Revised Target Date	Status
1. Economic Development <i>Interim assignments</i>	Implementation of 2006 Economic Development Strategic Plan Initiatives 1. Center for Applied Digital Media – set-up in PC 2. Prospector/Bonanza Redevelopment Area (PBR District) 3. Market analysis – inventory existing business types; compare against demand model 4. Implementation of economic development strategic plan	06/06 09/06 01/07 01/07		Complete Ongoing Pending Pending
2. Support for Arts Gary Hill	1. Art in Public Places Implementation 2. Bus Shelter Implementation 3. Installation of Round Valley Sound Treasures 4. Pocket Park Benches, Bike Racks and Trash Cans	Ongoing 08/05 08/06 05/07	10/06 10/06	Ongoing In Progress Pending In Progress
3. Community Amenities and Events: Evaluation, Future Direction Alison Butz	1. Special Events Retention & Attraction - Economic Development Plan 2. Monitor Museum Expansion 3. Destination Events/Activities Joint Venture - Recruitment of Joint Venture Position 4. Imperial Hotel Sold or Traded 5. Strategic Plan for Farm 6. Golf Course Pro Shop Acquisition 7. Marsac Space and Remodel Planning 8. Marsac Remodel/Construction - construction beings - construction ends	Ongoing 11/04 11/05 09/04 03/05 07/05 10/06 10/07 10/08	 01/06 08/06 08/06 10/06	Ongoing Ongoing Complete Pending Complete Pending Pending Pending Pending

HIGH PRIORITY				
Goal 5 Recreation, <i>Open Space and Trails</i> – Candace Erickson and Joe Kernan; Alternate, Marianne Cone				
Target for Action Staff Coordinator	Actions	Initial Target Date	Revised Target Date	Status
1. Ongoing Open Space Acquisition Myles Rademan	1. Flagstaff - Distribution of open space contribution 2. Gambel Oak - Legislation 3. Red Maple/Air Force 4. 2006 Open Space Bond – Decision 5. Other Properties	03/04 10/04 10/04 08/06 09/06	10/06 10/06	Ongoing Ongoing Ongoing Pending Pending
2. Conservation Easements Myles Rademan	1. Additional easement monitoring on new acquisitions 2. Conservation Easement on Farm	08/05 04/06	01/06 10/06	Pending Pending
3. Trail Development Plan Matt Twombly	1. Farm Trail Parking - Irrigation/trees, alternatives 2. Trailhead Parking Phase II a. Cove b. Round Valley – Quinn’s Rec Complex c. Other sites as available 3. Round Valley Trails - Friends of Trails - Cross Country Ski Trails 4. Citywide study for “Safe Streets/Walkable Communities”, Pedestrian and Bicycle Facilities	 09/04 04/05 11/05	 09/06 09/06 “ “ 09/06 12/06	Pending Ongoing Pending Pending
4. Neighborhood Parks/City Park Ken Fisher	1. Completion of construction of 2 neighborhood parks 2. Skate Park - Completion 3. City Park Recreation Building - Task Force recommendation on potential uses - Selection of Design Firm 4. Poison Creek – Recommendation on creek enhancements 5. Old Town Stairs rights-of-way – Policy on use by residents 6. Replace Infield at City Park	10/05 02/06 02/06 04/06 05/06	07/06 08/06 09/06 06/07 09/06	Complete In Progress Complete In Progress Pending Complete Pending

HIGH PRIORITY				
Goal 5 Recreation, <i>Open Space and Trails</i> – Candace Erickson and Joe Kernan; Alternate, Marianne Cone				
Target for Action Staff Coordinator	Actions	Initial Target Date	Revised Target Date	Status
5. Ice Rink Stacey Noonan	1. Ice Fundraising & Naming Campaign – local effort	02/06		Pending
	2. Ice Arena Opening	02/06		Complete
	3. Ice Arena Completion		08/06	
	4. Ice Arena Strategic Plan	11/06		In Progress
6. Recreation and Racquet Club: Next Steps Ken Fisher	1. Racquet Club/Recreation			
	- Award of construction contract	03/06		Complete
	- Replacement of plumbing & remodel locker rooms	04/06	06/06	Complete
	- Long-term maintenance plan for facility	04/06	11/06	Pending
	- Recommendation – Future Capital Improvements	05/06	12/06	Pending
	2. Frisbee Golf			
	- Determine local ski area interest in developing frisbee golf course	05/06		Complete
	3. Dirt Jump Park- Plan in place for future facility location	09/06	12/06	Pending
	4. Dog Park			
	- Determine SBSRD interest in a regional facility	12/06		Pending
7. Outdoor Recreation Complex Matt Twombly	1. Construction of fields and outbuildings complete			In Progress
	- Update to City Council		08/06	
	- Fields & Lights		08/06	
	- Bleachers, Patio & Sod		08/06	
	- Maintenance & Restroom Building		09/06	
	- Seed non-playing field lawn areas		09/06	
	- Revegetation of Utility Lines		10/06	
	2. Landscaping (trees, shrubs, drip irrigation)		06/07	

HIGH PRIORITY				
Goal 6 Regional Collaboration and Partnerships				
Target for Action <i>Staff Coordinator</i>	Actions	Initial Target Date	Revised Target Date	Status
1. Transportation Kent Cashel	See Goal #3			
2. Flagstaff-Wasatch County Tom Bakaly	1. Work with Wasatch County re SR-224 and public versus private access	09/04	04/06	Ongoing
3. Recreation Ken Fisher	See Goal #5			
4. Health Pace Erickson	1. Noxious weed coordination 2. Enforcement on private property	08/04 Ongoing		Ongoing Ongoing
5. Water Jerry Gibbs	See Goal #1			
6. Solid Waste Jerry Gibbs	1. Implementation of Solid Waste Alternatives 2. Summit County's new Solid Waste Collection Contract	11/05 04/06	09/06 06/07	Pending Pending
7. Mosquito Abatement Pace Erickson	1. Continued coordination with Summit County	Ongoing		Ongoing

OTHER PRIORITIES

Goal 7 Open and Responsive Government to the Community – Roger Harlan and Joe Kernan; Alternate, Jim Hier

Target for Action Staff Coordinator	Actions	Initial Target Date	Revised Target Date	Status
1. Community Vision 2015 and Beyond Myles Rademan Pat Putt	1. Community Involvement & Outreach 2. Update Material for Vision Presentations 2006 3. Develop Neighborhood Request Tracking Report (attached – Attachment B) 4. 2 nd Homeowners Social (1 st weekend in August) 5. Neighborhood Interest Group Meetings 6. 20/30 Visioning - Hold Meetings/Recommendations/Plan 7. General Plan Review with Planning Commission 8. General Plan Update	Monthly Monthly 05/04 Annual Ongoing 12/05 Ongoing 02/05	 04/06 08/06	Ongoing Ongoing Ongoing Ongoing Ongoing Ongoing Ongoing Complete In Progress
2. Budget Review & Benchmark (2005-2006) Gary Hill	1. Collection of Phase I Demographic Data 2. Development of Benchmarks (measures) 3. Bi-weekly budget review meetings 4. First set of Benchmark Data compiled 5. Draft of Long Range Financial Plan	01/06 07/06 08/06 10/06 12/06	08/06 12/06	In Progress Pending Pending Ongoing Pending
3. Customer Service: Evaluation & Action Plan Myles Rademan	1. Accountability/responsibility training for Staff 2. Volunteer Bank 3. Customer Service Surveys 4. City “Fam” Tour 5. Employee Survey & Training - communication of results	Monthly Ongoing Ongoing Annual Ongoing	11/06	Ongoing Ongoing Pending Annual Ongoing
4. Public Safety Lloyd Evans	1. Purchase of Additional Officer Safety Equipment 2. Emergency Response Plan Updated - Staff Training 3. Community Oriented Program Implemented 4. Police Facility Project - Construction Starts 5. Police Facility Complete	02/06 04/06 04/06 10/07	10/06 10/06 07/06	Ongoing Pending Ongoing Complete

OTHER PRIORITIES				
Goal 7 Open and Responsive Government to the Community – Roger Harlan and Joe Kernan; Alternate, Jim Hier				
Target for Action Staff Coordinator	Actions	Initial Target Date	Revised Target Date	Status
5. Communications Myles Rademan	1. Press Releases/Communication Strategies 2. Media Seminars 3. Sustainability Promotion 4. Leadership 101	Ongoing Ongoing Ongoing Annual		Ongoing Ongoing Ongoing Ongoing

Traffic Calming Summary Report ATTACHMENT "A" TO QUARTERLY STATUS REPORT					
Location	Date Recd	Phase 1 Meeting	Citizen Concerns	Phase 1 Follow-up	Date Completed
Prospector/ SR248			• Removal of no left turn signs on SR248 and increased traffic	• Initial meeting to advise TC process • Pending receipt of petition • Data trailers constantly malfunctioning; data collection planned with new counter devices beginning July 2006	Pending data collection
Little Kate Road & Lucky John Drive	04/05	05/12/05	• Request reduction of the posted 25 mph speed limit • "Illegal" bike lane • Bicycle training for the kids in the neighborhood; • Sidewalk to provide a safe pedestrian way along Little Kate Road to McPolin Elementary School • Realign the Racquet Club driveway to align with Monitor & 4-way stop • Paint a crosswalk on Little Kate Road at Monitor Drive • Employ a crossing guard to work that crosswalk • More parking enforcement during Sundance Film Festival • Erect more speed regulatory signs.	• Police to assist in bicycle safety at McPolin • Other issues referred to the Neighborhood Program • Installed "20 MPH when children present" signs • Conducted counts; results for vehicle, pedestrian, cyclist traffic low • Three-way stop and crosswalks installed 11/05 at Little Kate / Evening Star with squiggly lines • Integration into Interplan study • TCC recommendation to refer to walkable communities group based on pedestrian tie-ins with surrounding pathways and potential cost defrayment with this larger effort	TCC no further action

Traffic Calming Summary Report ATTACHMENT "A" TO QUARTERLY STATUS REPORT					
Location	Date Recd	Phase 1 Meeting	Citizen Concerns	Phase 1 Follow-up	Date Completed
SR 248/Kearns	08/05	NA	• Speeding • Noise, higher earth berms • Driver feedback signs • Increase Enforcement • Speed Humps	• UDOT will require a traffic study to adjust speed limits • Noise levels not a UDOT priority in this area. Referred request to "Neighborhood:" program • UDOT will not approve speed humps on a State Route • Enforcement is ongoing	TCC No further action
Prospector/SR248	03/06	03/06	• Neighborhood traffic concerns	• Initial meeting to advise TC process • Pending receipt of petition • Data trailers constantly malfunctioning; data collection planned with new counter devices beginning July 2006	Pending data collection
Risner Ridge	09/05		• Dangerous curve on American Saddler • Intersection approach on bend • Thru route not apparent	• Curve ahead signs installed • Stop ahead sign installed • Squiggly lines painted approaching stops • Further actions pending Spring 06 counts	09/05-01/06
Silverpointe			• Emergency access • Neighborhood parking in prohibited areas • Parking damaging landscaping • All-way stop request McHenry/Rossi Hill/Coalition	• PCFD confirms no known access problems but will monitor thru winter • Painted red curb and checked signs • Advised HOA to advise owners to stake properties • Stop request postponed until review of additional area development impacts are assessed	TCC no further action
Empire & Lowell Avenues	12/05		• Speeding	• Installed residential speed limit signs	TCC No further action

Traffic Calming Summary Report ATTACHMENT "A" TO QUARTERLY STATUS REPORT					
Location	Date Recd	Phase 1 Meeting	Citizen Concerns	Phase 1 Follow-up	Date Completed
Comstock Drive	02/06		• Safe pathway to school • Traffic speed and volume increases	• Two petitions received • Survey of options distributed – no one preference observed • Traffic counts planned • Data trailers constantly malfunctioning; data collection planned with new counter devices beginning July 2006 • TCC recommendation to integrate into walkable communities group	Pending data collection
Three Kings Drive			• Speeding	• Traffic counts planned • Data trailers constantly malfunctioning; data collection planned with new counter devices beginning July 2006	Pending data collection
Meadows Drive	05/06		• Speeding	• Request for permanent driver feedback signs • Ongoing enforcement occurring • Counts with new counters	Pending additional data collection
Aspen Springs Drive	05/06		• Speeding • Crosswalks on trail	• Request for lower than residential speed limit signs • Educate HOA on speed gun checkout program • TCC recommendation to integrate into Trails Master Plan	Pending

Neighborhood & Business District Needs Assessment <i>Request for Elevated Levels of Service Request (RELS) - ATTACHMENT "B" TO QUARTERLY STATUS REPORT</i>					
Deer Valley Drive and Sunnyside Drive Neighborhood Weidenhamer					
<u>Status Report</u> '05 CIP budget - \$50,000 placeholder for FY-06. Staff met with neighborhood and prioritized requests – Project 1, sidewalk along north side of DV Drive from affordable housing to Greyhawk to be built summer '06. Projects 2 – 4 pending addition study/funding Written Petition received – 11/10/03 Initial Internal Review – 1/26/04 Initial Communication to Council – 2/19/04 & 6/3/2004 Comprehensive Internal Review – 6/16/04 Initiate Public Forum – Completed Communication to Council – Completed 04/05 Potential Council Decision – 2005 CIP prioritization – \$50,000 placeholder for FY-06 Meet with neighborhood to prioritize CIP funds – 1st meeting 10/05; #s 1-4 prioritized, remaining items will be taken off list; next meeting 11/05 with prioritized capital options and preliminary budget					
Target for Action	Responsible	Actions	Target Date	Status	Budget
1. Sidewalks	Gibbs	Connect Mountainlands site to Greyhawk with a sidewalk	Summer 2006	Approved – to be installed Summer /06	PCMC '05 CIP
2. Cross Walks & Traffic Calming Devices	Traffic Calming Group	Group has requested a formal traffic engineer study to more accurately measure speeds and traffic counts Make later recommendation based on data collection	07/06 02/07	Traffic Calming Budget Pending	Need Traffic Calming approval to budget

Neighborhood & Business District Needs Assessment <i>Request for Elevated Levels of Service Request (RELS) - ATTACHMENT "B" TO QUARTERLY STATUS REPORT</i>					
Deer Valley Drive and Sunnyside Drive Neighborhood Weidenhamer					
Target for Action	Responsible	Actions	Target Date	Status	Budget
3. Pedestrian Lighting	Twombly (PCMC)	Install road and pedestrian lights from Stonebridge condos to roundabout	?	Cost identified (\$250k) not in CIP budget	No City funding Private funds: Deer Valley Resort; Neighborhood SID
4. Bus Stop	Cashel	1. A City bus stop is approved at Mountainlands housing development 2. Neighborhood group still wants a school stop at intersection of DVD & Sunnyside	Spring 2006	Bus stop to be installed as public improvement with building permit	Private developer of lot on NE corner of DV Drive and Sunnyside

Neighborhood & Business District Needs Assessment

Request for Elevated Levels of Service Request (RELS) - ATTACHMENT "B" TO QUARTERLY STATUS REPORT

Little Kate Road, Holiday Ranch Loop Road, Lucky John Drive

Status Report

Project has been split into both TC and Neighborhood Process to address capital projects requested. More information can be found under Traffic Calming Report, Attachment A. **The City Manager's recommended budget includes CIP funding for intersection realignment at Monitor & Little Kate; it also includes funding for a Walkable Communities Study**

Written Petition received – Per request of Staff, petition is being generated

Initial Internal Review – ongoing with TC Committee

Initial Communication to Council – Complete

Comprehensive Internal Review – Ongoing

Initiate Public Forum – ongoing

Communication to Council – **ongoing**

Initial Council Decision – 2006 CIP Prioritization - \$75k for intersection/ \$150k for Walkable Community Study

Target for Action	Responsible	Action	Target Date	Status	Budget
1. Crosswalks	Streets Dept	1. Crosswalks installed at Little Kate and Lucky John	12/05	COMPLETED	Existing budget
2. Realign Racquet Club Entrance with Monitor Drive	Weidenhamer/ Gibbs, Fisher	1. Funding allocation (\$75k) put in '07 budget 2. Phase 1A – temporary bus pullout 3. Phase 1B – install stop signs if warranted 4. Phase 2 – Racquet Club remodel; realign 4 way intersection/ 4-way stop; permanent bus pullout	08/06 08/06 2008	Pending Design Data to be collected	Funded Use TCC funds None allocated

Target for Action	Target for Action	Target for Action	Target Date	Status	Budget
3. Pedestrian connection from Little Kate from HRL to schools	Weidenhamer	1. Council funded Walkable Communities Study – see Item 4			\$150k funded
4. Study on Walkable Community/Trails Master Plan Update	Weidenhamer	1. Project funded 2. Staff defining Scope of Study 3. Issue RFP 4. Complete study 5. Budget Recommendations	05/06 Pending 10/06 06/07 06/07		\$150k

City Council Staff Report



Author: Myles C. Rademan
Subject: Open Space Bond 2006
Date: August 3, 2006
Type of Item: Discussion

Public Affairs &
Communications

Summary Recommendations: City Council should provide direction on the attached draft resolution authorizing a \$20 million open space bond on the ballot for the November 7, 2006, general election.

Description:

Topic:

\$20 Million Open Space Bond Resolution for Tuesday, November 7, 2006 general election.

Background:

Park City is surrounded by privately held lands. Recognizing the importance of preserving open space the citizens of Park City passed two separate \$10 million open space bonds; one in 1998, and the second in 2002. All but approximately \$1 million of the proceeds from those bonds have either been expended or committed (see the attached list for details).

Additional open space acquisitions will depend on the citizens' willingness to further tax themselves to acquire open space.

Analysis:

Open space acquisition and preservation is one of the most popularly supported programs ever undertaken in Park City. The two previous open space bonds passed with the highest affirmative votes in the entire country: 78% for the 1998 bond, and 81% for the 2002 bond.

While the prices of potential open space purchases have escalated dramatically, reflecting the strength of the local real estate market, it is still felt that purchasing key open space is in the public interest and will be popularly supported.

There are no definitive open space purchases pending at the present time, but promising informal negotiations have begun which might bear fruit in the future.

If the citizens' pass the open space bond, Council can appoint a new Citizen's Open Space Advisory Committee (COSAC III) to advise them on potential purchases and help negotiate deal points.

Proceeds from the proposed open space bond can be used for acquisition of open space, and to make improvements to lands so preserved to protect the natural amenities and provide for public access and use, including trailheads, trailhead parking and comfort facilities (restrooms), trail easements and signing, etc..

The resolution authorizing the bond election must be acted on no later than 75 days prior to the November general election making the deadline for action Thursday, August 17th.

PROS & CONS of an Open Space Bond (summary)

- **PROS**

- o Great public support for open space demonstrated in past elections;
- o Robust local economy;
- o Easier to negotiate with potential landowners/developers if secured open space financial resources in place;
 - Ability to move quickly to obtain open space when opportunities arise;
- o Land costs continue to escalate; open space which seems expensive in today's dollars will probably seem a bargain in years to come;
- o There are a few potential prospects the city is pursuing;
- o We do not need to issue bonds and incur debt even if the citizens approve the bond until potential acquisitions are realized;
- o Gives the citizen's the democratic option to decide on the importance of open space.

- **CONS**

- o Can create unrealistic public expectations of what can be accomplished with the funds;
- o Costs of open space have risen dramatically so that average cost will be many multiples of the average \$17,800 - \$25,000 the city paid for open space historically;
- o Landowners/developers might see a windfall opportunity and raise their prices;
- o Public's perception of open space as large acreage that can be used for recreation might not comport with 'buying down' density or 'controlling development' which are also legitimate uses of open space bond funds;
- o Costs of existing open space bonds when combined with a new \$20 million bond might seem very high for some property owners, especially local business owners or secondary residents who have recently been reappraised;.
- o Bonding for open space now might preclude bonding for future city needs like upgrading recreation facilities, roads, etc.;

FINANCIAL IMPLICATIONS OF A \$20 million OPEN SPACE BOND

- o The following are approximations only and not adjusted for bond retirements and/or dovetailing new and old bonds. A more accurate table of existing and potential bond payments follows this analysis:
 - Existing debt payments in 2008
 - Average \$500,000 primary residence pays \$143.75
 - Average \$500,000 secondary residence & business pays \$264.30
 - New \$20 million open space bond payments
 - Average \$500,000 primary residence pays \$75.96
 - Average \$500,000 secondary residence & business pays \$130.05
 - Combined existing debt and \$20 million open space bond
 - Average \$500,000 primary residence pays **\$221.30**
 - Average \$500,000 secondary residence & business pays **\$450.15**
 - Existing debt stretches out to 2019

PROPERTY TAX BOND ANALYSIS

Table shows likely scenario of dovetailing the existing and proposed bonds.

BOND RESOLUTION

In order to hold a bond election at the general election on November 7th, the City Council will need to adopt a bond resolution no later than August 17th, 2006. A draft of the bond resolution is attached to this staff report. The attached resolution sets forth general parameters and information that will allow the public consideration process begin. Some of the more important information includes the following:

- Election Date – November 7, 2006
- Purpose of the Bond - The voters will be asked to consider the following question:

“Shall Park City, Utah be authorized to issue general obligation bonds in an amount not to exceed Twenty Million Dollars (\$20,000,000) and to be due and payable in no more than twenty-one (21) years from the date or dates of said bonds to acquire and forever preserve undeveloped park and recreational land and to make improvements to lands so preserved to protect the natural amenities and provide for public access and use?”

- Maturity - The resolution specifies that bond payments will not exceed 21 years. This is just a maximum parameter, and if the City determines to shorten the maturity length (to 15 years, for example), we may do so at a later date.

Staff would like council to consider the attached draft resolution and provide direction on any desired changes. Of particular interest is the bond language that would “forever preserve” purchased lands as undeveloped. Considering council’s desire to use conservation easements on open space lands, staff would like direction to determine if

word “forever” should be removed in order to provide the City with flexibility in determining the ultimate use of the open space lands for uses such as trails.

The City’s Bond Counsel, Richard Scott, of Chapman and Cutler will be at work session to answer questions that the City Council might have.

Department Review:

City Manager, Legal, Budget & Finance, Planning & Public Affairs

Alternatives:

There are a number of alternatives ranging from not authorizing additional bonding for open space acquisition, to bonding for a lesser or greater amount. (e.g., \$10 million, \$30 million).

Approve the Request:

Staff would like City Council’s direction on the attached bond resolution.

Continue the Item:

The deadline for action is August 17th, so staff would need direction at this meeting in order to have a resolution prepared by the August 17th deadline.

Do Nothing:

This will be the same as denying the request. No open space bond resolution will be authorized for the November ballot.

Significant Impacts:

This resolution obviously raises significant open space and financial implications. Placing the matter before the voters gives them a chance to decide how much they are willing to tax themselves and spend and how important acquiring and preserving open space is to the future of Park City.

Consequences of not taking the recommended action:

Open space acquisition and preservation opportunities will be foregone in the future.

Recommendation:

Provide direction on the attached open space resolution authorizing a \$20 million open space bond on the November 7, 2006, general election ballot.

Attachments:

1. Inventory of Recent Open Space Purchases
2. Draft Open Space Bond Resolution

Property Tax Impact per \$100,000 of Assessed Value

Dovetailed Debt
Service

Year	Existing Debt		Proposed \$20 Million		Total	
	Primary Residence	Secondary/Business	Primary Residence	Secondary/Business	Primary Residence	Secondary/Business
2006	\$29.00	\$52.73	\$0.00	\$0.00	\$29.00	\$52.73
2008	\$29.07	\$52.86	\$15.19	\$27.61	\$44.26	\$80.47
2015	\$23.90	\$43.46	\$11.73	\$21.33	\$35.64	\$64.79
2016	\$16.45	\$29.92	\$18.69	\$33.97	\$35.14	\$63.89
2019	\$10.66	\$19.38	\$35.13	\$63.86	\$45.79	\$83.25
2020	\$0.00	\$0.00	\$35.13	\$63.86	\$35.13	\$63.86

Park City Municipal Corporation
Inventory of Recent Open Space Purchases (1999 to 12/5/05)

<u>Parcel Name/Reference</u>	<u>Closing/Approval</u>	<u>Amount Paid</u>	<u>Area</u>
Richards Ranch	September 19, 1999	\$1,657,482.23	Approx. 20 acres
Virginia Mining Claim	October 19, 1999	\$852,960.00	Approx. 13.3 acres
Union Pacific (Rail Trail)	March 1, 2000	\$220,000.00	1.977 acres
UP&L Parcel	March 31, 2000	\$390,260.00	Approx .51 acres
Grover Round Valley	May 5, 2000	\$325,100.00	40 acres
McMillian Round Valley	December 14, 2001	\$5,500,330.00	280 acres
Bilogio LLC Round Valley	December 28, 2001	\$2,250,180.23	144 acres
Edward Gillmor Estate, Siv, Charles Round Valley	November 19, 2003	\$3,750,601.81	188 acres
Cranbrook Round Valley	December 29, 2003	\$1,000,190.00	40 acres
Hope Mining Claims	December 16, 2004	\$1,100,763.47	113 acres
Laws Properties	March 31, 2005	\$ 285,125.00	3.92 acres
Royal Street/Aerie Property*	September 30, 2005	\$150,000	4.51 acres

TOTAL EXPENDED **\$ 17,482,991**

Open Space Bond Proceeds remaining as of 7/11/06 = \$2,887,890

Gamble Oak / BLM Pending Senate action \$1.9 million approx 100 acres

TOTAL EXPENDED **\$ 19,382,991**

*Did not use open space bonds to acquire

City Council Staff Report

Budget, Debt, and Grants

Author: Gary Hill, Michelle Downard
Subject: Ice Arena and Administrative Code Enforcement (ACE) fees
Date: August 3, 2006
Type of Item: Legislative

Summary Recommendation: Council should adopt the attached Fee Resolution amending Section 1, Construction and Development Related Fees; and Section 9, Ice Arena Schedule Fee Schedule and repealing Resolution 17-06 in its entirety.

Topic: Fee Resolution

Background:

Administrative Code Enforcement (ACE) Fees

On June 15, City Council reviewed 2006 City Council reviewed and approved modifications to Chapter 11 of the Municipal Code regarding the Administrative Code Enforcement Hearing Program. In order to implement this program, the fee amounts that are assessed by enforcement officials must be approved through the City Fee Schedule. The table below outlines the proposed fee schedule:

Daily Violation Fee	\$25
Minimum Fee for Noncompliance	\$50
Maximum Fee for Daily Violations	\$2,000
Re-inspection Fee	\$50
Reoccurrence Fee	\$250
Hearing Request Fee	\$365
Late Payment Fee	\$100

To determine appropriate fees, staff compared fee schedules from other jurisdictions, fines levied by the courts, and the current fees that the Planning Department requires for similar appeals hearings. These fees will create a consistent penalty for the various violations but will be adaptable to extraordinary circumstance.

Ice Arena Fees

On July 27th, Stacey Noonan of the Ice and Fields Department presented City Council with an update on the Ice Arena and recommended an increase in fees to help cover basic inflation and move toward a lower City subsidy of the Ice program. City Council approved the recommendations in concept and directed staff to return on August 3rd with an amendment to the Fee Resolution (attached).

The proposed fees take into consideration what staff feels is reasonable based on what the market will bear. The fees are consistent with what other arenas in ski resorts are charging (see attachment 2). The Racquet Club and Field House charge is \$5 to \$5.50 for entrance fees;

admission fees at the rink are still comparable. Season passes and punch cards will continue to be available at reduced rates making skating affordable for frequent users.

Department Review:

Building Department, Ice and Fields Department, Budget, Debt, and Grants, and City Manager

Alternatives:

Approve the Request:

City Council should adopt the attached Fee Resolution which will add ACE fees and amend Ice Arena fees.

Deny the Request:

Council could choose to deny the request. There would be no changes in the fees for the Ice Arena and the ACE Fees would not be implemented.

Continue the Item:

Council could continue the item and direct staff to return with more information.

Do Nothing:

This would be the same as denying the request.

Significant Impacts/Consequences of not taking the recommended action:

City Council adopted the Administrative Code Enforcement program in June. Without the implementation of fees, it would be difficult to impossible to enforce the program.

Without a change in the Ice Arena fees, the City's subsidy of the program would increase.

Recommendation:

Council should adopt the attached Fee Resolution amending Section 1, Construction and Development Related Fees; and Section 9, Ice Arena Schedule Fee Schedule and repealing Resolution 17-06 in its entirety.

Attachment: Fee Resolution

Resolution No.

**A RESOLUTION AMENDING SECTION 1, CONSTRUCTION AND DEVELOPMENT
RELATED FEES; AND SECTION 9, ICE ARENA FEE SCHEDULE AND REPEALING
RESOLUTION 17-06 IN ITS ENTIRETY**

WHEREAS it is necessary to update the fee resolution to reflect the changing costs of performing services; and

WHEREAS, a public hearing was held on August 3, 2006, to receive public comments on the fee changes,

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

SECTION 1. FEE SCHEDULE AMENDMENTS. The Park City Fee Schedule is hereby re-adopted with changes as outlined in Exhibit A, and Resolution 17-06 hereby repealed in its entirety.

SECTION 2. EFFECTIVE DATE. This resolution shall take effect upon adoption.

PASSED AND ADOPTED this 3rd day of August, 2006.

(Excerpts from Exhibit A of the Fee Resolution)

SECTION 1. CONSTRUCTION AND DEVELOPMENT RELATED FEES

1.4 Administrative Code Enforcement (ACE) Fees

1.4.1 Civil Fee Schedule

Daily Violation Fee	\$25
Minimum Fee for Noncompliance	\$50
Maximum Fee for Daily Violations	\$2,000
Re-inspection Fee	\$50
Reoccurrence Fee	\$250
Hearing Request Fee	\$365
Late Payment Fee	\$100

SECTION 9. ICE ARENA FEE SCHEDULE.

9.1. Establishing User Fees. Fees shall be set at a level which ensures program quality and meets the objectives of the City Council. Area rates apply to residents of Park City, Summit County and Wasatch County. Outside rates apply to requests outside Summit and Wasatch Counties.

<u>Admission Fees</u>	<u>Local Area Rates</u>	<u>Outside Area Rates</u>
Public skate – youth/senior	\$4.50 <u>\$5.00</u>	\$6.50 <u>\$7.00</u>
Public skate – adult	5.00 <u>\$5.50</u>	7.00 <u>\$7.50</u>
Skate rental	3.00	3.00
Drop-in hockey – youth	7.00 <u>\$7.50</u>	9.00 <u>\$9.50</u>
Drop-in hockey – adult	8.00 <u>\$8.50</u>	10.00 <u>\$10.50</u>

Hourly Ice

Non-profit	\$145 <u>\$160</u>	
Locals	160 <u>\$175</u>	\$170 <u>\$185</u>
For-profit	200 <u>\$215</u>	

Season Passes (9 month season) 4 Months Full Year

Adult	\$65	175
Youth/senior	50	100
Family – 4 members*	99	250

*add \$5 per additional member for 4 months and \$15 per additional member for full year.

Family (4)*	<u>\$295</u>
Adult	<u>\$195</u>
Youth/Senior	<u>\$150</u>

* \$40 for each family member over 4.

City Council Staff Report

Author: Gary Hill
Subject: Special Event Fee Waivers
Date: August 3, 2006
Type of Item: Discussion/Legislative



Budget, Debt, & Grants

Summary Recommendation: Conduct a public hearing and approve the ordinance amending Title 4, Chapter 8 Section 9 of the Park City Municipal Code regulating Fee Waivers for events.

Topic: Fee Waivers for Special Events

Background:

On June 8th, 2006 City Council approved the creation of a business license fee for special event facilitation. Revenues from the fee (estimated to be approximately \$168,000) would be used to defray fixed costs of hosting special events and festivals. While all businesses benefit from Park City's efforts to facilitate special events and festivals, the fee was calculated on a sliding scale proportionate to the degree to which Park City businesses benefit from year-round festivals and events. The following City services would be paid for with the new fee:

- Main Street Cleaning;
- Electronic Sign Rental;
- Traffic Control Signs;
- Police Officer Time directing traffic; and
- Bus Service.

Section 4-8-9 of the Municipal Code provides Master Festival and Special Event License applicants with the ability to request a waiver for all or a portion of associated fees. As many of the existing fees would now be covered by revenues generated by the Festival Facilitation fee (and not paid by event applicants), staff recommended that the remaining fees not be eligible to be waived. City Council expressed concern about completely eliminating fee waivers because of the potential impact on new and established multi-year events (such as Sundance). Council directed staff to return after the budget process with additional scenarios.

Analysis:

Park City provides services to facilitate forty-eight (48) special events per year. Twenty-five (25) of the events receive the services either free or at a reduced cost through the fee waiver policy. As previously mentioned, some of the Festival Facilitation Fee revenue would be used to offset a portion of event expenditures and the costs of enhanced municipal services. The following specific municipal services would be paid for through this fee: Main Street Cleaning; Electronic Sign Rental; Traffic Control Signs; Police Officer Time directing traffic; and Bus Service. In essence, the fee associated

with each of these services would now be “waived” as business license revenue would cover the cost. Events would now only pay for the application fee, facility rentals, field rentals, use of paid parking spaces and bleachers.

On June 8th, Council expressed concern about whether the complete elimination of fee waivers would deter new events. The Special Events Department has indicated that no special events or festivals, once in contact with the City, have decided to locate elsewhere due to the City’s fees (it is of course not known how much of this is attributable to the City’s willingness to waive fees). In addition, the Special Events Department contacted the 25 event organizers in February and provided them with an analysis of the impacts of the new Festival Facilitation Fee on their previous invoice for their last event. There have been no significant comments received from the organizations.

Although there is no definitive evidence to suggest that elimination of fee waivers will deter new special events, there are arguments for allowing fee waivers for applicants. According to the Park City Chamber/Bureau, new events typically have less revenue “headroom” to spend on fees and licenses, and are more likely to use all available resources to produce the event.

Due to the fact that the remaining fees are relatively small, staff recommends that the City retain the ability to waive fees and that the City Manager have the ability to waive the following fees administratively:

- application fee,
- facility rentals,
- field rentals, and
- use of paid parking spaces and bleachers.

This change will clarify exactly which fees can be waived, make the fee waiver process more streamlined for applicants, and still provide them with the ability to appeal a decision by the City Manager to the City Council.

Park City Chamber Bureau

Staff was also asked to research how the Park City Chamber/Bureau supports special events. The Chamber has a budget of over \$616,000 to grant to special events and festivals. The criteria used to evaluate eligibility for a grant includes:

- Overnight visitation
- Economic benefit to the community
- Community enhancement (such as the 4th of July)
- Timing
- New or existing event

These grant funds are primarily available to help events market themselves, but in so doing allow free up other sources of funding for operating expenditures.

A. Department Review:

The Budget, Debt, and Grants, Special Events, Legal and City Manager departments reviewed this report.

Alternatives:

- A. Approve the Request:** Council should approve the request and amend the municipal code to streamline the special event fee waiver process.
- B. Modify the Request:** Council could modify the request and make alternative suggestions
- C. Continue the Item:** Council could continue the item and direct staff to return with additional information or scenarios.
- D. Do Nothing:** Fee waivers would be available for events as is currently allowed.

SIGNIFICANT IMPACTS: The City has instituted a Business License Fee that will pay for many of the costs that were once charged to special events. These revenues will be collected regardless of a decision to waive fees.

RECOMMENDATION: The City Council should adopt the attached ordinance which amends Section 4-8-9 of the Municipal Code to streamline the fee waiver process.

Attachments:

A – Ordinance

ORDINANCE 06-____

**AN ORDINANCE AMENDING TITLE 4, CHAPTER 8, SECTION 9
OF THE MUNICIPAL CODE OF PARK CITY
REGULATING SPECIAL EVENTS AND MASTER FESTIVALS**

WHEREAS, Section 10-8-84, Utah Code Annotated ("U.C.A.") allows the City to pass all ordinances and rules, and make all regulations, not repugnant to law, necessary for carrying into effect or discharging all powers and duties conferred by U.C.A. Title 10, Chapter 8 which are necessary and proper to provide for the safety and preserve the health, and promote the prosperity, improve the morals, peace and good order, comfort and convenience of the City and its inhabitants; and

WHEREAS, Utah Code Annotated ("UCA") Sections 10-8-69, -73 and -76 give the City the power to regulate and prohibit public demonstrations, processions and other street or otherwise public performances which may interfere with public order; and

WHEREAS, licensing is a legitimate and reasonable means of time, place, and manner regulation to ensure that sponsors and organizers of Special Events and Master Festivals comply with reasonable regulations; and

WHEREAS, the City Council has determined that it is in the best interest of the City to encourage special events and festivals within Park City; and

WHEREAS, the City Council desires to provide for cost recovery of City services required for Special Events and Master Festivals when such recovery will not unreasonably or unlawfully burden constitutionally protected activities.

NOW, THEREFORE, BE IT ORDAINED by the City Council of Park City, Utah that:

SECTION I. AMENDMENT. Pursuant to the findings above, which are hereby incorporated herein, Title 4, Chapter 8 of the Municipal Code of Park City is hereby amended to read as follows:

4-8-9. FEE WAIVERS.

The ~~City Council or City Manager~~ may waive ~~all or a portion of any~~ the following Master Festival or Special Event licensing and associated fees upon a finding of eligibility pursuant to the criteria provided herein.

- application fee,
- facility rentals,
- field rentals, and
- use of paid parking spaces and bleachers.

All fee waiver requests shall be submitted to the Special Events Manager no later than the first day of the proposed event. Fee waiver requests shall be reviewed and approved/denied by the ~~City Council for all new Master Festival applications. Fee waiver requests for all Master Festival renewal applications and Special Events shall be reviewed and approved/denied by the City Manager.~~ Fee waiver determinations made by the City Manager may be appealed to the City Council. Eligibility for a full or partial fee waiver shall be determined by the ~~City Council or City Manager~~ pursuant to the following criteria, none of which shall be individually controlling:

(A) for-profit or non-profit status of the Applicant;

(B) whether the event will charge admission fees;

(C) whether the event is youth-oriented;

(D) the duration of the event;

(E) whether and to what extent the City is likely to receive positive tax benefits by virtue of the event;

(F) the degree of City services involved and whether City costs are likely to be recovered by other revenue opportunities arising from the event;

(G) the season of occurrence; and

(H) demonstration of hardship by the Applicant.

Fee waiver requests must be filed annually, unless otherwise approved in a City services agreement by the City Council. Approval of a fee waiver for any application shall not create a precedent for future requests.

CITY COUNCIL

Staff Report



Author: Ray Milliner
Subject: 1798 DEER VALLEY DRIVE NORTH
Date: August 3, 2006
Type of Item: Request for Fee Waiver

PLANNING DEPARTMENT

Summary: Staff recommends that the City Council review the proposed request and waive impact fees for the proposed fire station at 1798 Deer Valley Drive. Council should also provide general direction relating to fees for public entities in general.

TOPIC

Applicant: Park City Fire District
Location: 1798 Deer Valley Drive North
Zoning: Residential Development (RD)
Adjacent Land Uses: Residential, Multi-family (Bristlecone Condominiums)

BACKGROUND

On July 27, 2006 the Park City Fire District submitted a letter (see Exhibit B) requesting that the City Council waive applicable impact fees on the fire station proposed at 1798 Deer Valley Drive North. On June 29, 2006, the City Council approved a plat amendment to create the PCFD Station No. 38 Subdivision from a metes and bounds parcel. The property is located at 1798 Deer Valley Drive North in the Residential Development (RD) zoning district. The proposed new lot will be approximately one half acre in size. Currently the property is vacant.

The fire station will serve the Old Town and Deer Valley areas of Park City. The Planning Commission reviewed and approved a Conditional Use Permit for the fire station on January 11, 2006.

ANALYSIS

The Fire District has requested that the Council waive all City related impact and processing fees related to the proposed fire station at 1798 Deer Valley Drive North. The assessed fees for the building are as follows:

Impact fee for Public Safety	\$2,775.00
Impact Fee for Streets	\$2,050.00
Impact Fee for Water	\$23,167.92
Impact Fee for Police	\$2,775.00
Building Review Fees	\$5,564.77
Plan Check Fees	\$3,617.10
1% state Surcharge	\$55.65
TOTAL	\$37,167.44

(1) Staff is recommending that the Council consider waiving each of the fees but the water impact fee. Staff's rationale for excluding the water fees is based on the fact that money generated from the water impact fees goes into an

enterprise fund; therefore this lost revenue would need to be recuperated from other City sources. The Fire District has not charged the City fire impact fees on any of the City's recent capital projects. This recommendation is based on the condition that the City and Fire District enter into a reciprocal agreement to waive fire impact fees on City related projects in exchange for a waiver on all City impact fees, including related Planning and Building Department review fees, for the fire station. Should Council choose also to waive the water impact fees based upon the staff analysis of benefits in Attachment A, as well, the General Fund will need to reimburse the Water Fund.

(2) Staff is also requesting general Council discussion as it relates to future fee waiver requests from public entities, including waiver of landscape bonds and other financial guarantees. Staff will be returning to Council in mid-August for authorization to proceed with a property transfer agreement with the Fire District for another fire station. The property transfer anticipates the waiver of the following fees: conditional use permit, design review, building permits, subdivision, plan check, streets/parks/police/landscaping guarantee and water impact fees.

SIGNIFICANT IMPACTS/BENEFITS

In addition to furthering Council's goal of regional collaboration and partnerships, there are significant monetary savings that may be associated with the proposed reciprocal agreement between the Fire District and the City. Staff has included an analysis of the potential benefits attached as exhibit A.

CONSEQUENCE OF NOT TAKING ACTION

Fire district will pay impact fees when pulling building permits for the proposed fire station.

ALTERNATIVES

- The City Council may grant the fee waiver as proposed by staff as written.
- The City Council may grant the fee waiver as proposed by staff and approve the waiver or additional fees, bonds or financial guarantee requirements.
- The City Council may deny the request for a fee waiver, or
- The City Council may continue the discussion on the proposed fee waiver.

DEPARTMENT REVIEW

The Executive Department, Budget Department, Planning Department and Legal Department have reviewed the request.

RECOMMENDATION

Staff recommends that the City Council review the proposed request and waive impact fees for the proposed fire station at 1798 Deer Valley Drive. Council should also provide general direction relating to fees for public entities in general.

EXHIBITS

- A – Staff analysis of Benefits
- B – Letter Requesting Waiver from District

City-owned properties	Square Ft.	Fire Impact Fees
Quinn's Recreation Complex	45,854	\$25,219.70
Parking Structure	96,800	\$53,240.00
Museum Remodel	4,600	\$2,530.00
Police Facility	23,200	\$12,760.00
Marsac Remodel	36,000	\$19,800.00
Shell Space*	5,000	\$2,750.00
Total	211,454	\$116,299.70

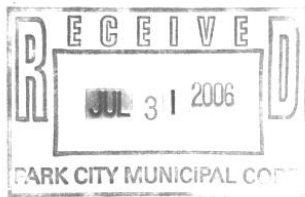
* Estimated sq. ft.

Fire District Buildings	Square Ft.	Impact Fees including water	Impact Fees w/o water
Deer Valley	5,000	\$37,167.44	\$13,999.52
Sewer Treatment Plant*	5,000	\$37,168.44	\$14,000.52
Total	10,000	\$74,335.88	# \$28,000.04

* Estimated sq. ft.

Net Benefit to the City if all impact fees are waived:	\$41,963.82
Net Benefit to the City if all impact fees except water are waived:	\$88,299.66

July 28, 2006



Mr. Tom Bakaly
Park City Municipal Corporation
P.O. Box 1480
445 Marsac Avenue
Park City, UT 84060-1480
Telephone: (435) 615-5109
Tele-Fax: (435) 615-4901
e-mail: tom@parkcity.org



FEE WAIVER REQUEST - PARK CITY FIRE SERVICE DISTRICT - STATION 31 / STATION 38

Mr. Bakaly:

The Park City Fire Service District is making a formal request that all fee's, posting of bonds and other fees assessed by the City, that are associated and/or required for the construction of our new lower Deer Valley Station 38, located at 1798 Deer Valley Drive North and the relocation of our Station 31 to the Holiday Ranch Loop Road area, be waived.

This requested has been discussed in prior meetings with you and staff, as associated with the land swap agreements and purchase of property between the Park City Fire Service District and Park City.

We appreciate your assistance in this matter.

If you have any questions, please contact me.

Sincerely,

A handwritten signature in cursive script that reads "Scott W. Adams".

Scott W. Adams
Assistant Fire Chief

cc: Chief Kelly O. Gee
Ray Milliner - PC Planning Department

City Council Staff Report



Author: Max J. Paap
Subject: Tour of Utah
Date: August 3, 2006
Type of Item: Administrative – Master Festival License

Special Events and
Facilities Department

Summary Recommendations:

Review the Master Festival License application, conduct a public hearing, and approve the Master Festival License and deny the fee waiver request for the Tour of Utah on August 12, 2006.

Description:

Topic:

Review the Master Festival License Application, submitted by Three Peaks Promotions for the Tour of Utah, which will take place in Park City on August 12, 2006.

Background:

The Tour of Utah, produced by Three Peaks Promotions, will start the sixth and final stage of its event at Deer Valley's Snow Park Lodge on August 12, 2006 at 9:00 am.

Park City will host the final stage of this inaugural event. Three Peaks had come to City Council at a Work Session on April 13, 2006 to explore the possibility of the Tour of Utah having a stage in or around Park City. On July 6, 2006 Council approved the route that would start at Snow Park Lodge and leave Park City using Deer Valley Drive, to Bonanza Drive, and SR 248, as they continue towards US 40.

Deer Valley Resort has worked with Three Peaks to create an area for athletes, spectators, and volunteers to stage the start of the final stage.

The Tour of Utah meets the City Council's Goal #4, which is to continue to promote Park City as multi-seasonal resort by maintaining its status as a World Class Resort, which hosts such events as this, and to increase the number of events in the summer.

Analysis:

The event will begin with a neutral start at 9:00 am as the riders and their support vehicles leave the Snow Park Lodge loading zone in a clock-wise manner as they make their way towards the round-about.

Start/Finish Area

The organizer has been given permission by Deer Valley Resort to use the loading zone near Snow Park Lodge to set-up all press, timing and other support entities

integral to stage 6. This allows normal traffic flows for day lodge visitors and Park City Transit during this stage start.

Routes

The route will begin at Deer Valley Snow Park Lodge, down Deer Valley Drive to Bonanza Drive and east on SR 248 as the group heads towards US 40. This will be a neutral start, with actual racing beginning at around Comstock Drive.

While the racers and the caravans leave town, event race marshals and police control key intersections and driveways while the caravan passes through town. Cars are held at these points for very short periods of time, as the Riders will be in a controlled pack for their neutral start.

The Park City Police Department is responsible for controlling traffic at all major intersections in town and UHP will be responsible for staffing the intersections outside of the City limits.

The Building Department will review the Start/Finish area tents, bleachers and other structures for compliance with the Building Code.

Fee Waiver Request:

Three Peaks Promotions has requested a partial waiver of all fees associated with the Tour of Utah. The fees include the application fee and the fee for police traffic control (see Exhibit A). Section 4-8-9 of the Municipal Code provides applicants for Master Festival and Special Event Licenses with criteria to request a waiver for all or a portion of associated fees. The Section further states that Council approves or denies fee waiver requests for all new applications. Eligibility for a full or partial fee waiver shall be determined pursuant to certain criteria, none of which shall be individually controlling.

When evaluating fee waivers, Council looks at the potential tax revenue and basis the decision upon that as well as affects to the overall budget.

The Applicant has responded to the Fee Waiver criteria set forth in the Municipal Code. Please see text in italics for Three Peak Productions response to the criteria.

1. For-profit or non-profit status of the Applicant;
Three Peaks Productions is a for-profit organization.
2. Whether the event will charge admission fees;
There is no general admission charge for spectators. There is a charge for participants and the fees will go to pay for athletes and travel expenses.
3. Whether the event is youth-oriented;
The event spectators will be a mix of adults and youths.
4. The duration of the event;
The event will pass through town in approximately 15 minutes.
5. Whether and to what extent the City is likely to receive positive tax benefits by virtue of the event;
Yes, especially when the event enters the International Calendar.
6. The degree of City services involved and whether City costs are likely to be

recovered by other revenue opportunities arising from the event;

A majority of the costs of City Services will be from Police support. We feel there will be many teams and spectators that will come to the area and spend money in Park City while watching the event.

7. The season of occurrence; and

The event will take place in Summer.

8. Demonstration of hardship by the Applicant.

The event travels through many different towns in the course of the week. As a result, the police and traffic control costs are extremely high, because this is a first year event we ask all of those who are involved to invest in the event and see it grow internationally.

On August 3, 2006 City Council will consider a staff recommendation to amend the current Fee Waiver Ordinance to eliminate fee waivers except for cases where a multi-year master festival agreement has been entered into. With the adoption of the Festival Facilitation Business License Fee, many City services related to special events will be paid for, including:

- Main Street Cleaning;
- Electronic Sign Rental;
- Traffic Control Signs;
- Police Officer Time directing traffic; and
- Bus Service.

Because the City will not be collecting revenue to offset special event costs for police time spent directing traffic until 2007, Staff recommends denial of a fee waiver of \$1,360 (for police officer time directing traffic) for the Tour of Utah.

At this time the Council has not approved any additional waivers for events in FY2007, however there are already approximately \$54,181 in waivers for Arts Festival and 4th of July Celebrations.

Department Review:

All applicable departments have reviewed the Tour of Utah and comments have been incorporated into the report. The Special Events Department feels that a fee waiver is warranted. Council could choose to waive part of the fee, if they so chose.

Recommendation:

Review the Master Festival License application, conduct a public hearing, and consider waiving fees for the Tour of Utah, August 12, 2006 based on the following:

Findings of Fact:

1. The event runs from 9:00 am until 9:20 am on August 12, 2006. The start of this race will begin in the loading zone at the Snow Park Lodge at Deer Valley Resort. Registration and support for the event will begin to arrive around 7:00 am and have lots 5 and 6 for set-up.
2. Deer Valley Resort will accommodate parking for the anticipated crowd size throughout the duration of the event. No shuttle transportation is needed. The conduct of the Tour of Utah will not substantially interrupt or prevent the safe and orderly movement of public transportation or other vehicular and pedestrian traffic in the area of its Venue.

3. The Tour of Utah is oriented towards the athletes, spectators and their families. The events associated with the Tour of Utah will not require the diversion of so great a number of police, fire, or other essential public employees from their normal duties as to prevent reasonable police, fire, or other public services protection to the remainder of the City.
4. No street will be closed to traffic during the event. The event will not interfere with police, fire, ambulance, and other emergency vehicles on the streets or with the provision of other public health or safety services.
5. Master Festival or Special Event licenses have been granted for the Utah Symphony and the Mustang Round-up on August 12, 2006. The Tour of Utah will not substantially interfere with the logistics and venue for the Utah Symphony or the Mustang Round-Up based on the following:
 - a. The Utah Symphony will perform at the Snow Park Amphitheater. The Mustang Round-Up is taking place on Main Street between the Brew Pub and 9th Street.
 - b. The events for the Utah Symphony begin at 7:30 pm. The Mustang Round-Up will begin loading Main Street at 6:00 am and will be in place long before their 10:00 am show opening. All events will be taking place in separate areas of town and will not take away draw from the other;
 - c. The Tour of Utah has a minimal impact to town, and will not impact either event;
 - d. No public personnel or City services are required for the Utah Symphony or the Mustang Round-Up and therefore will not draw services from other areas of town required for the Tour of Utah; and,
 - e. The Utah Symphony is located at the Snow Park Amphitheater. Adequate parking is available on site. The Mustang Round-Up will utilize the China Bridge parking structure. Due to the anticipated size of the event, adequate parking can be accommodated on site.
6. The size of the crowd and nature of the event will not create an imminent possibility of violent disorderly conduct likely to endanger public safety or cause significant property damage.
7. The applicant has been working with City Staff and applicable departments to address all event concerns. The Applicant demonstrates an ability and willingness to conduct the event pursuant to the terms and conditions of this Chapter and has not failed to conduct a previously authorized event in accordance with the law or the terms of a license, or both.

Conclusions of Law:

1. The application is consistent with the requirements of the Park City Municipal Code, Title 4, Chapter 8.

Conditions of Approval:

1. The applicant will work with Staff in order to ensure that any safety, health, or sanitation equipment, and services or facilities reasonably necessary to ensure that the event will be conducted with due regard for safety are provided and paid for by the applicant.
2. The applicant shall provide to the Special Events Manager proof of liability insurance as may be required by the Special Events Manager or the City

Attorney's Office, and shall further name Park City Municipal Corporation as an additional insured if necessary.

3. Signs shall be placed along the race routes no later than two days prior to the first event notifying vehicles of expected delays.

Exhibits

Exhibit A – Estimated Fees

	INVOICE		Special Events Department PO Box 1480 Park City, Utah 80460	
	Tour of Utah August 12, 2006			
SERVICE DESCRIPTION			COST WAIVED	COST
Special Events and Facilities Department				
Application Fee - New Event				\$100.00
Police Department				
Base Officer Time				\$1,260.00
TOTALS				
			Waived Amount	
			TOTAL DUE	\$1,360.00

City Council Staff Report

Author: Matthew A. Twombly
Subject: Rail Central Encroachment
Agreement Amendment
Date: July 27, 2006
Type of Item: Administrative



**ECONOMIC
DEVELOPMENT AND
CAPITAL PROJECTS**

Summary Recommendation:

Review the request for an amendment to the Rail Central Encroachment Agreement and: 1.) deny the request from Centura to amend the agreement as it pertains to additional parking; but 2.) grant a time extension as it relates to the pedestrian connection application.

Description:

Topic: Rail Central Encroachment Agreement Amendment

Background:

Rail Trail Parking:

In 2000, Park City Municipal Corporation purchased the first 1000' of the Union Pacific Railroad right of way (or Rail Trail Parcel) from Bonanza Drive to the Historic Union Pacific Rail Trail State Park. The property was purchased with Open Space Bond funds.

The property adjacent to the Rail Trail Parcel contained the Business Commons Buildings and in 2001 the Planning Commission and City Council approved a two lot subdivision of the Business Commons property, entitled the Centura Commons Subdivision in order to build the Ol Miner Car Wash. In 2002 and 2003 the Business Commons Buildings were renovated and re-named the Rail Central Buildings. In 2003 the City Council approved an Encroachment Permit (attached) for Improvements to City Property and Easement for Public Access with Centura Rail Central, L.L.C.

The encroachment permit allowed for a public access driveway between the two buildings and across the back of Building 2, 11 parking spaces for Rail Trail parking, an ADA ramp and stairway to the Rail Trail, a paved path to the Rail Trail from the Rail Trail parking and landscaping consistent with the Park City Soils Ordinance. The removal of the existing pavement, and installation of the driveway, retaining wall and the 11 Rail Trail parking spaces were completed in 2004. The permit required the City to landscape behind Building 1, which was accomplished in 2004/2005. The developer was required to landscape behind Building 2, and along the driveway on the Rail Trail Parcel for the full length of the developer's property. The landscaping

and path required of the developer has not been completed and is part of this request to modify the agreement.

Pedestrian Connection Time Extension:

The Encroachment Permit Section 2 D Pedestrian Connection: states that the City Council of Park City as owner of the Rail Trail Parcel has unfettered discretion to approve or deny the pedestrian connection (across the creek) for any reason. "If the City Council of Park City has not approved design plans for said pedestrian connection on or before December 31, 2005, then this subsection (2D) shall be null and void and Centura's request to construct said pedestrian bridge shall be considered denied."

The bridge was contemplated by the developer to allow pedestrian circulation between the properties. The developer has purchased one of the two properties across the stream in contemplation of the bridge, but needs the other property to make the circulation work.

Presently there is a significant amount of pedestrian traffic crossing the creek at the Center of the Iron Horse Loop Road, across the Rail Trail and into the Rail Central project. Staff met with members of the Rotary Club and the Division of Wildlife to set up a clean-up day for the creek, and the members discussed installing a bridge at this location. This bridge would be approximately 200 feet to the East of the bridge proposed in the encroachment permit and would not work effectively for the developer's needs. This bridge has not been identified as a capital project and is unfunded.

Analysis:

Rail Trail Parking:

The 1998 Open Space Bond language allows for trail-head parking. "Shall Park City, Utah be authorized to issue general obligation bonds in an amount not to exceed ten million dollars (\$10,000,000) payable and due in no more than 15 years from the date or dates of said bonds to acquire and forever preserve undeveloped park and recreational land and amenities." There are presently 11 spaces on the Rail Trail Parcel constructed by Centura. Centura is requesting to pave an additional 12 spaces, including an ADA space, directly behind Building 2 of the Rail Central project for trail-head parking.

The Encroachment Permit contemplated ADA access to the Rail Trail at the East end of the existing Trail-head parking. After significant review by the City Council and staff, the ADA access was constructed between the Rail Trail and the public restrooms in Building 1, where access for the disabled must be made to public facilities. A path still needs to be constructed by the developer adjacent to the existing 11 space Rail Trail parking.

The proposed 12 spaces are directly adjacent to the shops in Building 2. The City has had enforcement issues with the 11 parking spaces at the designated Rail Trail

parking spots and with parking on the non-landscaped area directly behind Building 2. The issues of unauthorized parking in the Rail Trail Only Parking spots range from parking by Rail Central residential tenants and commercial tenants to persons accessing areas outside the development, both to the North and the South of the property. In the approval of Building 3, the residential units were required to only have ½ parking space per unit. However, currently parking spaces near Building 3 are designated by signs with one space per unit. Commercial parking spots have decreased because more residential spots are being allocated to Building 3 than was approved.

There are also Rail Trail users who utilize the designated Rail Central parking area as demonstrated by the attached photos submitted by the owner of Rail Central. Whether the Rail Trail users also visited the retail stores is unclear. A solution may be for Rail Central to clearly state “No Trail Parking” on their property and privately enforce this policy. City staff made an impromptu survey, at various times of the day, of vehicles parking in the “Rail Trail Only” spaces to see if they were Rail Trail users. Most of the people parking in these spaces were visiting the shops in the Rail Central buildings. About twenty percent of the people were using the Rail Trail, and a couple of the vehicles were shop owners and employees sitting for the entire day. Based on the survey, a large portion of the users of the proposed spaces would be patrons of the shops at Rail Central. This was a concern when the eleven spaces were proposed as part of the Encroachment Permit and continues to be an enforcement issue for City staff.

The majority of Rail Trail users who drive to the Rail Trail presently utilize Parking Lot G in the Prospector Square Subdivision. There are 5 platted, yet unbuilt buildings slated for Parking Lot G. The subdivision does not allow for public access in this location, but the Association has not stopped the public from accessing the trail in this location. The requested additional 12 Rail Trail parking spaces directly behind Building 2 could be beneficial, especially if Lot G is built upon, however enforcement will continue to be an issue, especially with the proximity of the parking directly adjacent to the shops in the Rail Central Building 2.

Pedestrian Connection:

The developer has requested an extension to the Encroachment Permit for the bridge plans and construction application. The Council wanted the developer to clarify his circulation plan and get Planning Commission approval prior to deciding whether to allow the connection or not. As stated earlier in this report the developer has not acquired all the properties required to begin the MPD process.

There is an existing bridge at the far end of the Rail Trail parcel utilized by the Iron Horse condominium residents if they are headed into the Prospector Square area. For many it is far more convenient to cross the creek closer to the Rail Central project and cut over to Bonanza Drive. The bridge as contemplated in the permit could be linked by a path to the Iron Horse Condominium project and serve the

pedestrians who now cross the creek further downstream. It is staff's recommendation that the extension request be granted until December 31, 2007.

Department Review:

City Manager, Economic Development and Capital Projects, Planning, Engineering and Building departments have reviewed this report and all comments have been incorporated into the report. Planning/Engineering/Building strongly supports the concept of shared parking and supports the paving of the Rail Trail spaces adjacent to Building 2 at the developer's expense.

Alternatives:

Approve the Request:

Deny the request to add 12 parking spaces but approve the request for an amendment to the Encroachment Permit on a form approved by the City Attorney's Office for:

- A. Pedestrian Connection: Extension of Encroachment Permit for an additional 5 years, through December 31, 2007. (Attached). Staff's recommendation.

Deny the Request:

Denying the request on both items will leave the existing Encroachment Permit in place. No pedestrian connection would be allowed and the developer would have to comply with unfulfilled items of the permit.

Approve both requests: Staff will execute an amendment on a form approved by the City Attorney's Office for both A. 12 additional parking spaces, and B. Pedestrian connection. City Council should provide direction regarding enforcement expectations.

Continuance:

Delaying a decision would delay the resolution to the area directly behind Building 2 and along the driveway and Rail Trail to the east.

Do Nothing:

The Pedestrian Connection would be considered denied, and Centura would be responsible to landscape behind Building 2, along the driveway and Rail Trail consistent with the permit.

Significant Impacts:

The proposed amendment to the encroachment permit does not affect the remainder of the agreement.

Consequences of not taking the recommended action:

Delaying a decision would leave the landscape area behind Building 2, and along the driveway to remain out of compliance with the City's Soil Ordinance.

Recommendation:

Staff recommends that Council review the request for an amendment to the Rail Central Encroachment Agreement and approve an extension to apply for a pedestrian connection.

Attached:

Proposed Amendment

Minutes concerning the encroachment permit, parking and pedestrian connection.

Encroachment Permit

Letter and Photos from applicant

Letter of request for an amendment

**FIRST ADDENDUM TO ENCROACHMENT PERMIT FOR IMPROVEMENTS IN CITY
PROPERTY AND EASEMENT FOR PUBLIC ACCESS**

THIS FIRST ADDENDUM is made and entered into in duplicate this ____ day of _____, 2006, by and between PARK CITY MUNICIPAL CORPORATION, a Utah municipal corporation and political subdivision of the State of Utah ("City"), Centura Rail Central, LLC, a Utah limited liability company ("Centura"), and Ol' Miner Partners, LLC, a Utah limited liability company ("Ol' Miner"), to amend the ENCROACHMENT PERMIT FOR IMPROVEMENTS IN CITY PROPERTY AND EASEMENT FOR PUBLIC ACCESS signed and executed by the Parties, and recorded on November 19, 2003.

WITNESSETH;

WHEREAS, the parties entered into ENCROACHMENT PERMIT FOR IMPROVEMENTS IN CITY PROPERTY AND EASEMENT FOR PUBLIC ACCESS (hereinafter "Original Agreement"); and

WHEREAS, Centura requires additional time to prepare plans for a pedestrian connection; and

WHEREAS, the parties desire to amend the Original Agreement to provide sufficient time for such performance.

NOW, THEREFORE, in consideration of the mutual promises made herein and other valuable consideration, the parties hereto now amend the Original Agreement as follows:

1. **Section (2)(D) Pedestrian Connection.** Subject to the approval of the City Council of Park City, Centura may construct a pedestrian connection connecting the Rail Central Building One to the Rail Trail, and continuing in a southerly direction across the creek located south of the Rail Trail. The Parties hereby agree that the City Council of Park City, as owner of the Rail Trail Parcel, has unfettered discretion to approve or deny the pedestrian connection for any reason, including but not limited to aesthetics and scale. If the City Council of Park City has not approved design plans for said pedestrian connection on or before December 31, 2007, then this subsection (2D) shall be null and void and Centura's request to construct said pedestrian bridge shall be considered denied.
3. **OTHER TERMS.** All other terms and conditions of the Original Agreement shall continue to apply.
4. **ENTIRE AGREEMENT.** This First Addendum is a written instrument pursuant to Section 8 of the Original Agreement between the parties and cannot be altered or amended except by written instrument, signed by all parties.

IN WITNESS WHEREOF the parties hereto have caused this First Addendum to be executed the day and year first herein above written.

DATED this ____ day of _____, 2006.

3. Rail Central pedestrian connection – Centura Development. Tom Bakaly explained that Council approved an encroachment permit for access use of the City's open space property. The City received an encroachment permit so Rail Trail users could cross the business commons property and access parking for the trail. One outstanding feature is the pedestrian connection from the Rail Trail to the private building across the City's open space, which is before Council tonight. If Council renders approval during work session, it may be prudent to have it subject to planning staff or Planning Commission approval with regard to final design.

Architect Craig Elliott described the pedestrian bridge across the creek to the Rail Trail, the 11 parking spaces, and an ADA compliant ramp connection from the parking area to the Rail Trail. At this location, a ramp comes down to the picnic area and turns back down to the building. In addition to that, there are connecting stairways and Mr. Elliott explained the need for the proposed retaining walls because of the change in grade. Jim Hier expressed concerns about the purpose of the bridge being to serve the buildings. Mr. Elliott relayed that the bridge location relates to a potential restaurant and if this occurs, there would be shared parking. It also provides a connection for pedestrians from the Fireside and Iron Horse Apartments. Mr. Hier felt that the other side should be planned before a decision is made on the bridge. Craig Elliott explained that it made sense to process the entire area at one time. Ms. Erickson pointed out the excessive size of one of the ramps and Mr. Elliott explained that there is more of a grade change and the ramp acts as a sidewalk. Fred Jones also expressed concerns about what happens across the creek with regard to parking; we should be confident that everything will line up and won't have to be altered when the parking structure comes on line. He believed that if pedestrian access is supported tonight, that the plan be reviewed by both the Planning Commission and planning staff. He stated that he is somewhat uncomfortable with the conceptual design of the ramp and this needs to be analyzed. Mr. Elliott explained that they were attempting to reduce the impacts of the retaining walls and they need the authority from the City Council to work through these issues. He believed it reasonable to allow Centura to proceed with the development of the other parcel with the Planning Commission. Jim Hier felt it important to condition approval with Planning Commission review and stated that he still has a problem with a bridge without the benefit of a circulation plan. There needs to be a demonstrated linkage from the pedestrian access and the bridge in order for the bridge to make sense.

Tom Bakaly questioned the need for the ramp to be ADA compliant and clarified that Council is being asked for permission to apply for an application on the bridge and direction on the pedestrian connection to the open space. Fred Jones expressed support on the bridge, as conditioned by Jim Hier. With regard to the ramp and stairway, he felt review should be subject to staff approval and ADA applications. Candace Erickson agreed and added that the bridge should be applied for when the design for the other side is submitted. She stated that she doesn't have a problem with the ramp, except for its size and would rather see more landscaping than asphalt. Craig Elliott stated that he will work with staff toward a solution. Jim Hier reiterated his comments on demonstration of a pedestrian circulation plan, which should be part of the

findings if the bridge is approved. Dana Williams stated that the design of the bridge seems grandiose for a three foot wide creek and agreed with his fellow Council members with regard to Planning Commission review.



June 2, 2006

Matt Twombly
Michelle Downard
Park City Municipal Corp.
PO Box 1480
Park City, Utah 84060-1480

Re: Centura Rail Central – 1790 Bonanza Dr.

Dear Matt and Michelle:

We write in response to Michelle's letter of May 17, 2006 serving as a Final Notice and Order regarding parking behind Rail Central Building No. 2. First, we ask that any further enforcement action based on the events in the letter be stayed pending consideration of the following proposal for resolution of the issue concerning the area to the south of Building No. 2 and north of the driveway.

As we've discussed, Centura obtained an Encroachment Agreement from the City in conjunction with its MPD application for the renovation of the Rail Central buildings. That agreement, among other things, described the area behind Building No. 2 as a "landscaped area". Accordingly, Centura did not propose or rely on that area to meet any parking requirement for its approvals or density. Nor does Centura make this proposal to enhance or meet any parking requirements for its properties as it already has sufficient parking for its approved density and use. Rather, Centura's proposal is that instead of landscaping this area, Centura would pave the area and stripe it for additional Rail Trail parking.

Presently, and pursuant to the Encroachment Agreement, Centura installed 11 Rail Trail parking spaces on the City's property to the north and signed such parking spaces for Rail Trail parking only. At the time of the agreement, it was apparently assumed that 11 parking spaces would satisfy the City's Rail Trail parking needs. However, experience has shown otherwise. We have provided the City with photograph evidence that Rail Trail parking needs have surpassed the 11 spaces available. Rail Trail users are now parking in Centura's parking areas to the detriment of Centura's tenants and their customers. Centura certainly wishes to accommodate Rail Trail use and the public/private cooperation it has had with the City in that respect, but avoid or reduce the negative impacts Rail Trail use may have on its private property. Accordingly, we propose that the Encroachment Agreement be amended so that for the City's benefit, Centura can put an additional 12 Rail Trail Only parking spaces in the area behind Building No. 2, designating such for Rail Trail parking only, including 1 ADA compliant parking space much closer to the ADA ramp and public restrooms Centura has provided. A form of proposed amendment is enclosed. In addition, and as

CENTURA
DEVELOPMENT CO.
2476 Aspen Springs Drive
Park City, Utah 84060
Tel 435 647 9700
Fax 435 647 2935

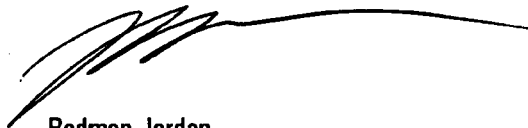
requested, we would develop with our tenants an enforcement plan to discourage non-Rail Trail parking in this area.

This proposal would address not only the lack of sufficient Rail Trail parking, including ADA compliance, but in addition provide better Prospector Soils Ordinance compliance over the area by encapsulating the area with asphalt thus ensuring continued compliance with the soils ordinance and reduce the maintenance and irrigation associated with landscaping. See Jeff Schoenbacher's May 17, 2006 letter to Centura. Further, we've discussed, Centura has asserted a prescriptive easement claim to a portion of the Rail Trail property for driveway and parking use based on the historical use of the property prior to the City's acquisition of it. If the City agrees to the proposed amendment, Centura would agree to waive its prescriptive easement claim.

In addition, we propose that the amendment extend the period of time allowed for Centura to complete the previously approved pedestrian connection to the property south of the Rail Trail and stream. As explained, Centura had hoped to complete redevelopment of that property early, but is waiting for changes to the Park Bonanza's General Plan in that respect.

We request that the City's Department of Community Development favorably present to the City Council the proposed amendment for approval. This would enhance the City's Rail Trail amenity, satisfy the public's parking needs for use of that amenity, comply with any limitations on the use of that amenity, clear the City's title and better address any enforcement issues with respect to soils ordinance compliance and parking use, both on the City's property and on Centura's. If I can be of any assistance in this respect, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rodman Jordan', with a long horizontal flourish extending to the right.

Rodman Jordan

CC: Jeff Schoenbacher

*Mailed for recording
November 19, 2003 ji*

When recorded please return to:
PARK CITY MUNICIPAL CORPORATION
Legal Department
P O Box 1480
Park City UT 84060

Fee Exempt per Utah Code
Annotated 1953 21-7-2

**ENCROACHMENT PERMIT FOR IMPROVEMENTS
IN CITY PROPERTY AND EASEMENT FOR PUBLIC ACCESS**

THIS AGREEMENT is made by and between **PARK CITY MUNICIPAL CORPORATION** (hereinafter City) and **CENTURA RAIL CENTRAL, L.L.C., FORMERLY KNOWN AS CENTURA CANYONS L.L.C.**, a Utah limited liability company (hereinafter Centura) and **OL MINER PARTNERS, L.L.C.**, a Utah limited liability company (hereinafter Ol Miner) to set forth the terms and conditions under which the City will permit Centura to build, maintain, and use certain improvements within the City property and right-of-way known as the Rail Trail Parcel, Park City, Utah, and whereby Centura and Ol Miners will grant a public access easement across their properties to a parking area on the Rail Trail Parcel for use as Rail Trail parking only.

1. This encroachment permit and easement agreement shall be appurtenant to the following described property:

A. Centura Commons, a two lot subdivision containing Lots A and B, located at 1790 and 1800 Bonanza Drive, as more specifically described at Exhibit A, attached hereto and incorporated herein by reference (hereinafter "Centura Commons property"); and

B. Rail Trail Parcel, as more specifically described at Exhibit B, attached hereto and incorporated herein by reference (hereinafter "Rail Trail Parcel").

This agreement is not transferable to other property, but is freely transferable with the title to each of the properties identified above. The license and conditions as stated in the agreement, are binding on the successors in title or interest of Centura and Ol Miner.

2. Centura is hereby permitted to build, maintain, and use the following improvements¹ within the City's Rail Trail Parcel (All improvements contemplated by this agreement shall be installed

¹ Unless otherwise stated herein, Centura shall be solely responsible for all costs of installing, building and maintaining the improvements discussed herein.

and/or constructed in substantial conformance with the locations and scales depicted on the site plan dated November 3, 2003 and approved by the City Council of Park City, attached hereto and incorporated herein as Exhibit C):

- A. Driveway: Centura shall construct and maintain an asphalt driveway beginning at a location between Buildings One and Two of the Rail Central Development (hereinafter "Rail Central") and running easterly behind Building Two to the Rail Trail Parking Lot and connecting to the Rail Central parking located to the north of the Rail Trail. The driveway shall be limited to a maximum of sixteen feet (16') in width. No parking shall be allowed on the driveway.
- B. Rail Trail Parking Lot: Centura shall construct and maintain an asphalt eleven (11) space parking lot for use as Rail Trail parking only. Centura shall install signs marking the lot as "Parking for Rail Trail Users Only."
- C. Landscaping and Irrigation: Centura shall landscape and irrigate the areas surrounding the driveway and Rail Trail Parking Lot discussed herein at Paragraphs 2A and 2B for the full length of Centura's property line to the east. City will landscape and irrigate the Rail Trail Parcel lying south of Rail Central Building One—the City intends to landscape as close to the property line as possible adjacent to Centura's deck/patio and also intends to place a few picnic tables on said property to encourage use of the area.
- D. Pedestrian Connection: Subject to the approval of the City Council of Park City, Centura may construct a pedestrian connection connecting Rail Central Building One to the Rail Trail, and continuing in a southerly direction across the creek located south of the Rail Trail. The Parties hereby agree that the City Council of Park City, as owner of the Rail Trail Parcel, has unfettered discretion to approve or deny the pedestrian connection for any reason, including but not limited to aesthetics and scale. If the City Council of Park City has not approved design plans for said pedestrian connection on or before December 31, 2005, then this subsection (2D) shall be null and void and Centura's request to construct said pedestrian bridge shall be considered denied.
- E. ADA Connection to Rail Trail: Centura shall construct an ADA compliant ramp

connecting the Rail Trail Parking Lot to the Rail Trail. City shall pay the full cost of constructing this ADA connection to the Rail Trail.

- F. Public Art: The City, at its sole discretion, may install public art on the Rail Trail. If the City elects to install public art on the Rail Trail, Centura agrees to match the City's contribution to the cost of said public art up to a maximum of Five Thousand Dollars (\$5,000.00). If the City elects to install public art in a location other than the Rail Trail, then Centura at its sole discretion may elect to match the City's contribution to the public art up to a maximum of Five Thousand Dollars (\$5,000.00).
- G. Public Restrooms: Centura agrees to build and maintain public restrooms on the ground floor, east end of Rail Central Building One. Centura agrees that said public restrooms will remain open to the public during normal Park City Parks operating hours (ie., same hours of operation as the Park City Skate Park).
- H. Public Access Easement: Centura and Ol Miner hereby grant and convey a public access easement across the Centura Commons property (Lots A and B) for access between Bonanza Drive and the Rail Trail Parking Lot, as shown on Exhibit C herein. City hereby grants and conveys to Centura and Ol Miner a site circulation easement on those portions of the driveway discussed herein at Paragraph 2A lying within the Rail Trail Parcel.
- I. Soil Exportation/Fill Materials: Except as expressly provided otherwise herein, Centura shall not export soil from the Centura Commons property to the Rail Trail Parcel. Centura shall be solely responsible to pay all costs associated with the exportation of any/all hazardous soils from the Centura Commons property—no hazardous soils shall be exported from the Centura Commons property to the Rail Trail parcel. Subject to review and approval by the City's Environmental Specialist and/or Chief Building Official, non-hazardous soils may be exported from the Centura Commons property to the Rail Trail Parcel for use as fill material in areas to be landscaped by the City.
- J. Project Coordination: Centura hereby agrees to coordinate the construction and/or installation of improvements discussed herein with the City's Rail Trail improvements project.

3. Development Review Process Unaffected by this Agreement: Centura acknowledges that the City is party to this agreement solely as property owner. Nothing in this Agreement constitutes nor shall be construed as a waiver of any development code provisions applicable to Centura's Rail Central development project, including but not limited to the Park City Land Management Code, Municipal Code, Sign Code, and International Building Code. This agreement shall not be construed to create any assumption of development approvals. Centura's Rail Central development, including any/all improvements contemplated by this agreement, shall be subject to all applicable development processes and requirements.

4. No permanent right, title, or interest of any kind shall vest in Centura or Ol Miner in the Rail Trail Parcel by virtue of this agreement. No interest shall be perfected under the doctrines of adverse possession, prescription, or other similar doctrines of law based on adverse use, as the use hereby permitted is entirely permissive in nature.

5. Centura or its successors shall maintain the improvements described herein at Paragraph 2 in a safe, functional, and good state of repair at all time, and upon notice from the City, will repair any damages, weakened, or failed sections. Centura shall have complete maintenance responsibility for all improvements described herein, less and excepting any improvements installed or constructed by City on the Rail Trail Parcel. Centura agrees to hold the City harmless and indemnify the City for any and all claims arising from Centura's use of the Rail Trail Parcel, or from the failure of the Centura's improvements.

6. In the event that Centura or its successors or assigns fails to maintain the improvements described herein at Paragraph 2 in a safe, functional, and good state of repair at all times, City may elect, at its sole discretion, one or more of the following remedies after providing thirty (30) days written notice to Centura of such failure to maintain and opportunity to cure:

- A. Require specific performance of Centura of maintenance necessary to render the offending improvement safe and functional;
- B. Perform the necessary maintenance and recover the costs and expenses therefore from Centura;
- C. Close, stabilize, demolish, or remove the offending improvement if the improvement represents a hazard to the public health or safety if the offenses are not promptly cured;

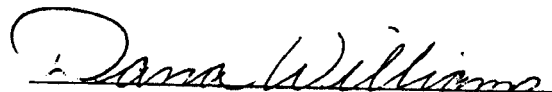
- D. All other remedies available at law or equity;
- E. Terminate this agreement; and
- F. Obtain reimbursement from Centura for City's costs, including administrative time and legal fees, incurred in pursuing its remedies under this agreement.

7. This agreement shall be perpetual unless terminated pursuant to Paragraph 6 herein. In the event that this agreement is so terminated, Centura shall remove the pedestrian bridge at its sole expense. The City may elect, at its sole discretion, to maintain the driveway and/or Rail Trail Parking Lot or remove said improvements at its sole expense.

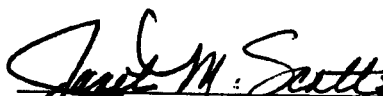
8. This agreement represents the entire integrated agreement between City and Centura and Ol Miner and supersedes all prior negotiations, representations or agreements, either written or oral. This agreement may be amended only by written modification signed by both parties.

DATED this 6 day of NOVEMBER, 2003.

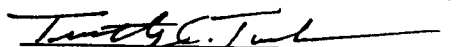
PARK CITY MUNICIPAL CORPORATION


Dana Williams, Mayor

ATTEST:


City Recorder's Office

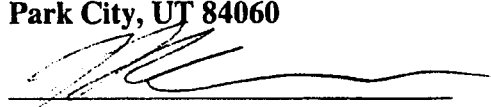
APPROVED AS TO FORM:


City Attorney's Office



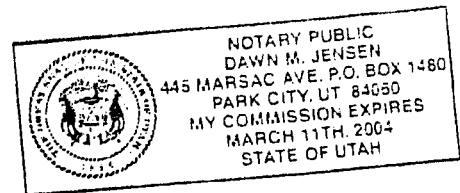
CENTURA RAIL CENTRAL, L.L.C., FORMERLY KNOWN AS CENTURA CANYONS L.L.C.

**2476 Aspen Springs Drive
Park City, UT 84060**

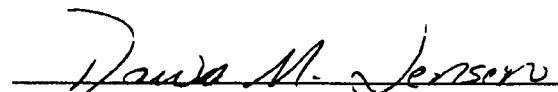

Rodman W. Jordan, Corporate Manager

Acknowledgment

STATE OF UTAH)
) ss.
COUNTY OF SUMMIT)

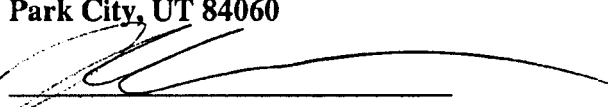


On this 18th day of Nov., 2003, personally appeared before me Rodman W. Jordan, whose identity is personally known to me or proved to me on the basis of satisfactory evidence and who by me duly sworn/affirmed, did say that he is the Corporate Manager of Centura Rail Central, L.L.C. by Authority of its Bylaws/Resolution of the Board of Directors, and acknowledged to me that said L.L.C. executed the same.


Notary Public

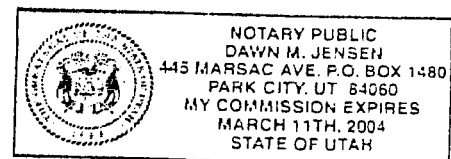
OL MINER PARTNERS, L.L.C., A UTAH LIMITED LIABILITY COMPANY

**2476 Aspen Springs Drive
Park City, UT 84060**


Rodman W. Jordan, Corporate Manager

Acknowledgment

STATE OF UTAH)
) ss.
COUNTY OF SUMMIT)



On this 18th day of Nov., 2003, personally appeared before me Rodman W. Jordan, whose identity is personally known to me or proved to me on the basis of satisfactory evidence and who by me duly sworn/affirmed, did say that he is the Corporate Manager of Ol Miner Partners, L.L.C. by Authority of its Bylaws/Resolution of the Board of Directors, and acknowledged to me that said L.L.C. executed the same.

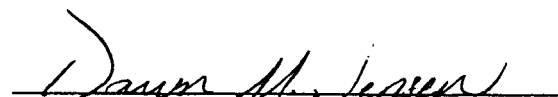

Notary Public

EXHIBIT A

Order Number: 13852

LEGAL DESCRIPTION

PARCEL 1:

LOT A, CENTURA COMMONS, A TWO LOT SUBDIVISION ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE AND OF RECORD IN THE SUMMIT COUNTY RECORDER'S OFFICE.

(TAX SERIAL NO. CCOM-A)

PARCEL 2:

LOT B, CENTURA COMMONS, A TWO LOT SUBDIVISION ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE AND OF RECORD IN THE SUMMIT COUNTY RECORDER'S OFFICE.

(TAX SERIAL NO. CCOM-B)

ADDRESSES:

PARCEL 1

1790 BONANZA DRIVE, PARK CITY, UTAH 84060

PARCEL 2

1800 BONANZA DRIVE, PARK CITY, UTAH 84060

UNION PACIFIC RAILROAD COMPANY
Park City, Summit County, Utah

EXHIBIT "A"

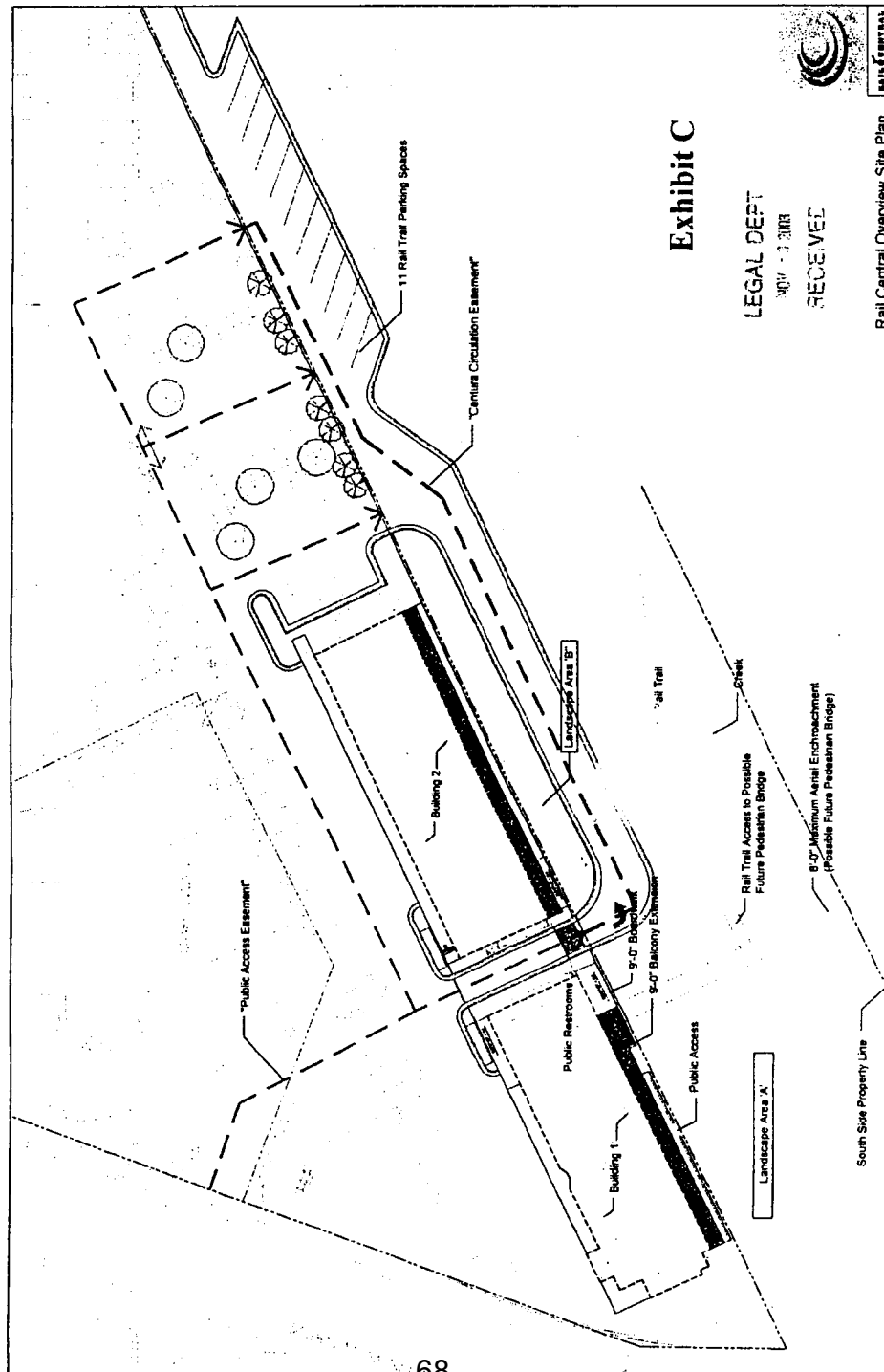
A 100 foot wide strip of land situate in the NW $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 9, Township 2 South, Range 4 East Salt Lake Meridian, Summit County, Utah, said strip of land lying 50.0 feet on each side of the centerline of main track of the Union Pacific Railroad Company, as was constructed and operated, extending southwesterly from the north line to the west line of said SE $\frac{1}{4}$ of Section 9.

Containing an area of 1.977 acres, more or less

Office of Real Estate
Omaha, Nebraska
January 6, 2000

Written by: JCO
41998.leg

Exhibit B
Rail Trail Parcel





August 12, 2005

Ms. Michelle Downard
Park City Municipal Corporation
445 Marsac Avenue
Park City, UT 84060-1480

Re: Encroachment and Easement Agreement
C-372-05

Dear Ms. Downard,

Thank you for your letter of August 2, 2005.

Per your request, I have once again communicated with all of our tenants at Rail Central about not parking in either (i) the dirt/gravel area in the rear of Building #2; or (ii) on the 11 parking spaces reserved for rail trail users.

In speaking with some of these Tenants however, I have received complaint about the opposite situation where rail trail users are more and more frequently using parking spaces which are for Rail Central's tenants (see attached photos).

To alleviate the current situation where the volume of private and public parking exceeds the number of spaces, we would like to request that the City consider installing additional parking in the above referenced dirt area.

Your cooperation in the above would eliminate the current hardship placed on our tenants, and ensure that the 11 spaces reserved for the public remain available during busy, seasonal hours.

Sincerely,

COPY

Rodman W. Jordan,
Principal Member

Enclosure

CENTURA

DEVELOPMENT CO.

2476 Aspen Springs Drive

Park City, Utah 84060

Tel 435 647 9700

Fax 435 647 2935





City Council Staff Report



Author: Tom Bakaly and Hugh Daniels
Subject: Imperial Hotel Properties
Date: August 3, 2006
Type of Item: Administrative –
Authorization to enter into a contract
for the sale of significant municipally-owned property

Executive Department

Summary Recommendations:

Conduct a public hearing and authorize the City Manager to enter into a real estate purchase contract with Avenue Communities, LLC, for the sale of 221 Main Street (Imperial Hotel parcel), 222 Grant Avenue (Cottage/Duplex parcel) and 206 Swede Alley (Parking parcel) in the amount of \$3,050,000, in a form approved by the Legal Department.

Description:

Topic:

Disposition of Significant City Property.

Background:

In October 2003, Park City Municipal Corporation purchased the 1904 Imperial Hotel from the Federal Small Business Administration in a foreclosure sale for \$875,000. The purchase included the hotel building at 221 Main Street, the Parking Parcel at 206 Swede Alley and the Cottage (Duplex) at 222 Grant Ave. The purchase also included all furniture, fixtures, soft goods, inventory, telephone numbers, URL, guest list in the Hotel parcel, and appliances in the Cottage parcel.

Five-year CIP funds were used for the purchase. The original intent of the Council was to trade the US Air Force the Imperial Hotel properties for the Red Maple open space parcel. While negotiations continue with the Air Force on an alternative site location to the Red Maple parcel, the Air Force rejected the Imperial Hotel property as a trade.

In December 2003 after issuing a Request for Proposals (RFP), the City leased the operation of the Imperial Hotel's nightly lodging operation to ResortCom. That lease was mutually terminated on March 31, 2006.

In March 2006 Council directed staff to proceed with the sale of the Imperial properties. A notice of Intent to Sell was published in the Park Record on April 12, 15, and 19. Proposals were due by May 5, 2006.

All parties who had previously expressed an interest in the property were notified of the opportunity to bid on the property. A copy of the legal notice was also sent to the Board of Realtors and the Park City Area Lodging Association for distribution to its members.

Analysis:

Staff received 32 inquiries for additional information. A total of four bids were received for the property. All four bids were bulk purchase offers.

An appraisal of the Hotel and Parking parcels was conducted in December of 2005 and an appraisal of the Cottage/Duplex parcel was conducted in May of 2005. The total appraised value for all three parcels was \$2,380,000.

- Two offers were submitted that exceeded the appraised value.
- Two offers were submitted that were below appraised value.

Each offer was evaluated on its own merits, using the information submitted. Staff selected the offer submitted by Avenue Communities, LLC, for all three parcels. Their bid is \$3,050,000, which exceeds appraised value. David Dewar and Ken Losch of Avenue Communities, LLC and Robert McGarey of Southwest Retail Group have demonstrated the financial ability to complete the transaction including any rehabilitation or renovation of the parcels. Avenue Communities, LLC has engaged Elliott Workgroup Architects to develop preliminary plans for the rehabilitation of the property and act as the local representative. Avenue Communities, LLC and Southwest Retail Group are based in Arizona. The sale is not contingent upon qualifying for a loan.

Staff felt that the bid ultimately satisfied the City's goals and recommends the bid that best serves the interest and needs of the City. The intended use of the Imperial Hotel is to maintain its historic use as a hotel. The renovation plan for the Hotel will include rehabilitation and restoration of the exterior and significant remodel of the interior. The 222 Grant Avenue Cottage will be rehabilitated and restored and used for residential purposes. No planning or building approvals of any kind are included with the sale.

Significant Impacts

The City has a fiduciary responsibility to sell the properties for market value. Sale of the properties at below market value will be scrutinized by the public and by others who submitted offers. While the Council has a responsibility to sell the properties for market value, price alone is not the only criteria. The use of the properties and their future success are also key to a final decision.

ALTERNATIVES

- A. Direct Staff to enter into a Real Estate Purchase Contract with Avenue Communities, LLC for the sale of 221 Main Street, 222 Grant Avenue and 206 Swede Alley.
- B. Direct Staff to terminate discussions with Avenue Communities, LLC and chose another bidder or direct staff to reopen the bidding process.
- C. The City Council may continue the action for more information and discussion.

RECOMMENDATION:

Conduct a Public Hearing and direct Staff to enter into a Real Estate Purchase Contract with Avenue Communities, LLC for the sale of 221 Main Street, 222 Grant Avenue and 206 Swede Alley, in the amount of \$3,050,000, in a form approved by the Legal Department.

REAL ESTATE PURCHASE CONTRACT

This is a legally binding contract. Utah law regulates real estate licensees to use this form. Buyer and Seller, however, may agree to alter or delete the provisions or to use a different form. If you desire legal or tax advice, consult your attorney or tax advisor.

BUYER: AVENUE COMMUNITIES,LLC

SELLER: PARK CITY MUNICIPAL CORPORATION, a municipal corporation and political subdivision of the State of Utah (the "City" or "Seller"), 445 Marsac Avenue, Post Office Box 1480, Park City, Utah 84060.

OFFER TO PURCHASE

1. PROPERTY: The subject property is located in the County of Summit, State of Utah, and described more specifically in Exhibit A attached hereto.

1.1 Included Items. Unless excluded herein, this sale includes the following items if presently attached to the Property: plumbing, heating, air conditioning fixtures and equipment; ceiling fans; water heater; built-in appliances; light fixtures and bulbs; bedroom fixtures; curtains, draperies and rods; window and door screens; storm doors and windows; window blinds; awnings; installed television antenna; satellite dishes and system; permanently affixed carpets; automatic garage door opener and accompanying transmitter(s); fencing; and trees and shrubs. The following items shall also be included in this sale and conveyed under separate Bill of Sale with warranties as to title:

All of the furniture, fixtures and equipment used in the Imperial Hotel, consisting of carpets, beds, bedding, mattresses, room furniture, linen, dining room fixtures, kitchen equipment, dishes, and

All telephone numbers, website URLs, and guest lists used in connection with the Imperial Hotel.

1.2 Excluded Items. The following items are excluded from this sale: _____
_____None_____

1.3 Water Rights. The following water rights are included in this sale: _____
_____None_____

1.4 Survey. (Check applicable boxes):
A survey:
☒ **WILL** ☐ **WILL NOT** be prepared by a licensed surveyor.

Real Estate Purchase Contract

Seller's Initials _____ Date _____ Buyer's Initials _____ Date _____

1

The Survey Work will be:

- ☒ Property corners staked on all three parcels
- ☒ Boundary Survey on all three parcels
- ☐ Boundary & Improvements survey
- ☐ Other (specify) _____.

Responsibility for payment:

- ☐ Buyer
- ☒ Seller
- ☐ Buyer and Seller share equally.

Buyer's obligation to purchase under this Contract:

- ☐ **IS**
 - ☒ **IS NOT** conditioned upon Buyer's approval of the Survey Work.
- If yes, the terms of the attached Survey Addendum apply.

2. **PURCHASE PRICE.** The Purchase Price for the Property is three million fifty thousand dollars (\$3,050,000).

2.1 **Method of Payment.** The Purchase Price will be paid as follows:

\$ 50,000.00 **a.** Earnest Money Deposit. Under certain conditions described in this Contract. **THIS DEPOSIT WILL BECOME TOTALLY NON-REFUNDABLE** 10 DAYS AFTER RECEIPT OF SURVEY OR 30 DAYS DUE DILIGENCE, WHICHEVER IS LATER.

\$ _____ **b.** New Loan, Buyer agrees to apply for a new loan as provided in Section 2.3. Buyer will apply for one or more of the following loans:

☐ **CONVENTIONAL** ☐ **FHA** ☐ **VA** ☐ **OTHER** (specify): _____

If an FHA/VA loan applies, see attached FHA/VA Loan Addendum. If the loan is to include any particular terms, then check below and give details:

SPECIFIC LOAN TERMS:

\$ _____ **c.** Loan Assumption (see attached Assumption Addendum if applicable)

\$ _____ **d.** Seller Financing (see attached Seller Financing Addendum if applicable)

\$ _____ **e.** Other (specify) _____

\$ 3,000,000.00 **f.** Balance of Purchase Price In Cash at Settlement

\$ 3,050,000.00 **PURCHASE PRICE (total of a. through f.)**

2.2 Financing Condition. (check applicable box)

- a. ☐ Buyer's obligation to purchase the Property **IS** conditioned upon Buyer qualifying for the applicable loan(s) referenced in Section 2.1 (b) or (c) the "Loan". This condition is referred to as the "Financing Condition".
- b. ☒ Buyer's obligation to purchase the Property **IS NOT** conditioned upon Buyer qualifying for a loan. Section 2.3 does not apply.

2.3 Application for Loan.

a. **Buyer's Duties.** No later than the Application Deadline referenced in Section 24(a), Buyer shall apply for the Loan. "Loan Application" occurs **ONLY** when Buyer has:

- (i) completed, signed, and delivered to the lender (the "Lender") the initial loan application and documentation required by the Lender; and
- (ii) paid all loan application fees as required by the Lender. Buyer agrees to diligently work to obtain the Loan. Buyer will promptly provide the Lender with any additional documentation as required by the Lender.

b. **Procedure If Loan Application Is Denied.** If Buyer receives written notice from the Lender that the Lender does not approve the Loan (a "Loan Denial"), Buyer shall, no later than three calendar days thereafter, provide a copy to Seller. Buyer or Seller may, within three (3) calendar days after Seller's receipt of such notice cancel this Contract by providing written notice to the other party.

In the event of a cancellation under this Section 2.3(b):

- (i) If the Loan Denial was received by Buyer on or before the _____ day of _____, 200__, the Earnest Money Deposit shall be returned to Buyer;
- (ii) If the Loan Denial was received by Buyer after that date, Buyer agrees to forfeit, and Seller agrees to accept as Seller's exclusive remedy, the Earnest Money as liquidated damages. A failure to cancel as provided in this Section 2.3(b) shall have no effect on the Financing Condition set forth in Section 2.2(a). Cancellation pursuant to the provisions of any other section of this Contract shall be governed by such other provisions.

2.4 Appraisal of Property. Buyer's obligation to purchase the Property ☐ **IS** ☒ **IS NOT** conditioned upon the Property appraising for not less than the Purchase Price. If the appraisal condition applies and the Property appraises for less than the Purchase Price, Buyer may cancel this Contract by providing written notice to Seller no later than three (3) calendar days after Buyer's receipt of notice of the appraised value. In the event of such cancellation, the Earnest Money Deposit shall be released to Buyer. A failure to cancel as provided in this Section 2.4 shall be deemed a waiver of the appraisal condition by Buyer.

3. SETTLEMENT AND CLOSING. Settlement shall take place on the Settlement Deadline referenced in Section 24(d), or on a date upon which Buyer and Seller agree in writing. "Settlement" shall occur only when all of the following have been completed:

- a. Buyer and Seller have signed and delivered to each other or to the escrow closing

office all documents required by this Contract, by the Lender, by written escrow Instructions or by applicable law;

b. any monies required to be paid by Buyer under these documents, except for the proceeds of any new loan, have been delivered by Buyer to Seller or to the escrow closing office in the form of collected or cleared funds; and

c. any monies required to be paid by Seller under these documents have been delivered by Seller to Buyer or to the escrow/closing office in the form of collected or cleared funds. Seller and Buyer shall each pay one-half (2) of the fee charged by the escrow/closing office for its services in the settlement/closing process. Taxes and assessments for the current year, rent, and interest on assumed obligations shall be prorated at settlement as set forth in this Section. Tenant deposits, including, but not limited to, security deposits, cleaning deposits, and prepaid rents, shall be paid or credited by Seller to Buyer at Settlement. Prorations set forth in this Section shall be made as of the Settlement Deadline date referenced in Section 24(d), unless otherwise agreed to in writing by the parties. Such writing could include the settlement statement. The transaction will be considered closed when Settlement has been completed, and when all of the following have been completed:

(i) the proceeds of any new loan have been delivered by the Lender to Seller or to the escrow/closing office; and

(ii) the applicable Closing documents have been recorded in the office of the county recorder.

The actions described in parts (i) and (ii) of the preceding sentence shall be completed within four (4) calendar days of Settlement.

4. **POSSESSION.** Seller shall deliver physical possession to Buyer within: ☒ One hour
☐ _____ days after Closing; ☐ Other (specify).

5. **CONFIRMATION OF AGENCY DISCLOSURE.** At the signing of this Contract:
There are no brokers or agencies involved in this sale.

_____ Seller's Initials _____ Buyer's Initials

a. The Listing Agent, _____, represents ☐ Seller ☐ Buyer
☐ both Buyer and Seller as a Limited Agent; or

b. The Selling Agent, _____, represents ☐ Seller ☐ Buyer
☐ both Buyer and Seller as a Limited Agent; or

c. The Listing Broker, _____, represents ☐ Seller ☐ Buyer
☐ both Buyer and Seller as a Limited Agent; or

d. The Selling Broker, _____, represents ☐ Seller ☐ Buyer
☐ both Buyer and Seller as a Limited Agent.

6. **TITLE INSURANCE.** At Settlement, Seller agrees to pay for a standard-coverage owner's policy of title insurance insuring Buyer in the amount of the Purchase Price.

7. **SELLER DISCLOSURES.** No later than the Seller Disclosure Deadline referenced in

Section 24(b), Seller shall provide to Buyer the following documents which are collectively referred to as the "Seller Disclosures":

- a. a Seller property condition disclosure for the Property, signed and dated by Seller;
- b. a commitment for the policy of title insurance;
- c. a copy of any leases affecting the Property not expiring prior to Closing;
- d. written notice of any claims and/or conditions known to Seller relating to environmental problems and building or zoning code violations; and
- e. Other (specify)

8. BUYER'S RIGHT TO CANCEL BASED ON EVALUATIONS AND INSPECTIONS.

Buyer's obligation to purchase under this Contract (check applicable boxes):

☒ **IS** ☐ **IS NOT** conditioned upon Buyer's approval of the content of all the Seller Disclosures referenced in Section 7;

☐ **IS** ☒ **IS NOT** conditioned upon Buyer's approval of a physical condition inspection of the Property;

☒ **IS** ☐ **IS NOT** conditioned upon Buyer's approval of the following tests and evaluations of the Property (specify): 30 day due diligence period to review all available documents

If any of the above items are checked in the affirmative, then Sections 8.1, 8.2, 8.3, and 8.4 apply; otherwise, they do not apply. The items checked in the affirmative above are collectively referred to as the "Evaluations & Inspections." Unless otherwise provided in this Contract, the Evaluations & Inspections shall be paid for by Buyer and shall be conducted by individuals or entities of Buyer's choice. Seller agrees to cooperate with the Evaluations and Inspections and with the walk-through Inspection under Section 11.

8.1 Evaluations & Inspections Deadline. No later than the Evaluations & Inspections Deadline referenced in Section 24(c) Buyer shall: (a) complete all Evaluations & Inspections; and (b) determine if the Evaluations & Inspections are acceptable to Buyer.

8.2 Right to Cancel or Object. If Buyer determines that the Evaluations and Inspections are unacceptable, Buyer may no later than the Evaluations & Inspection Deadline, either:

- a. cancel this Contract by providing written notice to Seller, whereupon the Earnest Money Deposit shall be released to Buyer; or
- b. provide Seller with written notice of objections.

8.3 Failure to Respond. If by the expiration of the Evaluations & Inspections Deadline, Buyer does not:

- a. cancel this Contract as provide in Section 8.2; or
- b. deliver a written objection to Seller regarding the Evaluations & Inspections, the Evaluations & Inspections shall be deemed approved by Buyer.

8.4 Response by Seller. If Buyer provides written objections to Seller, Buyer and Seller shall

have seven (7) calendar days after Seller's receipt of Buyer's objections (the "Response Period") in which to agree in writing upon the manner of resolving Buyer's objections. Seller may, but shall not be required to, resolve Buyer's objections. If Buyer and Seller have not agreed in writing upon the manner of resolving Buyer's objections, Buyer may cancel this Contract by providing written notice to Seller no later than three (3) calendar days after expiration of the Response Period, whereupon the Earnest Money Deposit shall be released to Buyer, if this Contract is not canceled by Buyer under this Section 8.4. Buyer's objections shall be deemed waived by Buyer. This waiver shall not affect those items warranted in Section 10.

9. **ADDITIONAL TERMS.** There ☒ **ARE** ☐ **ARE NOT** addenda to this Contract containing additional terms. If there are, the terms of the following addenda are incorporated into this Contract by this reference:

- ☒ Addendum No. 1
- ☐ Survey Addendum
- ☐ Seller Financing Addendum
- ☐ FHA/VA Loan Addendum
 - ☐ Assumption Addendum
 - ☐ Lead-Based Paint Addendum (in some transactions this addendum is required by law)
 - ☐ Other (specify):

10. **SELLER WARRANTIES & REPRESENTATIONS.**

- 10.1 **Condition of Title.** Seller represents that Seller has fee title to the Property and will convey good and marketable title to Buyer as Closing by general warranty deed, unless the sale is being made pursuant to a real estate contract which provides for title to pass at a later date. In that case, title will be conveyed in accordance with the provisions of that contract. Buyer agrees, however, to accept title to the Property subject to the following matters of record: easements, deed restrictions, CC&R's, meaning covenants, conditions and restrictions, and rights-of-way; and subject to the contents of the Commitment for Title Insurance as agreed to by Buyer under Section 8. Buyer also agrees to take the Property subject to existing leases affecting the Property and not expiring prior to Closing. Buyer agrees to be responsible for taxes, assessments, homeowners association dues, utilities, and other services provided to the Property after Closing. Except for any loan(s) specifically assumed by Buyer under Section 2.1(c), Seller will cause to be paid off by closing all mortgages, trust deeds, judgments, mechanic's liens, tax liens and warrants. Seller will cause to be paid current by Closing all assessments and homeowners association dues.

- 10.2 **Condition of Property.** Seller warrants that the Property will be in the following condition **ON THE DATE SELLER DELIVERS PHYSICAL POSSESSION TO BUYER:**
- a. the Property shall be broom-clean and free of debris and personal belongings. Any Seller or tenant moving-related damage to the Property shall be repaired at Seller's expense;

- b. the heating, cooling, electrical, plumbing and sprinkler systems and fixtures, and the appliances and fireplaces will be in working order and fit for their intended purposes;
 - c. the roof and foundation shall be free of leaks known to Seller;
 - d. any private well or septic tank serving the Property shall have applicable permits, and shall be in working order and fit for its intended purpose; and
 - e. the Property and improvements, including the landscaping, will be in the same general condition as they were on the date of Acceptance.
- 11. **WALK-THROUGH INSPECTION.** Before Settlement, Buyer may, upon reasonable notice and at a reasonable time, conduct “walk-through” inspections of the Property to determine only that the Property is “as represented,” meaning that the terms referenced in Sections 1.1, 8.4 and 10.2 (“the items”) are respectively present, repaired/changed as agreed, and in the warranted condition. If the items are not as represented, Seller will, prior to Settlement, replace, correct or repair the items or, with the consent of Buyer (and Lender if applicable), escrow an amount at Settlement to provide for the same. The failure to conduct a walk-through inspection, or to claim that an item is not as represented, shall not constitute a waiver by Buyer of the right to receive, on the date of possession, the items as represented.
- 12. **CHANGES DURING TRANSACTION.** Seller agrees that from the date of Acceptance until the date of Closing, none of the following shall occur without the prior written consent of Buyer:
 - (a) no changes in an existing lease shall be made;
 - (b) no new leases shall be entered into;
 - (c) no substantial alterations or improvements to the Property shall be made or undertaken; and
 - (d) no further financial encumbrances to the Property shall be made.
- 13. **AUTHORITY OF SIGNERS.** If Buyer or Seller is a corporation, partnership, trust, estate, limited liability company, or other entity, the person executing this Contract on its behalf warrants his or her authority to do so and to bind Buyer and Seller.
- 14. **COMPLETE CONTRACT.** This Contract together with its addenda, any attached exhibits, and Seller Disclosures, constitutes the entire Contract between the parties and supersedes and replaces any and all prior negotiations, representations, warranties, understandings or contracts between the parties.
- 15. **DISPUTE RESOLUTION.** The parties agree that any dispute, arising prior to or after Closing, related to this Contract ☒ **SHALL** ☐ **MAY**, upon mutual agreement of the parties, first be submitted to mediation. If the parties agree to mediation, the dispute shall be submitted to mediation through a mediation provider mutually agreed upon by the parties. Each party agrees to bear its own costs of mediation. If mediation fails, the other procedures and remedies available under this Contract shall apply. Nothing in this Section 15 shall prohibit any party from seeking emergency equitable relief pending mediation.

16. **DEFAULT.** If Buyer defaults, Seller may elect either to retain the Ernest Money Deposit as liquidated damages, or to return it and sue Buyer to specifically enforce this Contract or pursue other remedies available at law. If Seller defaults, in addition to return of the Ernest Money Deposit, Buyer may elect either to accept from Seller a sum equal to the Ernest Money Deposit as liquidated damages, or may sue Seller to specifically enforce this Contract or pursue other remedies available at law. If Buyer elects to accept liquidated damages, Seller agrees to pay the liquidated damages to Buyer upon demand. It is agreed that denial of a Loan Application made by the Buyer is not a default and is governed by Section 2.3(b).
17. **ATTORNEY FEES AND COSTS.** In the event of litigation or binding arbitration to enforce this Contract, the prevailing party shall be entitled to costs and reasonable attorney fees. However, attorney fees shall not be rewarded for participation in mediation under Section 15.
18. **NOTICES.** Except as provided in Section 23, all notices required under this Contract must be:
- a. in writing;
 - b. signed by the party giving notice; and
 - c. received by the other party or the other party's agent no later than the applicable date referenced in this Contract.
19. **ABROGATION.** Except of the provisions of Sections 10.1, 10.2, 15 and 17 and express warranties made in this Contract, the provisions of this Contract shall not apply after Closing.
20. **RISK OF LOSS.** All risk of loss to the Property, including physical damage or destruction to the Property or its improvements due to any cause except ordinary wear and tear and loss caused by a taking in eminent domain, shall be borne by Seller until the transaction is closed.
21. **TIME IS OF THE ESSENCE.** Time is of the essence regarding the dates set forth in this Contract. Extensions must be agreed to in writing by all parties. Unless otherwise explicitly stated in this Contract:
- a. performance under each Section of this Contract which references a date shall absolutely be required by 5:00 P.M. Mountain Time on the stated date; and
 - b. the term "days" shall mean calendar days and shall be counted beginning on the day following the event which triggers the timing requirement, i.e., Acceptance, receipt of the Seller Disclosures, etc. Performance dates and times reference herein shall not be binding upon title companies, lenders, appraisers and others not parties to this Contract, except as so otherwise agreed to in writing by such non-party.
22. **FAX TRANSMISSION AND COUNTERPARTS.** Facsimile (fax) transmission of a signed copy of this Contract, any addenda and counteroffers, and the retransmission of any

signed fax shall be the same as delivery of an original. This contract and any addenda and counteroffers may be executed in counterparts.

23. **ACCEPTANCE.** "Acceptance" occurs when Seller or Buyer, responding to an offer or counteroffer of the other:
- a. signs the offer or counteroffer where noted to indicated acceptance; and
 - b. communicates to the other party or to the other party's agent that the offer or counteroffer has been signed as required.

24. **CONTRACT DEADLINES.** Buyer and Seller agree that the following deadlines shall apply to this Contract:

- a. Application Deadline _____ N/A _____ (Date)
- b. Seller Disclosure Deadline _____ 14 Days* _____ (Date)
- c. Evaluations & Inspections Deadline _____ 30 days or 10 days after receipt of Survey whichever is later* _____ (Date)
- d. Settlement Deadline _____ No later than 90 days* _____ (Date)

* All the dates reference the number of days after the Council Approval date

25. **OFFER AND TIME FOR ACCEPTANCE.** Buyer offers to purchase the Property on the above terms and conditions

BUYER'S SIGNATURE _____ Date _____ Time _____

(Buyers Names) - Please Print

(Notice Address)

(Phone)

**THE LATER OF THE ABOVE OFFER DATES SHALL BE REFERRED TO
AS THE "OFFER REFERENCE DATE."**

ACCEPTANCE / COUNTEROFFER / REJECTION

CHECK ONE:

Real Estate Purchase Contract

Seller's Initials _____ Date _____ Buyer's Initials _____ Date _____

9

☐ **ACCEPTANCE OF OFFER TO PURCHASE:** Seller Accepts the foregoing offer on terms and conditions specified above.

☐ **COUNTEROFFER:** Seller presents for Buyer's Acceptance the terms of Buyer's offer subject to the exceptions or modifications as specified in the attached **Addendum No.**____.

SELLER'S SIGNATURE _____ Date _____ Time _____

(Sellers' Names) - Please Print

(Notice Address)

(Phone)

9 **REJECTION:** Seller Rejects the foregoing offer.

SELLER'S SIGNATURE _____ Date _____ Time _____

(Sellers' Names) - Please Print

(Notice Address)

(Phone)

* * * * *

Document Receipt

State law requires Broker to furnish Buyer and Seller copies of this Contract bearing all signatures.
(Fill in applicable section below.)

A. I acknowledge receipt of a final copy of the foregoing Contract bearing all signatures:

BUYER'S SIGNATURE _____ Date _____ Time _____

SELLER'S SIGNATURE _____ Date _____ Time _____

B. I personally caused a final copy of the foregoing Contract bearing all signatures to be

☐ faxed ☐ mailed ☐ hand-delivered on _____ (Date), postage prepaid, to the

☐ Seller ☐ Buyer.

Sent/Delivered by (specify) _____

EXHIBIT A

LEGAL DESCRIPTION

PARCEL 1:

THE WESTERLY 50 FEET OF LOT 21 EXCEPTING THEREFROM THE NORTHERLY 7 FEET; AND INCLUDING THE WEST 1/2 OF THE LOTS 22 AND 23 OF BLOCK 72, MILLSITE RESERVATION TO PARK CITY.

EXCEPTING THEREFROM ANY PORTION LYING WITHIN THE FOLLOWING (2) DESCRIBED PARCELS:

BEGINNING AT A POINT DUE SOUTH 210.37 FEET, AND DUE EAST 327.83 FEET FROM THE NORTHEAST CORNER OF LOT 16, BLOCK 12, PARK CITY SURVEY, PARK CITY, UTAH, AND THENCE RUNNING NORTH 26 DEGREES 56 MINUTES 04 SECONDS EAST ALONG THE SOUTHEASTERLY HAND RAILING OF AN EXISTING WOODEN STAIRWAY; THENCE NORTH 43 DEGREES 45 MINUTES 13 SECONDS EAST 13.27 FEET; THENCE NORTH 56 DEGREES 52 MINUTES 21 SECONDS EAST 52.88 FEET TO THE WESTERLY EDGE OF SAND RIDGE ROAD; THENCE SOUTH 16 DEGREES 59 MINUTES 50 SECONDS EAST 28.65 FEET; THENCE SOUTH 05 DEGREES 02 MINUTES 33 SECONDS EAST 34.13 FEET; THENCE SOUTH 07 DEGREES 17 MINUTES 37 SECONDS WEST 45.44 FEET; THENCE NORTH 85 DEGREES 50 MINUTES 10 SECONDS WEST 21.5 FEET TO AN EXISTING FENCE CORNER; THENCE NORTH 85 DEGREES 50 MINUTES 10 SECONDS WEST 39.39 FEET; THENCE NORTH 01 DEGREE 51 MINUTES 09 SECONDS WEST 56.72 FEET ALONG THE TOP OF AN EXISTING ROCK RETAINING WALL TO THE POINT OF THE BEGINNING.

BEGINNING AT A POINT ON THE WEST LINE OF SAID BLOCK 72 AT A POINT WHICH IS NORTH 12.70 FEET AND WEST 13.30 FEET AND NORTH 38 DEGREES 12 MINUTES EAST 12.15 FEET FROM THE SOUTHWEST CORNER OF SAID LOT 23 AND RUNNING THENCE NORTH 38 DEGREES 32 MINUTES EAST 8.7 FEET; THENCE NORTH 28 DEGREES 11 MINUTES 48 SECONDS EAST 39.14 FEET; THENCE NORTH 23 DEGREES 15 MINUTES EAST 23.54 FEET; THENCE NORTH 23 DEGREES 16 MINUTES 46 SECONDS EAST 7.3 FEET TO A POINT ON A FENCE LINE; THENCE SOUTH 01 DEGREE 52 MINUTES 25 SECONDS EAST 49.59 FEET ALONG SAID FENCE LINE TO A POINT ON ANOTHER FENCE LINE; THENCE SOUTH 85 DEGREES 51 MINUTES 16 SECONDS EAST 26.08 FEET ALONG SAID FENCE LINE; THENCE SOUTH 05 DEGREES 48 MINUTES 16 SECONDS EAST 55.48 FEET; THENCE NORTH 76 DEGREES 48 MINUTES 35 SECONDS WEST ALONG A LINE BETWEEN TWO EXISTING BUILDINGS 66.90 FEET TO A POINT ON THE WEST LINE OF SAID BLOCK 72; THENCE NORTH 13 DEGREES 34 MINUTES WEST 23.5 FEET MORE OF LESS TO THE POINT OF

BEGINNING.

PARCEL 2:

LOT 6 AND THE NORTH 5 FEET OF LOT 5, BLOCK 12, AMENDED PLAT OF PARK CITY SURVEY.

PARCEL 3:

THE WESTERLY 50 FEET OF LOT 19 AND THE NORTHERLY 7 FEET OF THE WESTERLY 50 FEET OF LOT 20, BLOCK 72, MILLSITE RESERVATION TO PARK CITY, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE AND OF RECORD IN THE SUMMIT COUNTY RECORDER'S OFFICE.

LESS AND EXCEPTING ANY PORTION OF THE FOLLOWING LEGAL DESCRIPTION CONTAINED WITHIN THE BOUNDS OF THE ABOVE DESCRIBED PROPERTY.

BEGINNING AT A POINT WHICH IS SOUTH 10°44'02" EAST 671.83 FEET FROM THE SURVEY MONUMENT AT MARSAC AVENUE AND FOURTH STREET. SAID POINT ALSO BEING THE NORTHEAST CORNER OF LOT 17, BLOCK 72, PARK CITY SURVEY AMENDED: AND RUNNING THENCE SOUTH 19°43'00" EAST 2.27 FEET; THENCE NORTH 78°21'00" EAST 13.99 FEET; THENCE SOUTH 14°23'59" EAST 55.81 FEET; THENCE SOUTH 85°25'44" WEST 43.27 FEET TO THE OUTSIDE EDGE OF AN EXISTING STRUCTURE; THENCE NORTH 5°30'47" WEST 1.55 FEET ALONG OUTSIDE EDGE OF SAID STRUCTURE; THENCE SOUTH 85°10'41" WEST 12.14 FEET ALONG OUTSIDE EDGE OF SAID STRUCTURE; THENCE SOUTH 2°59'41" EAST 1.18 FEET ALONG OUTSIDE EDGE OF SAID STRUCTURE; THENCE SOUTH 85°25'44" WEST 10.12 FEET; THENCE SOUTH 4°13'34" EAST 2.69 FEET TO THE OUTSIDE CORNER OF BEFORE MENTIONED STRUCTURE THENCE NORTH 48°00'08" WEST 3.39 FEET, ALSO BEING A FENCE CORNER; THENCE SOUTH 86°06'29" WEST 19.19 FEET ALONG SAID FENCELINE; THENCE NORTH 32°25'07" WEST 7.03 FEET; THENCE NORTH 9°13'36" WEST 14.84 FEET, THENCE NORTH 7°38'36" WEST 26.14 FEET; THENCE NORTH 78°47'21" EAST 69.47 FEET ALONG THE NORTHERLY PROPERTY LINE OF LOT 17 TO THE POINT OF THE BEGINNING.

PROPERTY ADDRESSES:

(PARCEL 2)
221 MAIN STREET
PARK CITY, UT 84060

(PARCEL 3)
222 GRANT AVENUE
PARK CITY, UT 84060

**ADDENDUM NO. 1 TO
REAL ESTATE PURCHASE CONTRACT**

THIS IS AN [x] ADDENDUM [] COUNTEROFFER to that REAL ESTATE PURCHASE CONTRACT (the "REPC") with an Offer Reference Date of July __, 2006 , including all prior addenda and counteroffers, between Avenue Communities, LLC, or its assigns, as Buyer, and as Seller, Park City Municipal Corporation, regarding the Property located at 445 Marsac Avenue. In the event of any inconsistency between the terms of this Addendum and the REPC, the terms of this Addendum shall govern and control:

1. The Seller shall, at its sole cost and expense, provide to Buyer a Phase I Environmental Assessment and a Soils Analysis and Report. The ALTA Survey, Phase I Environmental Assessment and a Soils Analysis and Report are collectively referred to herein as the "Reports."
2. Buyer shall have the right to assign the REPC, subject to Seller's prior approval which shall not be unreasonably withheld and provided such assignment shall not relieve Buyer from its obligations hereunder in the event the assignee fails to perform such obligations.
3. The REPC is subject to City Council approval or rejection at a public meeting. Buyer shall have the time period commencing on the date the REPC and this Addendum are executed and deposited with escrow and escrow is opened ("Opening of Escrow"), and continuing until the date which is the later of (a) thirty (30) days after the Opening of Escrow or (b) ten (10) days after delivery of the Reports (the "Evaluations & Inspections Deadline") within which to perform, at its sole cost and expense, physical inspections and other due diligence pertaining to the Property, and to decide, in Buyer's sole discretion (for any reason or for no reason), whether the Property is in all respects satisfactory to Buyer. On or before 5:00 p.m., Park City, Utah time, on the date the Evaluations & Inspections Deadline expires, Buyer shall provide written notice to Seller and Escrow Agent of its approval or disapproval of the results of its due diligence investigation. If Buyer is not satisfied, in its sole and absolute discretion, with the results of its due diligence investigation, Buyer may terminate the REPC by written notice to Seller and Escrow Agent delivered on or before 5:00 p.m., Park City, Utah time, on the date the Evaluations & Inspections Deadline expires. Buyer's failure to timely deliver written notice of approval or termination, on or before the date set forth above shall be deemed Buyer's approval of this transaction. Upon proper termination, Buyer shall be entitled to the return of the Earnest Money Deposit and any interest earned thereon and thereafter, except for any covenants or obligations which by the express provisions of the REPC are intended to survive a termination of the REPC, neither party shall have any further rights or obligations hereunder.
4. Possession of the Property shall be delivered at Closing.
5. Each party warrants to the other that it has dealt with no Agent or Broker other than those listed in Section 5 of the REPC. Each party indemnifies the other against any claim, loss, cost or expense arising out of a breach of the said warranty.
6. Seller shall deliver physical possession on the day of Closing. Notwithstanding any provision of the REPC to the contrary, Buyer agrees to take the Property subject to any lease, including leases entered into subsequent to the day hereof, so long as any such lease is terminable by landlord on thirty days prior notice to tenant.

BUYER AND SELLER AGREE THAT THE CONTRACT DEADLINES REFERENCED IN SECTION 24 OF THE REPC (CHECK APPLICABLE BOX): ☐ REMAIN UNCHANGED ☒ ARE CHANGED AS FOLLOWS: See Section 3 of this Addendum.

To the extent the terms of this ADDENDUM modify or conflict with any provisions of the REPC, including all prior addenda and counteroffers, these terms shall control. All other terms of the REPC, including all prior addenda and counteroffers, not modified by this ADDENDUM shall remain the same. **☒ Seller ☐ Buyer** shall have until 5:00 ☐ AM ☒ PM Mountain Time on July __, 2006, to accept the terms of this ADDENDUM in accordance with the provisions of Section 23 of the REPC. Unless so accepted, the offer as set forth in this ADDENDUM shall lapse.

☐ Buyer ☐ Seller Signature (Date) (Time) ☐ Buyer ☐ Seller Signature (Date) (Time)

ACCEPTANCE/COUNTEROFFER/REJECTION

CHECK ONE:

☐ ACCEPTANCE: ☐ Seller ☐ Buyer hereby accepts the terms of this ADDENDUM.

☐ COUNTEROFFER: ☐ Seller ☐ Buyer presents as a counteroffer the terms of attached ADDENDUM NO. ____.

(Signature) (Date) (Time) (Signature) (Date) (Time)

☐ REJECTION: ☐ Seller ☐ Buyer rejects the foregoing ADDENDUM.

(Signature) (Date) (Time) (Signature) (Date) (Time)

THIS FORM APPROVED BY THE UTAH REAL ESTATE COMMISSION AND THE OFFICE OF THE UTAH ATTORNEY GENERAL, EFFECTIVE AUGUST 5, 2003. IT REPLACES AND SUPERSEDES ALL PREVIOUSLY APPROVED VERSIONS OF THIS FORM.