PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
JULY 13, 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, July 13, 2006.

PCRC Interviews – City Council Chambers
3:30 p.m. Interview process
3:45 p.m. Donald Feagan (phone)
4:00 p.m. Jerry Bush

Executive Session – City Council Chambers
4:15 p.m. Motion to close for personnel

Work Session – City Council Chambers
5:35 p.m. Council questions/comments
5:45 p.m. Police Building construction project

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)

IV WORK SESSION NOTES AND MINUTES OF MEETING OF JUNE 29, 2006

V RESIGNATIONS AND APPOINTMENTS

1. Two appointments to the Planning Commission for terms expiring July 1, 2010

2. Three appointments to the Historic Preservation Board for terms expiring July 1, 2009

3. Three appointments to the Recreation Advisory Board for terms expiring July 1, 2009

VI NEW BUSINESS

1. Ordinance amending Title 13, Water Code, of the Municipal Code of Park City, Utah by adding Section 13-1-28, Water Source Protection Plan

(a) Public hearing
(b) Action

2. Authorization to the City Manager to execute a Second Addendum to the Professional Services Agreement, in a form approved by the City Attorney, with Carollo Engineers, for the design and construction management of the Judge Water Treatment Plant, in an amount not to exceed $234,020

4. Authorization to the City Manager to execute a contract with Jacobsen Construction Inc., in a form approved by the City Attorney, in an amount not to exceed $6,035,085 for the construction of the police facility

VII ADJOURNMENT

A majority of City Council members may meet socially after the meeting. If so, the location will be announced by the Mayor. City business will not be conducted.

Pursuant to the Americans with Disabilities Act, individuals needing special accommodations during the meeting should notify the City Recorder at 435-615-5007 at least 24 hours prior to the meeting.

Posted: 07/10/06
See: parkcity.org

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
JULY 20, 2006

PUBLIC NOTICE IS HEREBY GIVEN that the City Council of Park City, Utah will **not** hold its regularly scheduled meeting on Thursday, July 20, 2006.

Posted: 07/10/06
See: parkcity.org

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

July 2006

20 **No meeting**
24 Pioneer Day – offices closed
27 Humanities award – Sally Elliott
Amendment to fee resolution (administrative code enforcement)
Ordinance - LMC amendments to Chapters 2 and 15
Ordinance – 1315 Mellow Mountain Road, April Mountain plat amendment
Continuation of Ordinance - 259-263 Norfolk Avenue – condo plat action/subdivision
Rink – fee increase and naming rights
Amendment to encroachment permit for Rail-Trail at Rail Central – Centura Development

August 2006

3 Quarterly update
Brewpub lease assignment – RDA
Ordinance – open space bond election - Myles
10
17 Presentation by Dr. Laura Nelson (hold)
24 One year review of Ordinance No. 05-49, outdoor display of merchandise – Ray
One year review of land use associated with purchase of Aerie Drive/Deer Valley Drive property - Myles
31 **No meeting - Dana gone**

September 2006

7 **No meeting – city tour**
14
21
28

October 2006

5
12 **No meeting – UEA weekend**
19
26

November 2006

2
9
16
23 **No meeting**
30

Pending Items:
Snow removal service levels
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

PARK CITY COUNCIL WORK SESSION NOTES
SUMMIT COUNTY, UTAH
JUNE 29, 2006

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

Tom Bakaly, City Manager; Mark Harrington, City Attorney; Alison Butz, Consultant

Bridgette Stephan, Utah Clean Energy

1. Alternative energy – Park City Ice Arena. Mayor Williams introduced engineer Bridgette Stephan from Utah Clean Energy. Alison Butz explained that the initial concept contemplated using wind power to fuel the Zamboni at the rink but it was discovered that it requires the level of power needed for two households. Additionally, in order to move forward, a Land Management Code amendment is recommended to provide for a conditional use permit process to allow installation of turbines in the City. She relayed that this was always considered a demonstration project or a working symbol promoting renewable energy alternatives.

Mayor Williams strongly believed that the turbine should be placed in an area with the highest wind potential rather than installing it next to the building as a demonstration which would be more like a public art project. If it is functionally ineffective, he suggested locating the wind turbine between the two hills below the ridge line. The Mayor pointed out that thirty 50 foot high light standards in the parking lots will create significant visual impacts compared to a wind turbine between two hills; the view shed is from SR248. Jim Hier asked where else in the City the Mayor anticipates installations if this turbine is successful and recommended promoting the use of solar power which would not require amendments to the Code. The Mayor voiced his support of exploring all renewable energy sources.

In response to a question from Candace Erickson regarding the span of the blades on a larger turbine, Bridgette Stephan explained the variety of sizes and the cost savings associated with being selected as a beta test location. She pointed out that the equipment can be returned to the manufacturer if it is determined that the turbines don't work in Park City,. Ms. Butz interjected that the City would cover the costs of installation like conduit work. Ms. Erickson continued that both she and Mr. Hier spoke about solar power at the last work session on renewable energy and Alison Butz indicated that staff is still exploring this option. Council member Erickson felt that a desired result would be encouraging the resorts to utilize wind power for their operations and Jim Hier agreed and stated that he could support promoting this technology on the mountain. Joe Kernan preferred using the wind turbine as an educational tool that people can easily see. Roger Harlan felt it most prudent to install a turbine with the capacity to effectively power the Zamboni rather than just providing an educational tool for the public. He believed the City should also look at other options like solar. The Mayor again referred to impacts of thirty 50 foot high lighting standards in the parking lots. Joe Kernan added that the project doesn't need to be tied to the Zamboni and could relate with the overall reduction in kilowatts usage.

Mayor Williams stated that if Park City is chosen as a test site, cots will be minimal and probably under $10,000. Alison Butz reiterated that conduit work that will need to be completed by the City before installation of the equipment occurs. There was discussion about wind *tunnel* technology. Jim Hier stated that he understands the interest in the promotion of renewable energy to reduce reliance on fossil fuels but felt the test should be specific to Park City. Ms. Butz discussed Park City Mountain Resort's efforts in using wind. Park City has the potential of being chosen as a beta test site; the next step could be testing wind at the rink which hasn't been accomplished yet. The Mayor suggested moving ahead with the project rather than conducting a wind test because the equipment can be removed in a year. In response to a question from Jim Hier, it was pointed out that the conditional use process is suggested for the ROS District only. If the goal is demonstration, Roger Harlan suggested building a *fake* one.

Discussion ensued on the reduced cost of $2,500 per turbine if Park City is chosen as a beta test site and there would be some discounted rate for the purchase of multiple turbines. Ms. Stephan added that turbines can be placed on multi-use poles like light standards. The majority of Council members were comfortable with a turbine being located higher on the hill with the caveat that solar continues to be explored. Ms. Butz indicated that she will return with information on the turbine model, associated costs and staff will move ahead on amendments to the LMC. Candace Erickson suggested that before proceeding with preparing the site, Council should have information on the option of installing turbines on the light standards. Tom Bakaly understood direction to be to proceed with amendments to the Code, return with location options including light poles, and continue to explore other renewable energy sources.

2. Interviews for Planning Commission and Historic Preservation Board. The Mayor and City Council conducted the following discussion and interviews:

3:15 p.m.	Interview process
3:30 p.m.	Gary Kimball - HPB
3:45 p.m.	Puggy Holmgren - HPB
4:00 p.m.	Nancie Putnam – HPB (no show)
4:15 p.m.	Todd Ford - HPB
4:30 p.m.	Doug Stephens - PC
4:45 p.m.	Mark Huber – HPB (no show)
5:00 p.m.	Ken Martz - HPB
5:15 p.m.	Laura Suesser - PC
5:30 p.m.	Julia Pettit – PC

Prepared by Janet M. Scott, City Recorder

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
JUNE 29, 2006

I ROLL CALL

Mayor Dana Williams called the regular meeting of the City Council to order at approximately 6 p.m. at the Marsac Municipal Building on Thursday, June 29, 2006. Members in attendance were Dana Williams, Marianne Cone, Candace Erickson, Roger Harlan, Jim Hier, and Joe Kernan. Staff present was Tom Bakaly, City Manager; Mark Harrington, City Attorney; Lloyd Evans, Chief of Police; Patrick Putt, Planning Director; Ray Milliner, Planner, and Pace Erickson, Streets Manager.

II COMMUNICATIONS AND DISCLOSURES FROM COUNCIL AND STAFF

1. Swearing-in of Police Officer Jeremy Eaton – Police Chief Lloyd Evans introduced Jeremy Eaton and the Mayor administered the Oath of Office.

2. Council questions and comments – Roger Harlan commended staff on an informational mailing and expressed that the primary election went smoothly with the new electronic voting machines. He spoke about the School Superintendent's unexpected resignation. Jim Hier reported on a number of events or meetings he attended during the week including the UBC Commission, HMBA, Chamber, golf tournament, IHC task force, interagency task force, Summit County Assessor, and the transit plan committee. He relayed that he asked members of the HMBA to render a position on motorcycle parking on Main Street and noted that the Chamber Board of Directors adopted its annual budget which focuses on marketing Park City. Marianne Cone updated the group on Ski Utah business and commented on an unfortunate accident at the Intersection of SR224 and Landmark Road. UDOT has been notified about the confusing pedestrian signaling. Candace Erickson stated that she attended a ULCT meeting where upcoming potential legislation was discussed and the City shared its Citizen's Budget with other cities. She commented on the meeting with the County Assessor and the plans to meet with Park City's new state representatives. She invited the public to Friends of the Farm activities. Ms. Erickson discussed the excellent trail system in Sun Valley and her interest in improving the City's trails. Joe Kernan stated that he attended the School District meeting where he commented on possibly covering the District's $2 million shortfall with projected property tax surpluses from exclusive developments coming on line. He spoke about installing better signage from Deer Valley Drive to cross Poison Creek and disclosed that with regard to the Silver Strike Subdivision, Royal Street and Talisker Corporation are his customers. Council member Kernan added his regrets in losing David Ure as a state representative during last week's primary election.

Mayor Williams announced that Tom Bakaly has been elected to the Utah Managers Association's Board. He attended a Mosquito Abatement meeting, National Cooperative Soil Survey Convention, and an Environmental Conference and thanked everyone involved in the success of our bio-fuel program for our bus fleet.

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

1. *Car-Free Friday* – Carol Potter of Mountain Trails Foundation reminded the public to participate by walking, biking, or riding the bus to work tomorrow.

2. Motorcycle parking spaces on Main Street – Kate Dordan, Crosby Collection, 419 Main Street, stated that the designated motorcycle parking in front of their front door is in the wrong place. She understood it was chosen because it is only 2.5 parking spaces in size, but feels three cars can park there. It's not a good idea to park motorcycles on an angle on Main Street. It's confusing for riders whether they are required to pay for parking. Ms. Dordan understood that this is a trial for the duration of the summer, but would like motorcycle parking removed as soon as possible. Personally, she felt that motorcycles should not be treated preferentially and the only people that should are the handicapped.

3. Electronic voting audits – Kathy Dopp, election reform enthusiast, discussed information published by the Brennan Center Task Force on protecting electronic voting and explained in detail credentials of various prestigious participants on the board. The U.S. League of Women Voters passed a resolution in favor of voter verifiable paper ballots and audits with every voting system. She stated that the Diebold voting system does not utilize basic security measures and asked Council to request an opinion from the Utah State Attorney General's Office on conducting routine independent audits acknowledging that the Summit County Attorney rendered a position. There have been four scientific reports in the last week that have been widely reported nationally, but not here in Utah.

Roger Harlan expressed his interest in raising awareness to vote. Tom Bakaly suggested that the ULCT take a look at this issue, which will involve all cities. Candace Erickson stated that she will bring this up at a meeting tomorrow at the ULCT and report back. Jim Hier expressed that any major switch in equipment warrants an audit.

Sharon Christiansen complained that the Park Record did not publish a list of candidates and voters were uninformed. Ms. Dopp recommended that an independent advisory board be formed; there are a number of PhDs, mathematicians, and computer scientists who live in Summit County.

With no further comments, the public input session was closed.

IV WORK SESSION NOTES AND MINUTES OF MEETING OF JUNE 8 AND JUNE 15, 2006

Roger Harlan, "I move approval of the work session notes and minutes of the meetings of June 8 and 15". Marianne Cone seconded. Jim Hier disclosed that he will be abstaining on the minutes of July 8th since he was not in attendance. Motion carried.

Marianne Cone	Aye
Candace Erickson	Aye
Roger Harlan	Aye
Jim Hier	Aye, abstention on 6/8/06 Minutes
Joe Kernan	Aye

V RESIGNATIONS AND APPOINTMENTS

Library Appointments of Christopher Cerniak, Bill Jahsmn, and Laurie Smith for terms expiring July 1, 2009 and Kris Weis for a term expiring July 1, 2008 – Candace Erickson, "I move we appoint Christopher Cerniak, Bill Jahsmn, and Laurie Smith for terms expiring July 1, 2009 and Kris Weis for a term expiring July 1, 2008". Jim Hier seconded. Motion unanimously carried.

VI CONSENT AGENDA PUBLIC HEARINGS

1. Ordinance approving a condominium plat vacation and subdivision for 259-263 Norfolk Avenue **(motion to continue to July 22)** – The Mayor requested a motion to continue. Jim Hier, "I so move". Marianne Cone seconded. Motion unanimously carried.

2. Ordnance approving the Silver Strike Subdivision located on Silver Strike Trail, Pod A, Village at Empire Pass, Park City, Utah – Patrick Putt, Planning Director, explained that the subdivision would create two lots of record for eleven PUD-style units on Lot 1 and seven units on Lot 2. The units are reviewed under an administrative conditional use permit process and the Planning Commission forwarded a positive recommendation based on the attached ordinance. The Mayor opened the public hearing and with no comments, closed the hearing.

3. Ordinance approving the Park City Fire District Station No. 38 Subdivision located at 1798 Deer Valley Drive North, Park City, Utah – Ray Milliner explained that this is a one lot subdivision of a metes and bounds parcel to accommodate a fire station at 1798 Deer Valley Drive North. The Planning Commission approved a CUP in January and staff recommends approval pursuant to the conditions, conclusions and findings outlined in the staff report. The Mayor opened the public hearing.

Mike Sweeney asked if this project will trigger the closure of the Park Avenue station. Jim Hier believes that he is confusing this with the fire station planned for the old sewer treatment plant site. The subdivision plat has been approved but the real estate purchase contract will be discussed at an upcoming public meeting. Marianne Cone added that the Park Avenue station will not be eliminated until the two new stations are operational. With no further comments, the public hearing was closed.

4. Ordinance approving a six month extension to the plat amendment to combine all of Lots 12, 13, 14 and portions of Lots 11, 15, and 16, located at 147 and 151 Main Street, of the Park City Survey into one lot – Ray Milliner explained that an extension is warranted. Joe Kernan disclosed that the owner is a business client of his. The Mayor opened the public hearing, and with no comments, closed the hearing.

5. Ordinance establishing compensation for the Mayor, City Council and Statutory Officers for Fiscal Year 2006-2007, Park City, Utah – Mayor Williams opened the public hearing and with no comments from the audience, closed the public hearing.

VII CONSENT AGENDA

Jim Hier, "I move we approve Consent Agenda Items 1 through 6". Roger Harlan seconded. Motion unanimously carried.

1. Ordnance approving the Silver Strike Subdivision located on Silver Strike Trail, Pod A, Village at Empire Pass, Park City, Utah – See staff report and public hearing.

2. Ordinance approving the Park City Fire District Station No. 38 Subdivision located at 1798 Deer Valley Drive North, Park City, Utah - See staff report and public hearing.

3. Ordinance approving a six month extension to the plat amendment to combine all of Lots 12, 13, 14 and portions of Lots 11, 15, and 16, located at 147 and 151 Main Street, of the Park City Survey into one lot - See staff report and public hearing.

4. Ordinance establishing compensation for the Mayor, City Council and Statutory Officers for Fiscal Year 2006-2007, Park City, Utah - See staff report and public hearing.

5. Resolution authorizing the City Manager of Park City, Utah to execute, file and accept applications, certifications, assurances, and agreements required for financial assistance from the United States Department of Transportation and the Utah Department of Transportation – See staff report.

6. Outdoor dining lease with Main Street Deli, located at 525 Main Street – See staff report.

VIII NEW BUSINESS

1. Award of the 2006 Pavement management contract to and authorization to the City Manager to enter into a Construction Contract, in a form approved by the City Attorney, with Staker & Parsons Company in an amount not to exceed $671,830 – Pace

Erickson explained that a portion of the pavement management program was approved but this scope was removed because of minor bidding technicalities. With the advice of the Legal Department, staff will waive the discrepancies and award the contact to the lowest responsible bidder, Staker. Oil prices have significantly driven the cost of asphalt, which is being rationed to projects. The patching program, for instance, is progressing, but slower than in the past. He stated that this represents about a 49% increase in asphalt costs from last year and the number of street repairs escalated this year because of last year's winter storms. In response to a question from Roger Harlan about anticipated completion dates, Mr. Erickson felt the October date is feasible and detailed improvements for Candace Erickson. Staff plans to broadcast PSAs to better inform residents about neighborhood street projects. Candace Erickson, "I move we award the the 2006 Pavement management contract to and authorization to the City Manager to enter into a Construction Contract, in a form approved by the City Attorney, with Staker & Parsons Company in an amount not to exceed $671,830". Marianne Cone seconded. Motion unanimously carried.

2. Ordinance amending Title 15 of the Park City Municipal Code, Land Management Code, establishing Section 15-2-23, Community Transition District and Section 15-6-8, a unit equivalent multiplier for I-Occupancy Uses – Patrick Putt explained that amendments include the creation of a zoning district and modifications to the master planned development chapter associated with unit equivalents. *I-Occupancy Uses* include hospitals. On July 14, 2005, the City Council adopted a resolution creating the IHC/USSA/Burbidge annexation task force who conducted a review and provided recommendations on the annexation petition as it relates to the proposed zoning, land use, affordable housing, transportation and economic impacts associated with the project. The work was completed in October 2005 and the task force unanimously recommended that a new zoning district be created, intended to implement the City's General Plan as well and the Quinns Junction Joint Planning Principles. The purpose of the new Community Transition District is to preserve the character of the area's existing open space, recreation, and institutional land uses, by clustering low density development in a manner that respects the entry corridor, sensitive lands and the existing open space. He added that low density public, quasi-public, institutional uses relating to community open space, recreation, sports training, tourism and health are encouraged uses in the CT Zone. Highway services and/or big box commercial land uses are prohibited. Limited residential development may be considered in the CT District through a master planned development and conditional use permit process. The permitted density is 1:20 acres, consistent with the base County zoning and density bonuses are allowed up to a maximum of 3:1 acre may be approved based on increased open space, trails, setbacks in the frontage protection zone, and affordable housing; and the incorporation of tiered parking, additional transit improvements, and green building designs.

Mr. Putt explained that the Planning Commission also made a recommendation that the master planned development chapter in the LMC as it relates to unit equivalents be modified to address the distinct differences between institutional and commercial buildings. Staff studied the net to gross square footages associated with different types of uses. For example, in order to achieve approximately 1,000 square feet of functional space for commercial-retail, approximately 1,200 square feet is recommended to be constructed while *I-Occupancy buildings* require somewhere between 1,850 to 2,000 square feet. This is based on IBC standards which require wider corridors, mechanical and building support space, etc. and the recommendation forwarded by the task force is to create a specific unit equivalent multiplier for I-Occupancy buildings of 1,666 square feet. These recommendations were unanimously approved by the Planning Commission. The Mayor opened the public hearing.

Mike Sweeney, developer, asked for clarification on the timing of awarding the bonus density. Pat Putt responded that final action on the density is determined during the master plan development process when criteria is applied to features of a project. Mr. Sweeny pointed out significant design costs and the value to developers of receiving a decision sooner in the review. Density bonus requests are addressed in the pre-application but an entitlement occurs when the Planning Commission approves a master plan development. Mike Sweeney reiterated his concerns and financing challenges when the density is unknown. Mr. Putt disagreed. The task force arrived at a series of standards that are easy to measure, i.e., open space or setback calculations. Mr. Sweeney interjected that although they can be measured, the developer is not guaranteed that the bonus will be granted. City Attorney Mark Harrington stated that criteria are all inter-related. Applications may meet some of the standards, for instance, but the traffic can't be mitigated. The process is much like a conditional use permit and the burden would be on the Planning Commission to demonstrate denial of the bonus when the standards are met. There is a fair amount of protection for the developer and the task force did a good job of specifying measurable standards as opposed to subjective language adopted by other communities. Mike Sweeney repeated his concerns about expending money on planning for density and felt there should be assurances to the developer. Ms. Erickson asked if the word *shall* will prompt disputes on meeting standards resulting in potential legal issues for the City and Mr. Harrington explained the requirement to comply with mandatory provisions. This is a transition zone where there has not been much planning to this point and this should be recognized, however, in his opinion, the verbiage is clear.

Jim Hier, "<u>I move we approve the Ordinance adopting the CT Zone as presented in the staff report</u>". Marianne Cone seconded. <u>Motion unanimously carried</u>.

3. <u>Ordinance annexing approximately 157 acres of property located at the northwest corner of the State Route 248/US40 Interchange in the Quinns Junction Area known as the Intermountain Healthcare/USSA/Burbidge Annexation into the corporate limits of Park City, Utah</u> – Planning Director Pat Putt stated that on November 3, 2005, IHC, USSA, and Burbs LLC submitted a petition to annex 157 acres of ground into Park City and referred to a vicinity map. The annexation petition was accepted by the City Council on November 18, 2005 which triggered a protest period; none were filed. The property is currently vacant and is zoned in Summit County as developable lands with a

base density of 1:20 acres or 1:40 acres depending on sensitive lands and topography. The site is adjacent to the newly annexed City recreation complex and within our annexation expansion area. He continued that the proposed zoning is CT-MPD and the proposal is to create four lots. One lot is for a hospital and medical campus, and one five-acre lot for USSA's headquarters and training facility, which is limited to USSA's administrative athletic training and other national governing body uses. With conveyance of this land, the City would have the right of first-refusal to purchase the property from USSA in the event it should sell and/or relocate. Any change in use would require City approval of a master planned development conditional use permit and compliance with affordable housing requirements. The third lot is a 13 acre lot for future expansion of the recreation complex and the fourth lot is a five-acre lot for a possible affordable housing site. The land uses proposed in the CT District include a community hospital and medical facility, support medical offices, public and quasi-public institutional uses, USSA headquarters and sports training complexes, public recreation uses, possible affordable employee housing and open space. The total proposed gross density at build-out is 535,000 square feet which equates to 2.64 units per acre and assigns the following square footages: 300,000 for the IHC; 85,000 USSA, and 150,000 for support medial office. He explained that the 50,000 of the 150,000 square feet may be developed within and in addition to the 300,000 square foot hospital. The first phase contemplates an 118,000 square foot hospital 13,000 square feet of shelled space for associated uses and 18,000 square feet of medical offices integrated into the building. The total first phase is 149,000 square feet. The second phase anticipates adding 90,000 square feet and 85,000 square feet in the third phase. The free-standing medical support space would be constructed in approximately four phases and consist of a maximum of 100,000 square feet (50,000 to be integrated into the hospital building). On July 14, 2005, Council established the annexation task force who forwarded positive recommendations on the CT District, the annexation's economic impact and fiscal analysis, mitigation of traffic and transportation impacts. On May 10, 2006, the Planning Commission reviewed and unanimously forwarded a positive recommendation on compliance with the General Plan, the Quinns Junction Planning Principles, and all required annexation standards.

Mr. Putt stated that this annexation is subject to affordable housing requirements as set forth in the Resolution No. 17-99, based on the time of application. These are not the newly adopted standards. The base employee affordable housing requirement for the development associated with the hospital is 44.78 affordable unit equivalents. The base employee affordable housing requirement is 10.71 unit equivalents for USSA; and 34.98 for medical support offices, for a total of 90.47 units. The applicant received a reduction of a little over 20 unit equivalents for the hospital's portion, recognizing the non-commercial, non-residential nature of hospital operations. The task force recommended a deferral of the 10.71 affordable unit equivalents in recognition for the donation of the five acres of land to USSA, a community-based non-profit organization. The deferral is contingent on continued ownership and occupancy by USSA or another community-based non-profit entity approved by the City. Any change in use will require an amendment to the MPD and CUP and full compliance with affordable housing requirements in effect the change was requested. The applicants have agreed to convey five acres of land for the possible construction of affordable housing units and the 44.78 affordable unit equivalent requirements associated with the hospital may be built on-site.

The task force based its recommendation on traffic issues in part on an access study provided by Horracks Engineers and felt it is reasonable for all developers within the annexation boundary area to pay for or offset the cost of all of the roadway and other necessary traffic mitigation improvements. It was also determined that access from SR248 be required for the proposed medical campus, offices, and athletic training complex. The current design and anticipated traffic associated with the field complex currently does not warrant an upgrade in the signalization. The applicants are responsible for providing all necessary access to the property from SR248 and all necessary intersection improvements, including one signalized intersection at the new entry road and SR248. He continued that they are also responsible for the coordination and costs associated with providing primary and secondary access to the development area and improvements to intersections and road connections to the City's recreation complex, which would be finalized during the MPD process.

The applicants will proportionately share in all future costs for necessary road improvements to SR248 and the task force also recommended that the costs associated with installing the traffic signal at the annexation property be credited toward the applicants' proportional share of the overall SR248 improvements. The applicants have also agreed to provide mitigation to the City for any potential loss of playing fields at the recreation complex that may possibly occur with the construction of the access. Mr. Putt stated that the final approved and detailed transportation mitigation and any associated cost-sharing will be approved at the MPD review stage as part of a technical report approved by the Planning Commission.

He referred to the ordinance and annexation agreement included in the meeting packet. The annexation agreement is in substantial compliance and form with the recommended action to approve, but it is possible that minor edits are necessary The City Attorney will review the document prior to the Mayor signing it.

Roger Harlan commended the work of the task force. He discussed the failed FHP hospital in Salt Lake and although he supports the proposal, voiced concerns about the long-term success of IHC. Marianne Cone requested a commitment about accepting other types of health insurance and Morgan Bush explained that the principle reason the hospital in Salt Lake failed was because of its restrictive health insurance policies. The insurance issue was a focus from the beginning and IHC has made a commitment that this facility will be a community hospital with a policy of contracting with all insurance companies on the same terms and conditions. He emphasized that they can't ensure that all insurance companies will enroll.

Candace Erickson asked the location of the five acres and Patrick Putt clarified that the annexation plat creates the boundary of the new property and the four lots will be created through the MPD and subdivision processes. Through illustration of a preliminary site plan, he showed the contemplated area for affordable housing. Ms. Erickson expressed concerns about building anything on those five acres because of visible impacts. Mr. Putt noted that this is not finalized and the five acre parcel could come from another lot. There was discussion of minor wording amendments that need to be made to the draft. Jim Hier requested that the housing language be finalized before the annexation agreement is adopted tonight. The Mayor opened the public hearing.

John Bergen, Mayor of Francis, Chair of COG, and Executive Board of Mountainlands, relayed the support of the Summit County Commission and the five mayors for the proposed hospital.

Shauna Hoppersted, resident, stated that she has worked with the Summit Community Healthcare Foundation since 2001. She is very proud and excited to see the project evolve and it has been a privilege to be a part of it. It will be a wonderful benefit for residents and visitors alike. She urged Council to approve the annexation.

Dr. Joe Ferriter, IHC Board, President of Park City Healthcare, past-Medical Director of the People’s Health Center, stated his support of the project because it will assist him in taking better care of his patients. He briefly discussed the demise of the FHP hospital and assured Mr. Harlan that this is a very different situation.

Dr. John Holtsen, radiologist, felt that IHC is the key to the hospital’s success. In 1999, he volunteered to serve on the original foundation committee to explore a hospital. The committee was designed to protect the interests of residents and physicians and to avoid profiteering. Over a period of months, IHC convinced the foundation of its commitment to the community. IHC’s integrity will guarantees long-term success.

Mark Wink, business manager Rosenberg-Coolie-Metcalf Clinic, relayed that their physicians have been practicing in Park City for about nine years. Surgical procedures are done in both Salt Lake City and Heber City and a facility in Park City will better serve their patients.

Roger Harlan asked if there will be a negative impact on the Heber Hospital and Mr. Bush responded that Heber is continuing to grow and it is a balancing act. He felt the hospital will realize a decrease in volume but will still be viable.

Joanne Charnes, foundation member, stated that the seniors are very much in support of the project. She noted that the word *hospital* has a negative connotation and this is a medical center which will provide preventative and other health programs.

Mike Sweeney asked the definition of an affordable housing unit. Jim Hier advised that it is in the LMC and is described as 800 square feet.

With no further comments, the public hearing was closed.

In response to Councilmember's Hier's earlier request for final language on housing, Putt read language to replace subparagraph (a). *"The petitioner has agreed to convey a five acre parcel to Park City Municipal Corporation for the expressed purpose of the petitioner providing affordable housing on that site. The petitioner's 44.7 affordable unit equivalent requirement associated with the IHC hospital's 300,000 square feet shall be constructed on this site. Additional affordable unit equivalents may be included on the site and shall be applied toward the 34.98 affordable unit equivalents required by the support medical office. The petitioner must receive all necessary legislative approvals before proceeding with the on-site development of affordable housing. Fulfillment of the remainder of the applicant's employee affordable housing requirement shall conform with the Affordable Housing Guidelines and Standards, Resolution No. 17-99"*. The Mayor recalled discussions on density transfers which is contrary to this verbiage. Patrick Putt recommended that the City Attorney author language that would allow that flexibility. Marianne Cone felt that Council can approve the agreement with modifications, but asked for a list of changes. Mark Harrington assured members that all other corrections are minor, i.e., grammatical errors and/or signature blocks.

Marianne Cone, "I move that we approve an Ordinance annexing approximately 157 acres of property located at the northwest corner of the State Route 248/US40 Interchange in the Quinns Junction Area known as the Intermountain Healthcare/USSA/Burbidge Annexation into the corporate limits of Park City, Utah (subject to final revision and modifications by the City Attorney)". Joe Kernan seconded. Motion unanimously carried. The Mayor thanked the task force and the many residents and professionals who participated in the process.

4. Ordinance amending the Official Zoning Map of Park City, Utah – The Planning Director explained that the Official Zoning Map must be adopted by the City Council and he detailed zone changes and annexations that have occurred over the last year and a half. He relayed that the IT staff was very helpful in getting this technology on board which allows staff to zoom in on neighborhood areas to see streets and zoning boundaries. There is also an ability to create and move mass and the map will be launched on our website once it is approved. The Mayor opened the public hearing and hearing no comments, closed the hearing.

Roger Harlan,"I move approval Ordinance amending the Official Zoning Map of Park City, Utah". Jim Hier seconded. Motion unanimously carried.

IX ADJOURNMENT

With no further business, the regular meeting of the City Council was adjourned.

MEMORANDUM OF CLOSED SESSION

The City Council met in closed session at approximately 2 p.m. Members in attendance were Mayor Dana Williams, Marianne Cone, Candace Erickson, Roger Harlan, Jim Hier, and Joe Kernan. Staff present were Tom Bakaly, City Manager; Tom Daley, Assistant City Attorney and Mark Harrington, City Attorney. Jim Hier, "I move to close the meeting to discuss property and litigation". Candace Erickson seconded. Motion carried unanimously. The meeting opened at approximately 2:50 p.m.

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

Prepared by Janet M. Scott

City Council Staff Report

PUBLIC WORKS

Author: **Kathy Dunks**

Subject: **SOURCE PROTECTION ORDINANCE**

Date: **JULY 13, 2006**

Type of Item: **Legislative**

Summary Recommendations:
Staff recommends Council adopt the Source Protection Ordinance as part of the City's Water Code.

Description:
Adoption of an ordinance protecting water sources from contamination.

Topic:
Source Protection Ordinance

Background:
Utah Division of Drinking Water regulations require all public water systems to prepare source protection plans to help prevent contamination of public drinking water sources. Rule R309-600 Drinking Water Source Protection for Groundwater Sources provides the rules for preparing the Source Protection Plan.

The first Drinking Water Source Protection (DWSP) Plan for Park City Municipal Corporation was prepared in 2000. It was then updated in 2004. The Rule requires the DWSP Plan to be updated every six years. Part of the DWSP Plan addresses Management Program for Future Potential Contamination Sources. Park City's plan called for adopting a Source Protection Ordinance to assist in future management.

Analysis:
The attached Source Protection Ordinance allows Park City to control future potential contamination sources within the source protection zones of the City's water sources. The ordinance was taken from the Utah Division of Drinking Water publication, *Groundwater Source Protection Users Guide*, and was modified in format to fit the City's standards.

The ordinance allows the City to control future contamination sources yet is flexible enough to allow the City to consider design controls in certain circumstances.

Department Review:

This staff report has been reviewed by Public Works, Building, Legal, and City Manager.

Alternatives:

A. Approve the Request:
Staff recommends Council adopt the Source Protection Ordinance as part of the City's Water Code.

B. Deny the Request:
Council could deny Staff's request. Denying the request would not allow the City to control future potential contaminant sources within the City's drinking water source protection zones.

C. Continue the Item:
Council could continue the request. Continuing the request would delay allowing the City to control future potential contaminant sources within the City's drinking water source protection zones.

D. Do Nothing:
Staff does not recommend this alternative. Denying the request would not allow the City to control future potential contaminant sources within the City's drinking water source protection zones.

Significant Impacts:
Staff does not foresee any funding implications from using this ordinance to control future potential contamination sources within drinking water source protection zones.

Adoption of the Source Protection Ordinance will provide the City with the tools to control future potential contamination sources within drinking water source protection zones.

Recommendation:
Staff recommends Council adopt the Source Protection Ordinance as part of the City's Water Code.

ORDINANCE AMENDING TITLE 13, WATER CODE, OF THE MUNICIPAL CODE OF PARK CITY, UTAH BY ADDING SECTION 13-1-28 WATER SOURCE PROTECTION PLAN

WHEREAS, Park City Municipal Corporation is a political subdivision of the state of Utah, authorized and organized under the provisions of Utah law; and

WHEREAS, the City has created a Water Source Protection Plan, this Ordinance shall be known as the "Drinking Water Source Protection Ordinance."

WHEREAS, the purpose of this Ordinance is to insure the provision of a safe and sanitary drinking water supply for Park City by the establishment of drinking water source protection zones surrounding the wellheads for all wells which are the supply sources for the Park City water system and by the designation and regulation of property uses and conditions which may be maintained within such zones.

WHEREAS, after holding a public hearing on July 13, 2006, the Mayor and City Council of Park City, Utah deem it in the best interests of its citizens to adopt a Drinking Water Source Protection Ordinance;

NOW THEREFORE BE IT ORDAINED:

Section 1. Amendment. Title 13, Water Code, of the Municipal Code of Park City, Utah is hereby amended to add Section 13-1-28, Drinking Water Source Protection, as follows:

(A) Definitions. When used in this Ordinance, the following words and phrases shall have the meanings given in this Section:

(1) Design Standard - means a control that is implemented by a potential contamination source to prevent discharges to the ground water. Spill protection is an example of a design standard.

(2) Land Management Strategies - means zoning and non-zoning controls which include, but are not limited to, the following: zoning and subdivision ordinances, site plan reviews, design and operating standards, source prohibitions, purchase of property and development rights, public education programs, ground-water monitoring, household hazardous waste collection programs, water conservation programs, memoranda of understanding, written contracts and agreements, and so forth.

(3) Pollution Source - means point source discharges of contaminants to ground water or potential discharges of the liquid forms of "extremely hazardous substances" which are stored in containers in excess of "applicable threshold planning quantities" as specified in SARA Title III. Examples of possible pollution sources include, but are not limited to, the following: storage facilities that store the liquid forms of extremely hazardous substances, septic tanks, drain fields, class V underground injection wells, landfills, open dumps, land filling of sludge and septage, manure piles, salt piles, pit privies, and animal feeding operations with more than ten animal units. The following clarify the definition of pollution source:

(a) Animal feeding operation - means a lot or facility where the following conditions are met: animals have been or will be stabled or confined and fed or maintained for a total of 45 days or more in any 12 month period, and crops, vegetation forage growth, or post-harvest residues are not sustained in the normal growing season over any portion of the lot or facility. Two or more animal feeding operations under common ownership are considered to be a single feeding operation if they adjoin each other, if they use a common area, or if they use a common system for the disposal of wastes.

(b) Animal unit - means a unit of measurement for any animal feeding operation calculated by adding the following numbers; the number of slaughter and feeder cattle multiplied by 1.0, plus the number of mature dairy cattle multiplied by 1.4, plus the number of swine weighing over 55 pounds multiplied by 0.4, plus the number of sheep multiplied by 0.1, plus the number of horses multiplied by 2.0.

(c) Extremely hazardous substances - means those substances which are identified in the Sec. 302(EHS) column of the "TITLE III LIST OF LISTS - Consolidated List of Chemicals Subject to Reporting Under SARA Title III," (EPA 560/4-91-011).

(4) Potential contamination source - means any facility or site which employs an activity or procedure, which may potentially contaminate ground water. A pollution source is also a potential contamination source.

(5) Regulatory agency - means any governmental agency with jurisdiction over hazardous waste as defined herein.

(6) Sanitary landfill - means a disposal site where solid wastes, including putrescible wastes, or hazardous wastes, are disposed of on land by placing earth cover thereon.

(7) Septic tank/drain-field systems - means a system that is comprised of a septic tank and a drain-field that accepts domestic wastewater from buildings or facilities for subsurface treatment and disposal. By their design, septic tank/drain-field system discharges cannot be controlled with design standards.

(8) Wellhead - means the upper terminal of a well, including adapters, ports, seals, valves and other attachments.

(B) Establishment of drinking water source protection zones. There are hereby-established use districts to be known as zones one, two, three, and four of the drinking water source protection area identified and described as follows:

(1) Zone one is the area within a 100-foot radius from the wellhead.

(2) Zone two is the area within a 250-day ground-water time of travel to the wellhead, the boundary of the aquifer(s) which supplies water to the ground-water source, or the ground-water divide, whichever is closer.

(3) Zone three (waiver criteria zone) is the area within a 3-year ground-water time of travel to the wellhead or margin of the collection area, the boundary of the aquifer(s) which supplies water to the ground-water source, or the ground-water divide, whichever is closer.

(4) Zone four is the area within a 15-year ground-water time of travel to the wellhead, the boundary of the aquifer(s) which supplies water to the ground-water source, or the ground-water divide, whichever is closer.

(C) Permitted uses. The following uses shall be permitted within drinking water source protection zones:

(1) Any use permitted within existing agricultural, single family residential, multi-family residential, and commercial districts so long as uses conform to the rules and regulations of the regulatory agencies.

(2) Any other open land use where any building located on the property is incidental and accessory to the primary open land use.

(D) Prohibited uses. The following uses or conditions shall be and are hereby prohibited within drinking water sources protection zones, whether or not such use or condition may otherwise be ordinarily included as a part of a use permitted under Section 4 of the ordinance.

(1) Zone one - The location of potential contamination sources as defined herein, unless they are controlled with design standards.

(2) Zone two - The location of pollution sources as defined herein, unless their contaminated discharges are controlled with design standards.

(3) Zones three and four - The location of potential contamination sources unless they are controlled through land management strategies.

(E) Administration. The policies and procedures for administration of any source protection zone established under this ordinance, including without limitation those applicable to nonconforming uses, exception, enforcement and penalties, shall be the same as provided in the existing zoning ordinance for Park City, as the same is presently enacted or may from time to time be amended.

(F) Effective Date. This Ordinance shall take effect upon publication.

PASSED AND ADOPTED this 13th day of July, 2006.

City Council Staff Report

PARK CITY 1884

Author: Kathy Dunks

Subject: JUDGE WATER TREATMENT PLANT DESIGN CONTRACT ADDENDUM #2

PUBLIC WORKS

Date: JULY 13, 2006

Type of Item: Administrative

Summary Recommendations:
Staff recommends Council authorize the City Manager to execute a Second Addendum to the Professional Services Agreement, in a form approved by the City Attorney, with Carollo Engineers, for the design and construction management of the Judge Water Treatment Plant, in an amount of $234,020.

Description:

Topic:
Judge Water Treatment Plant Design & Construction Management.

Background:
A Professional Services Agreement was originally signed with Carollo Engineers in December of 2002. Since that time, an Addendum has been added for the Environmental Assessment (EA) work in October of 2003 and other additional scope items have been negotiated into the contract. The design was delayed due to property issues at the proposed location of the water treatment plant. Alternate sites have been evaluated, but we have now proceeded with the design at the original location that was approved with the EA process. The summary below shows the changes to the contract to date:

	Amount	New Amt	Term Date
• Original Contract amount:	$462,517		12/31/04
• 10/30/03 First Addendum (EA):	$ 84,500		02/01/06
• Resulting Amended Contract:		$547,017	02/01/06
• 04/26/05 Auth for Pilot Testing Add'l Work	$ 47,876	$594,893	
• 04/26/05 Extension of Contract			12/31/05
• Existing JT Structural Assessment	$ 4,664		
• Site Geotechnical Evaluation	$ 9,050	$608,607	
• 7/13/05 Extension of Contract			12/31/07

Now that multiple solutions to the property issue have been identified for the original site and the design is being started, an additional addendum to the original contract is needed to adjust for increases in hourly rates over the 3.5 years since the original contract was signed.

Additional scope is also being added to cover changes needed in the design components (renegotiations with the membrane supplier, design of solids processing, and time spent on site evaluations.)

Analysis:
Carollo explained that the increase in their rates is not due to inflation alone. Each of their offices set their own hourly rates based on their employee's salary which takes into account the employee's years of experience, cost of benefits, local trends, etc. Salaries have increased over the 3.5 years of delay, benefit costs have increased, and the individuals assigned to the project have changed.

The original scope for the Final Design included a fee estimate based on hourly rates and estimated hours per task. The fee in 2002 was $200,435. The updated fee using current hourly rates and the original hour estimate is $241,337 ($40,902 increase or 20.4%). The additional scope adds another $54,504 for a new total of $295,841. This is a total increase of $95,406 or 47.6%.

The original scope for the Construction Management Phase included a fee estimate of $225,044. The updated fee using current hourly rates and the original hour estimate is $302,068 ($77,024 increase or 34.2%).

Previous additions to the contract total $61,590, or 11.3% of the amended contract value of $547,017. Changes up to 20% of the contract value are allowed under City purchasing policies without City Council authorization. The changes described above exceed the 20% threshold. The total additional contract value = $95,406 + $77,024 + $61,590 = $234,020. This will give an amended contract value of $547,017 + $234,020 = $781,037.

The proposed contract changes are summarized below:

Scope Item	Original Fee	Increase Due to Scope Change	Increase Due to Hourly Rates	New Fee
Final Design	$ 200,435	$ -	$ 40,902	$ 241,337
Additional Final Design Scope	$ -	$ 54,504	$ -	$ 54,504
Total Final Design Increase	$ 200,435	$ 54,504	$ 40,902	$ 295,841
Construction Management	$ 225,044	$ -	$ 77,024	$ 302,068
Previous Additions		$ 47,876		$ 47,876
(see previous table)		$ 4,664		$ 4,664
		$ 9,050		$ 9,050
Total Previous Additions		$ 61,590		$ 61,590
Totals	$ 547,017	$ 116,094	$ 117,926	$ 781,037

The most recent estimate for the treatment plant construction is $4M. The design portion of the contract is roughly 8.7% when not including the environmental and pilot testing work. The Construction management is about 7.6%. Staff feels for the complexity of this project, these are acceptable numbers and are close to industry standards.

Department Review:

This staff report has been reviewed by Public Works, Budget, Legal, and City Manager.

Alternatives:

Approve the Request:

Staff recommends Council authorize the City Manager to execute a Second Addendum to the Professional Services Agreement, in a form approved by the City Attorney, with Carollo Engineers, for the design and construction management of the Judge Water Treatment Plant, in an amount of $234,020.

Deny the Request:

Council could direct Staff to conduct another procurement. This would involve additional commitment of time and Staff resources. Staff does not believe significant cost savings would be realized. Denying the request would delay the design of the project which could jeopardize federal funding.

Continue the Item:

Council could continue the request. Continuing the request would delay the design of the project which could jeopardize federal funding.

Do Nothing:

Staff does not recommend this alternative. Doing nothing would delay the design of the project which could jeopardize federal funding.

Significant Impacts:

The design and construction of this project is being funded with U.S. Environmental Protection Agency STAG Grant funds and matching City funds at a
55% (federal share) / 45% (local share) split. $1.7 million in federal funds awarded to the City have sat idle for 3.5 years while property issues with the project site were resolved. It is imperative the City begin to expend these funds immediately or the risk of losing federal funding is high.

Recommendation:

Staff recommends Council authorize the City Manager to execute a Second Addendum to the Professional Services Agreement, in a form approved by the City Attorney, with Carollo Engineers, for the design and construction management of the Judge Water Treatment Plant, in an amount of $234,020.

SECOND ADDENDUM TO PARK CITY MUNICIPAL CORPORATION
SERVICE PROVIDER/PROFESSIONAL SERVICES AGREEMENT

THIS SECOND ADDENDUM is made and entered into in duplicate this ____ day of July, 2006, by and between PARK CITY MUNICIPAL CORPORATION, a Utah municipal corporation and political subdivision of the State of Utah (ACity@), and Carollo Engineers, a Service Provider to amend the Service Provider Agreement signed and executed by the Parties on December 31, 2002.

WITNESSETH:

WHEREAS, the parties entered into a Professional Services Agreement on December 31, 2002 (hereinafter AOriginal Agreement@) for design of the Judge Tunnel water Treatment Plant (hereinafter “project”); and

WHEREAS, both parties Amended the Original Agreement on October 30, 2003, increasing the Original Agreement by $84,500 (“Amended Agreement”); and

WHEREAS, both parties to the Original Agreement recognize the increase in engineering fees over a three and a half year period delay which will increase the engineering fees charged to the project to complete performance of the Service Provider obligations thereunder; and

WHEREAS, both parties to the Original Agreement recognize the requirement for additional engineering services to complete the project; and

WHEREAS, the parties desire to amend the Original Agreement to include additional funding as approved by City Council July 13, 2006; and

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. **INCREASE of $234,020**. Park City shall pay Service Provider for the engineering services in an amount not to exceed $781,037, which is an increase to the Amended Agreement of $234,020.

2. **EXTENSION OF TERM**. The term of the Original Agreement shall be extended to a termination date of December 31, 2007, or upon such later date as performance by both parties of all obligations pursuant the Original Agreement is completed.

3. **OTHER TERMS**. All other terms and conditions of the Original Agreement shall continue to apply.

3. **ENTIRE AGREEMENT**. This Second Addendum is a written instrument pursuant to Paragraph 23 of the Original Agreement between the parties and cannot be altered or amended except by written instrument, signed by both parties.

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

City Council Staff Report

Author: Lloyd Evans
Dave Gustafson
Subject: Police Facility contract with Jacobsen Construction, Inc. Contract Amendment #2

POLICE DEPARTMENT &
CAPITAL PROJECTS

Date: July 13, 2006

Summary Recommendation - Staff recommends approval of Contract Amendment #2 to the existing Jacobsen Construction, Inc. Agreement in the amount of $5,750,000*.*

Description:
Topic: Downtown Improvements, Jacobsen Contract Amendment #2

Background:
At a December 2, 2004 meeting, City Council approved a Construction Manager – General contractor (CMGC) Construction Agreement with Jacobsen Construction, Inc. for work related to Municipal Downtown Improvements. Although the police facility phase has since been relocated to Snow Creek Drive, it was originally included in the Downtown Improvement projects RFP, and is part of the existing contract with Jacobsen.

The CMGC Construction Agreement with Jacobsen allowed the City to involve the Construction Manager/General Contractor (Jacobsen) in the design stage of the project that directly led to modifications to the design based on "constructability reviews, construction market knowledge, and value engineering efforts to get the most out the funds targeted for the project. This construction method has worked well on the parking structure project.

On February 16, 2006 a progress update on the Police Facility was presented to the City Council, and direction was provided that supported an overall project budget estimate of $5.4 million ($4.4 million for cost of construction, and approximately $1 million for anticipated soft costs (design fees, specialty inspections, FF&E costs, project management services, geotechnical reports, site surveys, and utility costs)). This budget also included an additional 4% ($176,000) of the project budget for green building systems, and1% ($44,000) for public art.

In addition to the public art, sustainable design, and functionality standards incorporated into the design, an additional essential highlight of the project was to build it to The Commission on Accreditation for Law Enforcement Agencies (CALEA) standards which are the nationally recognized standards development agency for law enforcement agencies policies and facility design. Some of these accreditation costs include providing critical safety, communication, and dispatch equipment including closed circuit television surveillance system, proximity card readers for controlled access to the building, fiber optics connections, and the back up power generator, which by itself was approximately $200,000.

On May 18th, staff discussed the recommended changes to the Police Facility budget with City Council as a part of the budget process. On June 15th, Council authorized adding an additional $123,906 for contingency for a total amended budget of just over $5.52 million.

Analysis

Over the course of the past several weeks, staff has continued to work with the architect and contractor to advance into final construction drawings. Last week, the final construction bids came in at $2 million over the original estimates. Staff has been able to work with Jacobsen to reduce some of this cost (approximately $600,000) through value engineering. However, the final guaranteed maximum price (GMP) provided by Jacobsen was $5.75 million. With the rapid increase in the cost of construction (materials, labor, etc.) Staff also recommends increasing owner contingency to $250,000. With soft costs included, the new total estimated project budget is $7,047,500. This is approximately $1.52 million above project budget estimates (see table 1).

Construction Costs Compared to Budget	
as of 7/7/06	
Current Project Budget	**$5,523,900**
Updated Cost of Construction	$5,750,000
Soft Costs*	$1,047,500
Project Contingency	$250,000
Subtotal	$7,047,500
Difference from Budget	**$1,523,600**
* Includes increased budget ($67,500) for Green Building and Art	

With the increased cost of construction, staff also recommends increasing the project budget for art and green building. On February 16, 2005, Council directed staff to include an additional 4% of the cost of construction for Green Building initiatives and an additional 1% for art. Table 2 below shows the recommended budget change.

Budget for Green Building and Art			
	Original	New	Difference
Cost of Construction	$4,400,000	$5,750,000	$1,350,000
Green Building (4%)	$176,000	$230,000	$54,000
Art (1%)	$44,000	$57,500	$13,500
Total	$220,000	$287,500	$67,500

The direction was to prioritize green items that reduce long-term operating costs. Sustainable items in the design include, among others, a geo-thermal heating and cooling system, high efficiency glazing, lighting, and shading systems, and reducing the “heat island’ effect by including materials that reflect sunlight like a white roof and use of cement instead of asphalt. The design team projects overall energy savings of up to 30%. With the increased green budget, staff will begin to explore inclusion of solar energy systems and other environmentally friendly options, consistent with Council’s environmental strategic plan.

Initial analysis of the 30 sustainable inclusions in the project design indicates the project’s success from both a LEED and Built Green standard. Preliminary estimates from the design team estimate the project would reach approximately 23 points on a LEED rating scale (26 is certified). On a Built Green scale the project would receive approximately 242 points, over 3 times the 70 points necessary to be considered green.

The City Council also provided direction to incorporate 1% of the project budget in place to advance public art. The design at this time includes a commemorative public plaza located at the front of the building which will be the primary focus of this initiative.

Ultimately, the two main areas where construction costs far exceeded original estimates were in the electrical bids and the cost of the front entryway. The electrical bids came in at over $825,000 and are approximately $425,000 over original estimates. This is partially attributable to the high efficiency lighting package, emergency generator and back up power needs, as well as the special communication, safety, and security needs of a public safety facility.

The second area where major increases in cost have been introduced is at the front entryway. The cost of enhancing the entry to the building has consistently been discussed throughout the design and value engineering process. The Planning Commission and City Council have been consistent in their direction to have a building that enhances the City’s entry corridor. This has resulted in incorporating some premium finish materials needed to accomplish desired architecture and design goals. The timber and glazing elements, although already budgeted at approximately $180,000, came in at over $550,000, $375,000 above initial estimates. This is attributable to not only the materials, but labor costs as well.

In order to finance the projected $1.52 million shortfall, staff recommends using reserve CIP funds. These resources are currently budgeted as fund balance in the CIP and are not allocated to specific projects. If these funds are used, staff recommends taking measures to “pay back” reserves by seeking additional grant opportunities. Use of these reserves will not impact the City’s recently upgraded bond. By using CIP reserves, the City will be able to fund the construction of the police facility without removing specific project elements based on City goals (including green design, public art, CALEA Accreditation, and enhanced architecture in the entry corridor).

Should the Council agree to enter into the Contract with Jacobsen, construction would begin in approximately mid August, and would be scheduled to be completed in October of 2007.

Alternatives:

A: Continue with the current design and address funding needs with reserve CIP funds (Staff Recommendation)
B: Modify Staff’s recommendation per discussion at City Council meeting
C: Halt design – Change course
D: Do Nothing.

Consequences of not taking the recommended action:
Further delays on the police facility will set up a domino effect with other planned and budgeted Capital projects including the Marsac remodel and town plaza; additionally we would incur significant additional construction costs if we push into the next building season. Construction costs have grown at an annual rate of over 10% over the last 2 years.

Recommendation:
Staff recommends approval of Contract Amendment #2 to the existing Jacobsen Construction, Inc. Agreement in the amount of $5,750,000.

Exhibits
A – Amendment No. 2 to standard form of agreement between owner and construction manager

AMENDMENT NO. 2

TO STANDARD FORM OF AGREEMENT BETWEEN OWNER AND CONSTRUCTION MANAGER

Pursuant to Paragraph 2.2 of the Standard Form of Agreement between Owner (Park City Municipal Corporation) and Construction Manager (Jacobsen Construction, Inc.), dated ______________________April 5, 2005, for construction of the Police Facility, the Owner and the Construction Manager establish a Guaranteed Maximum Price and Contract Time for the Work as set forth below:

ARTICLE I
GUARANTEED MAXIMUM PRICE

The Construction Manager's Guaranteed Maximum Price for the Work, including the estimated Cost of the Work as defined in Article 5 of the Agreement and the Construction Manager's Fee as defined in Article 4 of the Agreement, is Five million seven hundred fifty thousand Dollars ($5,750,000).

Included in the Guaranteed Maximum Price is the Construction Manager's fee of $168,475.

This Price is for the performance of the Work in accordance with the "Guaranteed Maximum Price Proposal" dated July ___, 2006, from Jacobsen Construction, Inc., and incorporated herein by this reference (the "GMP"). A Contract Addendum, approved by City Council on April 7, 2005, is included in the GMP.

ARTICLE II
CONTRACT TIME

The Construction Manager acknowledges that the Substantial Completion Date is September 15, 2007 and the Final Completion Date is October 15, 2007.

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OWNER:	**CONSTRUCTION MANAGER**
Park City Municipal Corporation	Jacobsen Construction, Inc.