PARK CITY COUNCIL MEETING MINUTES
1255 PARK AVENUE
PARK CITY, SUMMIT COUNTY, UTAH 84060

July 31, 2019

The Council of Park City, Summit County, Utah, met in open meeting on July 31, 2019, at 9:45 a.m. in the Park City Library Community Room
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CITY COUNCIL RETREAT

ROLL CALL

Attendee Name	Status
Mayor Andy Beerman Council Member Becca Gerber Council Member Tim Henney Council Member Steve Joyce Council Member Lynn Ware Peek Council Member Nann Worel Diane Foster, City Manager Matt Dias, Assistant City Manager Margaret Plane, Special Counsel Michelle Kellogg, City Recorder	**Present**
None	**Excused**

<u>Visioning 2020 Update, Survey Review, and Discussion:</u>
David Beurle, Future IQ, stated the surveys and meetings would run through January 2020. He showed the responses received from the first survey and noted the challenges facing Park City in the next five to 10 years, which included transportation, sense of community, environmental issues, affordable housing, tourism destination, retaining the small town charm, etc. He reviewed the analysis that was being done with the responses. Beurle explained that a think tank was formed and the participants spent three hours developing different scenarios of what Park City might look like in the future. The scenarios included Staying the Same in a Smart Way, Embracing Radical Change, Amusement Park City (having very few locals), and the Lifts are Turning but No One's Home. The majority of the group favored the radical change category for the City, although the expected outcome was the Amusement Park City category. Council Member Henney asked about the diversity of the group since the overwhelming majority

was like-minded. Jager stated the group was very diverse in ethnicity, income levels, etc. Council Member Henney was interested to how diverse they were philosophically. Mayor Beerman stated he was in attendance both days, and was surprised by the group's strong push toward aggressive action. He was pleased that there was good alignment/support for current priorities which would be needed when the solutions get hard.

Council Member Henney felt the City had pivoted to change and was now implementing those changes. Council Member Gerber thought the group might hope for change, but didn't trust that the City would accomplish its goals. It was indicated the group might not have faith that the community could accept the radical change. Council Member Gerber noted the Council had focused on keeping Park City Park City, but if the community visioning reflected radical change was the desire, Council could react to that direction. Mayor Beerman noted after the last visioning, the Council started making changes, but those changes were pruned down due to the new General Plan, elections, and response from the community. He cautioned that this new goal would be a reflection of our best selves, but the reality might be different.

Jed Briggs, Budget Manager, and Linda Jager, Community Engagement Manager, indicated they were working to get survey responses from all the groups in the community. Myles Rademan, Think Tank member, compared this process to previous visioning processes, and noted some in the group were thinking aspirationally and not realistically. He was a little more cautious of actual outcomes because of fiscal constraints. Chris Cherniak, Think Tank member, pointed out the feeling of the group was that the community was already in the Amusement Park City category.

Selene Beurle discussed the Vision 2020 survey questions and indicated they included both open ended and multiple choice questions. Jager stated outreach would continue and Council would continue getting updates. Council Member Worel stated the matrix was a sophisticated and complicated tool. She asked how this would be disseminated into the community so the next survey based on the matrix would be understood and responded to by all groups. It was indicated Future IQ had done this many times and could explain it to the average person's understanding. Mayor Beerman thanked Future IQ and stated the software for this process was outstanding. He was confident they would glean and filter information in an efficient and grand way.

Financial Presentation – Financial Impact Assessment Report (FIAR):

Jed Briggs and Nate Rockwood, Budget Managers, presented this item. Rockwood reviewed the financial strength of the City and indicated that bonding restricted cities to

4% of the assessed valuation of all property within the City limits. The City currently had a 1% bond debt ratio.
Briggs stated the FIAR was built around the General Fund, and noted Transit, Fleet, and Golf were Enterprise Funds and not included in the FIAR. Included in the FIAR was a 4.5% General Fund increase per year, as well as an increase in property tax each year. After the revenue was put into the graph, the Capital Improvement Projects (CIP) expenses, debt service, operating level of service (LOS), inflation, and revenue was added. Rockwood explained the different revenues and indicated it was good to cap the projected 4.5% General Fund increase since sales tax and other revenues were not stable year over year. He stated property tax was the most stable revenue, but over the years the sales tax revenue had grown and property tax was now a smaller portion of the City's overall revenue.

Rockwood explained the truth in taxation process for cities raising property taxes in order to keep up with the level of service. Briggs noted if the projected revenue was raised from 3% to 6% per year, there would not be a deficit in the graph. Rockwood indicated when new growth was brought into the equation, the level of service expenses had to be added as well. Council Member Joyce stated 3% revenue and 4.5% expenses would surely bring a deficit to the graph, which made it useless. Rockwood stated the graph was good for the City to use for forecasting so bonds or other revenue sources for the City could be considered. He indicated when the deficit became a reality; Council would need to decide if it should raise property taxes. Council Member Henney stated the graph was helpful because it prepared him for a property tax conversation with the community.

Briggs reviewed revenues by department and the consequent fluctuations during economic downturns. Rockwood stated the City was aggressive with its spending, but had very good fail-safes.

Military Installation Development Authority (MIDA) Update:
Paul Morris, MIDA Executive Director, reviewed the initiation of MIDA and stated the government wanted a military recreation area and had land in Park City, known as the Red Maple property. Park City didn't want a hotel on that open space, so MIDA found property in Wasatch County, around the Jordanelle Reservoir. His team now needed the consent from the owners of the properties making up the project area. He noted the Red Maple property would eventually be sold to Park City for $2 million, to be kept as open space. He explained the layout of the village in the recreation area and noted there would be six hotels, an ice rink, and shops.

A citizen asked what the negotiations were with Deer Valley. Morris stated there was a non-disclosure agreement, but indicated things were going well and an agreement should be in place by September. Rademan asked about the workforce housing for the site. Morris stated they were complying with Wasatch County's requirements and they would have on-site housing with differential pay for employees commuting. Council Member Henney asked about the relationship between MIDA and Wasatch County. Morris said they spoke continuously and were in sync with their goals.

Video Presentation:
Matt Dias showed a video about the results that had come from economic development grants given over the years.

Housing Discussion:
Anne Laurent, Community Development Director, stated the City wasn't just building affordable housing for cheap housing, but was building community and reinvesting in neighborhoods. Government couldn't solve the housing problem, but the City was working with private organizations to help improve the situation. She noted the affordable housing units built by the City were units that anyone would be able to live in, meaning they were nice, quality units.

Laurent displayed a graph showing the income range of residents from 1990 to 2016 and commented on the great disparity of wages now compared to 30 years ago. She indicated the initial goal was to infill within the City limits. Now the housing goals kept in mind historic preservation, sustainability and transportation, which were the City's critical priorities. She reviewed the City's projects and potential projects.

Council Member Henney asked about the appeal of the Woodside II affordable housing project. Laurent noted the appeal was denied except for the setbacks. This project was going back to the Planning Commission to justify the reduced setbacks and discuss the impacts to those setbacks. Based on the Planning Commission's decision, it could be appealed again or go to District Court.

Laurent stated there was an affordable housing shortage and the middle income families were taking the rentals from lower income families because of the unaffordability of the market. Rockwood reviewed the City's housing model where the proceeds from completed projects would go back into the fund for additional housing projects. He crafted a rental model that was geared to affordable rentals and explained the model. Twenty five year fixed rate bonds would be used for the construction of the units. There would be an HOA fee that would include utilities, the management fee and maintenance. Council Member Gerber asked if the lease could be tied to where they were employed. Laurent affirmed that it could be tied to employer. Rockwood recommended using this model in the Arts and Culture district and other properties in the City. Council Member Worel asked if the units could be sold at market rate. Rockwood stated the Housing Authority would issue the bonds. In 15 years, they could sale these units with deed restrictions on them. He was excited to see this model because the numbers worked to make this project truly affordable.

Council Member Joyce indicated the Arts and Culture District was planned to be vibrant with a lot of night life, and requested the units be planned with a target audience in mind. Rockwood stated an expectation would be set so renters would know what they would encounter. It was indicated the Homestake parcel was more secluded. Mayor Beerman stated this model accomplished a community goal, but he was concerned that it would give the big employers less incentive to build their own affordable housing. Rockwood stated there was potential to partner to work together to get this built. Council Member Henney supported employers taking responsibility for seasonal workforce housing, but stated this was community workforce housing. Further discussion ensued on the makeup of the workforce.

Laurent indicated there were a few challenges with affordable housing. There were fears from the community of losing the small town feel, the land was expensive and the City was not looking at outside federal funding. Three policy questions were asked: Did Council want to refine the affordable housing program policy, especially the quality vs. quantity and opportunities? Did Council support implementing the rental funding model for the Homestake Lot and Arts and Culture projects? Did Council support initiating and broadening the intergovernmental regional housing conversations?

Council Member Joyce didn't want to be a landlord and hoped the City could work with the private sector to accomplish its housing goal. Council Member Gerber indicated Council could have a discussion on the housing authority, its responsibilities, etc. She liked the quality of the affordable housing, and indicated she wanted to understand what other entities were doing.

Council Member Ware Peek thought the quality of the housing was a bit spendy. Laurent stated the for-sale units had more quality because they lasted longer. Since rentals were abused a bit more, the materials wouldn't be as nice. Council Member Ware Peek stated she would support broadening the intergovernmental regional housing conversation.

Council Member Worel was skeptical of being a landlord and asked for more options. Rockwood clarified that the City would contract with a management company for those services. He noted the City would definitely be a landlord over the Arts and Culture district. Council Member Joyce stated he liked rentals because the renters would have to requalify when their leases expired.

Council Member Henney asked to define the last question. Laurent stated years ago the City tried having a housing conversation with Summit County, but it didn't go well. She hoped to have a housing discussion with surrounding entities since affordable housing shortages were now felt by all entities. Rockwood indicated the State recognized there was a housing problem and now a commission had been set up. Housing authorities were being set up, so the City was involved with that. Council Member Henney supported the City continuing in its involvement with other entities. He also supported the quality of finishes that had been standard thus far in the units as well as implementing the rental model that was proposed. Mayor Beerman felt quality was key to integration and the City was fine on the quality. He was interested in proceeding with Council Member Gerber's idea to expand the authority of the housing authority, and working with regional entities.

Transportation Discussion:

Alfred Knotts shared Transit statistics from 2018. He reviewed the Transit organizational chart and noted the new employees within this department. He reviewed costs and indicated costs went up as service expanded. Council Member Joyce stated it would be impressive only if ridership went up as well. Jerry Benson stated tracking hours helped in measuring costs. Increased hours gave the benefit of increased service which would eventually increase ridership. It was indicated this increase was necessary for federal funding. Knotts acknowledged that the Homestake shuttle was an unproductive route and it brought the numbers down system-wide. He stated the ridership this past May compared to last May showed a great increase in ridership, which was a month that was normally low for ridership. Council Member Gerber asked if weather affected ridership, to which Knotts responded that weather could affect ridership a little, but noted year-round, ridership was up 13%. Going forward, there would be work on the app, parking, and more.

Knotts gave Council some considerations for Transit, including shifting to year-round service, focusing on the resident/commuter market, etc. He stated 56% of riders used Transit five to seven days per week. One proposed project was a neighborhood connectivity project, where a vehicle would take a single individual to the hospital, the Homestake lot, the Health Department, Peace House, Park City Heights and/or the

Christian Center/Senior Center. Knotts hoped to change the scope so the vehicle was demand-based and not on a circulator route. He thought this would benefit the community in a better way. Council Member Worel related an experience of trying to get a bus route to the hospital and health department, and couldn't get the required passengers needed to constitute a bus route. She thought there was potential in that area for ridership. Mayor Beerman was in favor of this pilot project. Knotts noted if this on-demand service replaced Homestake and Dial-a-Ride, there should be a cost savings. Council Member Joyce stated the cost would range up to $35 per ride, and noted Uber could take that person for $10, so he didn't understand why the City didn't just pay for that person's Uber ride. He was concerned this option would prevent ride sharing. Knotts stated the target areas would receive multiple calls and there would be ride sharing. He thought the route would start small and grow into a permanent route. Council Member Worel stated a challenge to getting people to their health appointments was the varied appointment times, and she suggested having certain windows of time reserved for appointments where the patient would be arriving via transit. Council Member Henney asked to see a cost comparison of the service if it was performed by the private sector. Benson stated it was hard to measure with so many variables, and suggested implementing the program and then evaluating and contracting out if that was a more feasible option. Knotts indicated this would come back in a future work session.

Adjournment

With no further business, the meeting was adjourned.

Michelle Kellogg, City Recorder