

**PARK CITY COUNCIL WORK SESSION NOTES
SUMMIT COUNTY, UTAH
JULY 1, 2010**

Present: Mayor Dana Williams; Council members Alex Butwinski, Candace Erickson, Joe Kernan, Cindy Matsumoto and Liza Simpson

Tom Bakaly, City Manager; Mark Harrington, City Attorney; Kent Cashel, Transportation Manager

1. Council questions/comments. Liza Simpson thanked Kent Cashel for preparing a thorough report on a parking situation she had reported. Mayor Williams expressed kudos for everyone involved in the City's Employee Picnic as well as the dedication of the Roger Harlan Memorial Skate Park. He announced that another long-time local, Richard Siemons, had passed away during the week. He had attended Mel Fletcher's memorial in Oakley where many generations of Parkites celebrated Mel's life and his impact on town. He also attended Dolly Makoff's 80th birthday and noted it was 36 years ago this year that Dolly's Bookstore became part of Main Street. Alex Butwinski had participated in the Park City Summit County Arts Council Board Meeting where various task force representatives provided updates.

2. A Drive for a Cure. Anne E. Cantwell and Emy Farrow-German, students from Connecticut explained they had been travelling across the United States to educate the public on the effects of Multiple Sclerosis and to raise funds for the Multiple Sclerosis Foundation. Ms. Cantwell explained that 200 patients were diagnosed each week with the disease, which affects 400,000 people in the United States and over 2,000,000 worldwide. Ms. Cantwell's father has MS and she described the progression of his symptoms. She also characterized the four types of the disease. They explained that all funds would be used by the National MS Society whose goals are education and funding for research.

3. PC-SLC Transit Service – Transportation Manager Kent Cashel and Summit County Public Works Director Kevin Callahan presented Council with an overview of findings from Phase 1 of the Park City to Salt Lake City transit study. Staff seeks direction from Council to embark on Phase 2 of the study, noting that final Staff recommendations, and a request for Council decision, would be part of the Short Range Transit Development plan update in 2011.

Kent Cashel explained that inter county commute patterns are strong and getting stronger; in addition, there is a strong growth pattern of employment going both directions along Interstate 80. There is also a high volume of recreation and tourism traffic, particularly on the weekend.

He informed Council the City and County had been investigating a Park City to Salt Lake City transit route since 2000. In 2000, the Short Range Transit Development Plan (SRTDP) explored this service, but chose to focus on the Old Town Transit Center development and enhancement of local services. Again in 2003, SRTDP's focus was development and integration of service along SR-224 to Kimball Junction. Finally, in 2006, the City conducted a survey of western Summit County residents to assess the level of demand for a Park City to Salt Lake City commuter service which indicated strong rider demand. As a result, Staff contracted with LSC Transportation Consultants, Inc., to summarize the survey results and conduct concept level planning. City Staff also began working with Utah Transit Authority planning staff to investigate Salt Lake City demand for this transit route. In 2007, UTA and Park City engaged a team of University of Utah urban planning students to conduct an in-depth study, which

concluded that strong demand, both up and down the canyon, existed for a Park City to Salt Lake City route.

Mr. Cashel explained that a regional transit system on the Wasatch Back would serve as a link to the commuter rail and light rail spreading throughout the Wasatch Front. In addition, he stressed this was a key component in Park City's congestion management strategy to avoid expanding the footprints of our roads until absolutely necessary.

In the 2007 SRTDP, the focus was directed on development and expansion of capital facilities, a Kimball Junction transit center or transfer facility, passenger shelters and park and rides that would be required to support the region's expanding transit system. It also included a statement that Park City, Summit County, and UTA should work cooperatively to complete planning for a PC-SLC bus route. The entities entered into a Tri-Party Letter of Intent in 2008, which identified four deliverables for the first phase of the study: determine rider demand; determine routes and stops; determine necessary equipment and facilities; and determine economic feasibility of service before proceeding further.

Mr. Cashel reviewed the bus route, which would transport riders from the Old Town Transit Center to Jeremy Ranch and on to Salt Lake City where riders had opportunities to transfer to light rail, bus routes or commuter rail. Stops are planned at the OTTC, the Fresh Market, which is the busiest stop in town, the Canyons, the Kimball Junction transfer center, and the park and ride at Jeremy Ranch. In response to Mayor Williams' concern that the first two stops in town did not have long term parking access, Mr. Cashel concurred, and noted they would encourage the use of our transit system to access the bus stops and would synchronize schedules so the transfers were timely.

Mr. Cashel explained the study team reviewed a spectrum of service options, and determined that Enhanced Bus (EB) and Bus Rapid Transit (BRT) categories were appropriate for this service. The Enhanced Bus service uses commuter busses that are comfortable and offer an option to begin service at reduced costs. The Bus Rapid Transit service uses low floor buses, which use technology to allow quick loading and unloading, and fare collection. Queue jumping is also a component of bus rapid transit that saves time on the route. He reviewed tables in the Staff report that described anticipated ridership for the two levels of service as well as operating, capital costs and investment per rider for each of the service scenarios. Operating and maintenance costs range from \$1,810,022 to \$4,199,360 for the Expanded Bus and up to \$5,242,822 to the Bus Rapid Transit Scenarios depending on frequency of service. Capital costs could range from one time expenditures of \$3,275,000 to \$6.7 to \$80.4 Million, again depending on scenario and frequency of service. He stressed that the Federal Government funded the Capital Cost at 80%, and the figures would be lower. The cost sharing methodology had not been determined yet, but based on the assumption that the three entities would share equally, the City's share of operating costs could range from \$603,343 to \$1,747,433.

In response to Cindy Matsumoto's question about federal funding, Mr. Cashel explained transit was funded in five-year segments and we will know shortly what the commitment of the new funding authorization bill will be. He also explained his conservative approach to projected fare recovery and noted it would be refined if Council directed Staff to complete Phase II of the study.

Mr. Cashel identified several potential funding options: existing revenues that are not yet committed; reprogramming revenues by instituting reductions in current services; identification of new revenue sources, i.e., federal operating assistance, partnerships with major employers that are already providing some transit, and enacting an additional ¼ cent of transit sales tax. Staff feels it is financially viable and worth continuing to study.

The Tri-Party Agreement identified deliverables for Phase II, which includes cost sharing; cooperatively pursuing Federal and State financial assistance; development of plans to provide local funding to operate the service; and, identification of risk management and human resource challenges of a jointly operated service.

Mr. Cashel reiterated that Staff was seeking approval from Council to move forward and continue working on the Park City to Salt Lake City transit service. Should Council provide that direction, Staff would incorporate findings into the Short Range Transit Development Plan to be completed in 2011. Council members all agreed that Staff should move forward, with a caution that the methodology for cost sharing be reviewed carefully based on population and use.

Mayor Williams shared public input received from Jim Doilney who suggested that the transit center be located near a hub of high density living. Mr. Cashel explained from a transit perspective that the west side of SR-224 had better access.

**PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
JULY 1, 2010**

I ROLL CALL

Mayor Dana Williams called the regular meeting of the City Council to order at 6:00 P.M. at the Marsac Municipal Building on Thursday, July 1, 2010. Members in attendance were Dana Williams, Alex Butwinski, Candace Erickson, Joe Kernan, Cindy Matsumoto and Liza Simpson. Staff present was Tom Bakaly, City Manager; Mark Harrington, City Attorney; Phyllis Robinson, Communications and Public Affairs Manager; Roger McClain, Water Project Manager, Katie Cattan, Senior Planner.

II COMMUNICATIONS AND DISCLOSURES FROM COUNCIL AND STAFF

Jonathan Weidenhamer reminded Council of open houses related to Treasure Hill discussions, which would be held at the High School on Tuesdays, July 6 and 13, from 6:00 P.M. to 8:00 P.M. Michael Kovacs distributed an artist's rendition of the Bonanza Tunnel that is part of the walkability projects.

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

There was no public input. .

IV WORK SESSION NOTES AND MINUTES OF MEETING OF JUNE 17, 2010

Alex Butwinski pointed out correction in the work notes. Alex Butwinski, "I move approval of the work session notes and minutes of the June 17, 2010 meeting as amended". Candace Erickson seconded. Motion unanimously carried.

Alex Butwinski	Aye
Candace Erickson	Aye
Joe Kernan	Aye
Cindy Matsumoto	Aye
Liza Simpson	Aye

V RESIGNATIONS AND APPOINTMENTS

1. Consideration of four new appointments to the Library Board:
 - o Suzette Lamb Robarge for a term expiring July 1, 2011
 - o Carolyn Creek-McCallister a term expiring July 1, 2013
 - o Fonya Kovacs for a term expiring July 1, 2013
 - o Elizabeth "Sam" Wilkerson for a term expiring July 1, 2013

Joe Kernan, "I move approval of appointments to the Library Board as specified". Cindy Matsumoto seconded. Motion unanimously carried.

Alex Butwinski	Aye
Candace Erickson	Aye
Joe Kernan	Aye
Cindy Matsumoto	Aye
Liza Simpson	Aye

VI NEW BUSINESS (*New items with presentations and/or anticipated detailed discussions*)

1. Consideration of fee waivers for affordable housing (Habitat for Humanity) - Phyllis Robinson, noted that two years ago Council had authorized donation land at 154 Marsac Avenue to Habitat to Humanity for construction of affordable housing. The project has now received all necessary regulatory approvals, and Staff was before Council to request fee waivers for building permits, and up to \$5,000 per unit in impact fee waivers for roads, streets and police. Council has the authority to authorize the waivers under Sections 11-12-13 and 11-13-4(A) of the Municipal Code. Mayor Williams opened the discussion for public input. Hearing none, he closed the hearing. Liza Simpson, "I move approval of fee waivers for the affordable housing at 154 Marsac Avenue". Alex Butwinski seconded. Motion unanimously carried.

Alex Butwinski	Aye
Candace Erickson	Aye
Joe Kernan	Aye
Cindy Matsumoto	Aye
Liza Simpson	Aye

2. Consideration of award of Economic Development Grants totaling \$15,000 to Local Tourist - Economic Development Manager Jonathan Weidenhamer introduced Alan Mao and Tom Raudorf, founders of Local Tourist and grant applicants. Jonathan briefly reviewed grants that had been awarded through the Economic Development Grant program which began in 2005: 2005 – Center for Applied Media, \$18,000; 2006 – Park City Institute for Public Policy, \$10,000; Park 2007 - Silly Market, \$7,000; 2009 – High West Distillery, \$11,000 and Genius Supply Store, \$9,000. With the exception of Park City Institute for Public Policy, all organizations are still operating in Park City. High West Distillery and Genius Supply Store are due to update Council on their businesses this summer.

Mr. Weidenhamer explained the Economic Development Grant Policy included six criteria by which must be met in order to be eligible for a grant. While reviewing the current application, the committee suggested it may be time to overhaul the criteria to more closely align them with the City's Economic Development Strategic Plan. Should Council wish to provide direction on that during their discussion, Staff was interested in hearing their comments.

Jonathan explained a majority of the review committee recommended a total award of \$15,000 to be applied to two goals: \$5,000 for local content and \$10,000 for development of the trip planner account. Three members of the committee recommended that no funds be awarded.

Alan Mao, Local Tourist, provide Council an overview of their backgrounds, which included creating Ski West, an on-line wholesaler and tour operator of ski vacation rentals. They were an early mover into aggregating the inventory of local property management companies from presentation on-line, and also an early adopter of search engine marketing and search engine optimization techniques. Ski West was acquired by Overstock.com in 2005; they created Overstock.com Travel in 2007, and subsequently led efforts to sell Overstock.com Travel to Kinderhook Industries. They remained as part of the executive team, and the company, operating under the name Vacation Roost generated \$40 million in ski resort and lodging sales, with \$14 million go to the Park City market.

Following a shift in the market for vacation rentals, they began developing the concept of Local Tourist around their belief in advantages offered to the consumer by professional property managers. Interaction with visitors and renters is standardized and service levels are consistent which contributes to positive perceptions that visitors form about Park City. He stressed that property management companies are businesses that report revenues and remit taxes which sustain the level of quality and public services that make Park City enjoyable to visit and live.

Mr. Mao explained that the power of aggregation allowed greater investment in vacation rental tools and their search technology offered a unified customer experience and allowed comparison between distinct rental units. He explained the true innovation of Local Tourist was the way they leveraged the concepts to deliver customer demand to local businesses. Whereas traditionally wholesalers, tour operators and other aggregators act as middlemen, Local Tourist passes demand directly through to local businesses after attracting consumer interest. This pass-through ensures that the customer speaks to the most knowledgeable person and removes the duplication that exists on the vendor level. As opposed to commissions in excess of 24% for securing a client charged by most wholesalers, Local Tourist will be charging fees ranging from \$.60 to a few dollars for each referral depending on the type of interaction. Cost savings translate to more taxable revenue being collected by local companies, rather than commissions being paid to companies residing outside of Park City.

In the future, Mr. Mao anticipates representation of many more elements of vacation packages and their concept encourages cooperation between different elements of those packages. Local Tourist can spread the costs of acquisition to multiple businesses. They believe the method by which they qualify clients and users refines selections and Local Tourist referrals are actually more qualified than each business could have done individually.

Mr. Mao explained while Local Tourist was beyond the concept stage, they were still in a startup phase. They do not have full time employees and are a bootstrap organization. They have already committed the capital to prove their concept, but investment by the City would allow them to accelerate growth. Additionally, support and endorsement by the City will have a demonstrable impact on new vendor adoption.

Mr. Mao discussed the impact of content development and addressed the staff concern of incremental versus redistributed revenue. They believe quality content fosters quality traffic and attracts users to the site. Well written, topical, articles and content will attract and educate visitors about the Park City lifestyle. A great proportion of traffic generated by Local Tourist will be incremental in nature, but a segment of demand will be redistributed as well. They believe their non-transactional venue where rich content is the focus of the site will displace demand from other on-line segments, as well as traditional broadcast mediums. He noted they were currently working with the Historic Main Street Business Alliance with regard to their efforts to rebrand and create a destination portal focused on Main Street businesses.

Mr. Raudorf demonstrated how the Local Tourist site responded to searches dining by demonstrating searches for kid friendly restaurants in Park City, as well as searches for fine dining. Search results included articles written by a local content writer.

Mr. Mao stated another element for keeping users engaged with Local Tourist would be their trip planner account that acts as a central base of a visitor's interest. In addition to creating an itinerary, including lodging, restaurant elements and activities, they could share the itineraries

with friends and people traveling with them. Local Tourist would be able to make relevant suggestions as they learn about users' interests and plans. Liza Simpson asked whether the trip planner account would pull information to create recommendations based on visitors' itineraries. Mr. Mao explained they had not considered using other visitors' itineraries, but to make recommendations that were logically driven based on the customer's search.

Alex Butwinski asked if Local Tourist had an office in Park City and what would happen if Council did not provide the grant. Mr. Mao explained they are located in a home office in the Black Bear Lodge and they would remain in Park City. They want to use the City grant funds to accelerate their growth. When asked by Mr. Butwinski where else they would market Local Tourist, Mr. Mao emphasized they consider Park City their home, but would like to be successful enough to warrant growth in other markets.

Candace Erickson asked whether a guest at the Canyons would receive recommendations for restaurants at Redstone. Mr. Mao responded they would, but Local Tourist would also recommend restaurants in town. The logic that drives recommendations has not yet been determined. Mr. Erickson felt they were replicating the Chamber site and asked whether they would include all businesses or only those who advertized or agreed to provide a fee based on use. She felt they had done an incredible job creating the website, but was not convinced it would bring new people to Park City. She noted she lost interest if she was not going through to someone who could handle a transaction. Mr. Mao explained that users would be connected directly to the property managers after selecting elements of interest to them.

Joe Kernan questioned whether Local Tourist would generate overnight visitors, or just create a better experience for visitors. Mr. Mao explained they were not only competing against an incremental visitor, they were also looking at a shift in consumer behavior from a transactional website, to non-transactional websites that are information based. They see users coming from both of those arenas, but cannot say how many would have come before. Their goal is to make it easy for a visitor to make the decision to come to Park City.

Liza Simpson requested clarification there would be no VRBO (vacation rental by owner) properties on the site, and the lodging properties advertised would be working through management companies. Mr. Mao confirmed and stated they did not envision listing any VRBOs. Ms. Simpson explained her excitement about the trip planner and felt it was beneficial for people to get to know town better before they came. The trip planner would act a bit as a concierge and would trickle further out into the community as the website content got richer.

Council members were divided in their support of the request. Councilors Erickson and Butwinski did not believe it met Criteria Two and Three. Councilors Matsumoto and Kernan were amenable to offering a smaller grant than recommended by Staff. Councilor Simpson reaffirmed her support for the grant to Local Tourist which offered exciting ideas and new concepts. Cindy Matsumoto, "I move approval of an Economic Development Grant for Local Tourist in the amount of \$5,000". Liza Simpson seconded. Motion carried.

Alex Butwinski	Nay
Candace Erickson	Nay
Joe Kernan	Aye
Cindy Matsumoto	Aye
Liza Simpson	Aye

Following the vote, Jonathan Weidenhamer requested that Council provide direction regarding use of the grant money. He explained the use would be included in the contract, and it will be helpful when they return to report on their progress. Council members all agreed they wanted to award the full amount for local content development.

3. Consideration of award of Construction Agreement in a form approved by the City Attorney, with JB Gordon Construction for the construction of the Rail Trail Waterlines in the amount of \$2,137,848. - Roger McClain, water project manager explained the Rail Trail Waterlines project was a continuation of the City's water capital projects. The pipe corridor extends from Quinn's Water Treatment Plant to Wyatt Earp Way and includes several segments: a 20-inch finished waterline, an 18-inch raw waterline, and 12-inch Judge Tunnel waterline.

Staff has worked with State Parks, Mountain Trails Foundation and the Bureau of Land Management to develop temporary construction access and trails will not be closed at any time. The minimal portion of Rail Trail will be restored and the entire section of rail trail from Richardson Flat Road to Wyatt Earp way will be repaved. All excavated soils within the project will be reintroduced to the site via grading operations. The site is located within the Park City Soils Ordinance and the construction plan requires importation of top soil and reseeding to meet ordinance requirements. Mr. McClain added that Staff met with project corridor stakeholders and held an open house, which seven people attended. JB Gordon was the lowest responsive bidder of the ten bids received. Horrocks Engineers reviewed the bids and recommended the award to JB Gordon Construction. Mr. McClain will be the City's project manager.

Alex Butwinski asked why there was a difference between the bid amount and the actual Staff recommendation. Mr. McClain explained that one of the additives was removed from the contract. The City worked with the water treatment plant's contractor and that cost will be placed in their contract.

Mayor Williams requested public input. Hearing none, he closed the discussion. Liza Simpson, "I move approval of the award of Construction Agreement in a form approved by the City Attorney, with JB Gordon Construction for the construction of the Rail Trail Waterlines in the amount of \$2,137,848." Alex Butwinski seconded. Motion carried.

Alex Butwinski	Aye
Candace Erickson	Aye
Joe Kernan	Aye
Cindy Matsumoto	Aye
Liza Simpson	Aye

4. Consideration of First Amendment to the Professional Services Agreement, in a form approved by the City Attorney, with Horrocks Engineers for waterlines from Quinn's Water Treatment Plant to Wyatt Earp Way (Rail Trail Waterlines) in the amount of \$53,292. - Roger McClain, Project Manager explained that Horrocks Engineers was selected to design the Waterlines from Quinn's Water Treatment Plant to Wyatt Earp Way (Rail Trail Waterlines). As design progressed, the preliminary alignment was field reviewed and issues were identified that raised concerns about the selected alignment. The First Amendment to the Professional Services Agreement captures additional costs for design, construction engineering services, and geotechnical engineering services. The additional services include: 1) Wyatt Earp (Rail Trail

to Sidewinder) realignment; 2) re-grading in order to retain soils on site, rather than hauling for disposal; 3) use of ductile iron pipe which provides corrosion protection; and 4) construction access which eliminated need to cross bridges.

Mayor Williams requested public input and hearing none, closed the discussion. Cindy Matsumoto, "I move approval of the First Amendment to the Professional Services Agreement, in a form approved by the City Attorney, with Horrocks Engineers for waterlines from Quinn's Water Treatment Plant to Wyatt Earp Way (Rail Trail Waterlines) in the amount of \$53,292". Joe Kernan seconded. Motion carried.

Alex Butwinski	Aye
Candace Erickson	Aye
Joe Kernan	Aye
Cindy Matsumoto	Aye
Liza Simpson	Aye

VII OLD BUSINESS

1. Consideration of Ratification of Findings of Fact, Conclusions of Law, and Conditions of Approval for the Appeals of North Silver Lake Lot 2B Conditional Use Permit. - Candace Erickson was recused and left the meeting. Senior Planner Katie reviewed minor edits to Finding of Fact 24, Conditions of Approval 15 and 17, and Order 1. These were corrected after the staff report was published. The appellants received notification and were in agreement. Mayor Williams requested public input. Hearing none, he closed the discussion. Alex Butwinski, "I move that Council ratify the Findings of Fact, Conclusions of Law, and Conditions of Approval for the Appeals of North Silver Lake Lot 2B Conditional Use Permit". Liza seconded. Motion carried.

Alex Butwinski	Aye
Candace Erickson	Recused
Joe Kernan	Aye
Cindy Matsumoto	Aye
Liza Simpson	Aye

VIII ADDITIONAL DISCUSSION – AGENDA ITEMS

There was no additional discussion.

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 2:00 P.M. Members in attendance were Mayor Dana Williams, Alex Butwinski, Candace Erickson, Joe Kernan, Cindy Matsumoto and Liza Simpson. Staff present was Tom Bakaly, City Manager; Mark Harrington, City Attorney; Tom Daley, Deputy City Attorney; Diane Foster, Environmental Manager; Jason Christensen; Legal Intern; Michael Kovacs, Assistant City Manager; Kathy Lundborg, Water Manager; Jonathan Weidenhamer, Economic Development Manager and Thomas Eddington, Planning Manager.

Joe Kernan, "I move to close the meeting to discuss personnel, property and litigation". Alex Butwinski seconded. Motion carried unanimously. The meeting opened at 4:45 P.M. Liza Simpson, "I move to open the meeting". Joe Kernan seconded. Motion carried unanimously.

Sharon C Bauman

Sharon C. Bauman CMC, Deputy City Recorder

