PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
JUNE 14, 2012

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, June 14, 2012.

Closed Session
2:00 p.m. Property and litigation

Work Session

3:30 p.m.	Council questions/comments	
3:40 p.m.	Emergency Management Program and Wildland Urban Interface Projects	P. 4 - 6
4:10 p.m.	Outstanding budget issues	P. 7 - 25
4:40 p.m.	Summit Lands Conservancy endowment request and future conservation easements on City open space	P. 26 - 46
5:30 p.m.	Summit Lands Conservancy request for conference sponsorship	P. 47 - 51
5:40 p.m.	Sundance economic impact	P. 52 - 57
5:50 p.m.	Break	

Regular Meeting
6:00 p.m.

I ROLL CALL

II COMMUNICATIONS AND DISCLOSURES FROM COUNCIL AND STAFF

1. Resolution recognizing the efforts of wounded warriors participating in the Sea To Shining Sea Event P. 76 - 77

2. Resolution supporting the principles of the Community Covenant Program and acknowledging the many contributions of our Service Men and Women in Park City, Utah - Mark J Buffington, 1LT NG NG NGB P. 78 - 79

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

IV MEETING MINUTES OF MAY 24, 2012 P. 58 - 75

V CONSENT AGENDA *(Items that have previously been discussed or are perceived as routine and may be approved by one motion. Listed items do not imply a predisposition for approval and may be removed by motion and discussed and acted upon under "Additional Discussion – Agenda Items")*

1. Consideration of a Resolution recognizing the efforts of wounded warriors participating in the Sea To Shining Sea Event P. 76 - 77

2. Consideration of a Resolution supporting the principles of the Community Covenant Program and acknowledging the many contributions of our Service Men and Women in Park City, Utah P. 78 - 79

3. Consideration to authorize the City Manager to execute the Sixth Amendment to the Professional Services Agreement, in a form approved by the City Attorney, with Carollo Engineers, for the design of the Quinn's Water Treatment Plant in an amount of $84,000 P. 80 - 84

4. Consideration to authorize the City Manager to execute a Service Agreement with EC Company for standby generator maintenance in the amount of $55,380, in a form approved by the City Manager P. 85 - 87

VI NEW BUSINESS

1. Consideration of amendments to water supply agreements between US Bureau of Reclamation, Weber Basin Water Conservancy District, Mountain Regional Special Service District, Summit County, and Park City, in a form approved by the City Attorney, to increase Park City's portion of water through the Synderville Basin Project and Expanded Lost Creek Project by 400 acre-feet per year P. 88 - 92

2. Consideration of an Ordinance adopting a revised final budget for Fiscal Year 2012 and a final budget for fiscal year 2013 for Park City Municipal Corporation and its related agencies and authorizing the computation of the property tax rate at a no tax increase rate

3. Consideration of an Assessment Ordinance for Phase I Park City Heights in amount of approximately $3,660,000

4. Consideration of award of construction agreement for publicly-dedicated infrastructure for Phase I at the Park City Heights subdivision with Hadco Construction in the amount of $2,844,113, in a form approved by the City Attorney (contract award subject to the sale and approval of the issuance of bonds for Phase 1 of Park City Heights)

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. Wireless internet service is available in the Marsac Building on Wednesdays and Thursdays from 4 p.m. to 9 p.m.

Posted: 06/11/12
See: www.parkcity.org

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

June 2012

21 Summit County Economic Development Task Force update (10 min)
High altitude training – study
Economic development grant request – All Resort Group
(Regular meeting begins at 5 p.m. and limited to budget)

28 Ice Arena update
Budget software
County solid waste update – DF (15 min)
SR 224 Corridor Study (45 min)
RAB interviews
GreenPark Co-Housing Purchase Agreement
Service provider contract for the PC MARC Public Art in a form to be approved by the Legal Department with Jorge Blanco for "Air" for $xxx.
2700 Deer Valley Drive #B-202 amendment to record of survey - FA
Franklin Richards/PCMC Annexation public hearing - KW

July 2012

5 **No meeting**

12 2030 Strategic Plan - ICMA
Night Sky Ordinance – study – TP
Vai Lealaitafea sergeant; Juan Pablo Torres and James Rodrigues officers
Ordinance approving the 80 Daly Avenue plat amendment located at 80 Daly Avenue, Park City, Utah – FA
Balanced Growth Study findings – work – (90 min)

19 **Dick gone**

26 Bonanza Park Plan update
Rocky Mountain Power – study session
Environmental management system update – JB (20 min)

August 2012

2 **No meeting – Dana gone**

9

16 **Dick gone**

23

30 Business recruitment

September 2012

6 **No meeting – City Tour**

13

20

27 Latino Community outreach and engagement - study

Pending Items:

Interviews/appointments

- BOA
- Planning Commission
- Library Board
- PAAB

RDA Strategic Plan

Resolution establishing a strategic plan for City-owned property with development potential in Park City, Utah and repealing and replacing Resolution No. 22-05 in its entirety

Budget Calendar

May 3

Work Session

Presentation of the Tentative Budget
- Budget Overview & Timeline
- Update of Financial Impact Report (FIAR)

Revenue/Expenditure Summary

Regular Meeting

Public Hearing on the Tentative Budget

May 17

Work Session

CIP Budgets
- CIP Alternative Matrix
- OTIS Update
- Downtown Projects

Revenue & Taxation Policy

Regular Meeting

Public Hearing on the Tentative Budget

May 24

Work Session

Continuation of CIP Budgets

Open space easements and endowments

Operating Expenditures
- Strategic Plan Team Presentations

Regular Meeting

Public Hearing on the Tentative Budget

May 31

Work Session

Operating Expenditures
- Strategic Plan Team Presentations

Benefits
- Pay plan
- URS-Retirement
- Health Insurance

Regular Meeting

Public Hearing on the Tentative Budget

June 7

Work Session

Personnel Policies and Procedures (P&P) Manual

Fee Changes
- Administrative Interfund Transfers
- Special Event Fees
- Other Fees

City Fee Resolution

Council Compensation

Budget Policies

Outstanding Budget Issues

Adopt CEMP update by resolution

Regular Meeting

Adoption of the Personnel P&P Manuel by Resolution

Public Hearing on the Tentative Budget

Adoption of the Tentative Budget

Public Hearing on the City Fee Schedule

Adoption of the City Fee Schedule by Resolution

Public Hearing on Council Compensation

Adoption of Council Compensation Resolution

Adopt CEMP update by resolution

June 14

Work Session

Outstanding Budget Issues (if necessary)

Regular Meeting

Public Hearing on the Final Budget

June 21

Work Session

Presentation of the Final Budget

Outstanding Budget Issues

Regular Meeting

Public Hearing on the Final Budget

Adoption of the Final Budget by Resolution

Redevelopment Agency Meeting

Public Hearing on the RDA Budgets

Adoption of the RDA Budgets by Resolution

Municipal Building Authority Meeting

Public Hearing on the MBA Budget

Adoption of the MBA Budget by Resolution

*** Schedules and topics subject to change**

City Council Staff Report

Author: Hugh Daniels, CEM
Subject: Emergency Management Program
Date: June 14, 2012
Type of Item: Informational

PARK CITY 1884

Executive Department
Emergency Program Management

Description:

Topic:
Update the Council on the City's Emergency Management Program's progress over the last five years. Discuss Wildland Urban Interface in the Park City community, the wildfire risks, and the measures that are currently underway or proposed to lessen the risk and educate the community.

Background:

Park City embarked on its current Emergency Management program in June of 2007. Since that time the City has significantly increased its preparedness, staff training, ability to respond to emergencies and improved relationships with other agencies both public and private. In addition, we have updated our Comprehensive Emergency Management Plan (CEMP), stocked emergency supplies in City buildings, established an Emergency Operations Center, developed a long-term exercise/drill program and become National Incident Management System (NIMS) compliant as required for state and federal grants and reimbursements.

While there are many ongoing projects in addition to maintaining what we have established, in many respects we have our house in order and are ready to respond in the case of emergency or disaster. Our recent "Great Utah Shakeout" gave us the opportunity to test much of the equipment and training we have established over the past five years. While there were no major issues found during that exercise there are plenty of opportunities to fine tune our systems and improve how we prepare, mitigate, respond and recover. We are also now embarking on an important next phase of community outreach. We began last year with a mailer and newsletter to the community on how to register their cell phones for Reverse 911 and where they can get information during an emergency. We are developing a more robust "Be Ready Park City" campaign, which will help our residents, visitors and businesses prepare and respond themselves to emergencies and disasters. The city does not have the resources to care for everyone and we must rely on our citizens to help themselves and their neighbors.

All of Park City is in a Wildland Urban Interface (WUI) zone; in fact all of Summit County is considered WUI. Wildfire is always a concern in our area, but with the dry low moisture year we are having, it is even more concerning than usual. Focus on preparing your family and your home from wildfire will be the next of our community pieces as a part of Be Ready Park City. Staff has been working with representatives of Summit County, the Park City Fire District and the Utah Department of Natural Resources, Division of Forestry, Fire and State Lands (WUI Working Group) to better prepare the community. There are a number of programs in place but to be truly aware of fire potential and to reduce the risk around structures we will need the help of residents and businesses.

Analysis:

While we have made significant strides in better preparing the City to prepare and respond there is still a lot to do. The field of Emergency Management is changing constantly along with technology. In addition to maintaining what we have set up, we need to continue to expand our mitigation planning, such as mitigating wildfire risk around structures, develop a more robust Recovery Plan, a Continuity of Government Plan and expand our community outreach program.

While an earthquake is a major concern for us, wildfire is also one of the top risks to our community. A large wildfire in the greater Park City area could have catastrophic economic consequences. There have been over 100 wildfires in Utah since the first of the year of which 85 have been human caused. Summit County had had over 30 small grass and brush fires. The WUI Working Group has identified over a dozen possible short-term and long-term projects to reduce our risk to wildfire and wildfire loss. Rather than being fragmented and trying to work on too many items at once they have chosen three for 2012 that we believe can have an impact and can be accomplished this year. They are: 1) a PR/Outreach campaign using existing grant funds; 2) meeting with the three resorts on wildfire mitigation and suppression, with the first meeting on June 28th ; and 3) create a video for TV and agency websites on assessing lots for fire danger and how to use “Firewise” landscaping.

In addition, the agencies continue to work together not only in prevention and preparedness but how we do this as a regional effort and how we respond together in the event of a wildfire regardless of where is occurs. The cost of suppression for a wildfire is significant and the City is working with the various agencies to identify potential agreements regarding long term funding responsibilities. Such efforts include joining with other cities and the Utah League of Cities and Towns to investigate expressly adding cities to state funding programs.

Department Review:
The City Manager and Legal Offices have reviewed this report.

Representatives from Summit County, Park City Fire District and the DNR/Summit County Fire Warden are planning to attend and be available for any questions.

City Council
Staff Report

Subject: City Manager's Recommended Budget
Authors: Jed Briggs, Nate Rockwood
Department: Budget, Debt, & Grants
Date: June 14, 2012
Type of Item: Informational/Legislative

Summary Recommendations:
Provide direction concerning outstanding budget issues for Final Budget.

Topic/Description:
FY 2012 Revised Budget, FY 2013 Proposed Budget, and FY 2014 Plan

Background:
The City usually begins the budget process in February with the City Council identifying objectives for the next year.

This year, the City transitioned to a Budgeting for Outcomes (BFO) process. The process is more of a zero-based budgeting approach than the traditional incremental approach. It closely resembled a Request for Proposal (RFP) process, with a Results Team made up of City staff creating Requests for Results (RFRs) related to each Council goal and departments submitting "bids" for City services, programs, capital, etc. related to each RFR at varying levels of service. In this fashion, all funding in the budget was linked directly to a Council goal and the community vision. The Results Team performed preliminary prioritization and the process culminated in a Council prioritization exercise leading up to and during Council Visioning.

BFO was further discussed during Council Visioning in February. From those discussions department managers were able to take Council's recommendations to look into increasing or decreasing certain BFO service levels for their own departments. Each department manager was responsible for preparing budget requests consistent with Council's vision and BFO. Council objectives were addressed either in the current level budget or as additional options for enhanced, increased, or decreased service levels proposed by the departments.

On May 1, staff delivered the City Manager's Recommended Budget (Tentative or Proposed Budget) to City Council. A Public hearing was held on May 3rd and May 17th, and public hearings are currently scheduled for May 24, 31, June 7, 14, and 21.

May 3 – On May 3rd the Budget Department provided an introduction of the City Manager's Recommended Budget, Budget Overview & Timeline, and provided an update of the Financial Impact Report (FIAR). City Council was presented with an overview of the BFO process and received feedback and insight from the BFO Results

Team. Discussion/action is slated for these dates as follows, barring changes as needed:

On May 17 Council was presented with an overview of the CIP committee's recommendation. Also, staff made Council aware that a construction contract for the Empire Ave. street reconstruction portion of the OTIS projects would be presented to Council for approval on May 24. Council indicated that they would like to consider funding the remaining OTIS projects, Historic Park City/Main Street Projects and Stormwater Capital Improvements with an additional Resort City Sales Tax levy.

On May 24 Council was presented with an overview of the CIP committee's recommendations for the Water and Transit Funds. Council indicated that they would like to consider funding the remaining Open Space and the Historic Park City/Main Street Projects with an additional Resort City Sales Tax levy. Council was also presented with the first three Biennial Strategic Plan budget changes (Open and Responsive Government, Effective Transportation, and Preservation of Park City Character).

On May 31 Council was presented with the last five Biennial Strategic Plan budget changes (Public Safety; Water & Natural Environment; Recreation, Open Space & Trails; Regional Collaboration; and World Class, Multi-Seasonal Resort Community) as well as benefit (pay plan, URS-Retirement, Health Insurance) changes.

On June 7 staff presented City Council with several scenarios showing possible allocation of the revenue through combinations of cash and debt. Council expressed a desire to allow flexibility in the fund. Council was also presented with recommended Fee Changes, Budget Policies, Council Compensation, Outstanding Budget Issues, Personnel Policies and Procedures, and the Comprehensive Emergency Management Plan. Council adopted the Personnel Policies and Procedures Manual; the Tentative Budget; the Fee Schedule; Mayor, Council, and Statutory Officers compensation; and the Comprehensive Emergency Management Plan.

June 14 – Outstanding Budget Issues. Discussion/action on the following date:

June 21 – Presentation & Adoption of Final Budget (if no property tax increase), Adoption of Provisional Budget (if property tax will be increased)

Analysis:
On June 14, staff will focus on the following topics for discussion:

Outstanding Budget Issues

- Water personnel changes
- Administrative Interfund Transfer (Admin IFT) changes
- Police Grants
- CIP Changes
- Resort City Sales Tax levy discussion

Changes to the Final Budget

Additional Water Personnel Changes and Additions

Historically, Park City's water system has been operated by a crew that on any given week might take on specialty roles of, treatment, water quality, distribution, pump, meter, and valve maintenance, customer service, miner, carpenter, or emergency response. While this served the City when minimal treatment existed, the system has become more and more complex over the past few decades.

The first major change occurred in 1992 when the first phase of the Spiro WTP was constructed to reduce iron, manganese, turbidity, thallium and arsenic. Due to increasing regulations and needed capacity, Spiro WTP was upgraded in 2003 to increase arsenic removal and treatment capacity. The plant was upgraded again in 2004 to address lack of storage and operational issues. Water workers continued to wear many hats but a few individuals became the unofficial treatment specialist's. An Ultraviolet disinfection system was also added to the Park Meadows well to address water quality concerns.

Although originating back in the 90's, the second major change occurred with the construction and startup of Quinns Junction WTP (QJWTP). As a result, the water department operates 3 highly complicated treatment systems, 3 wells, 1 spring, 2 import sources, 2 mine tunnel sources including mine maintenance, over 120 miles of distribution pipe that spans about 4,000 vertical feet, 19 tanks, 950, fire hydrants, 182 control valves, 26 pump stations, 54 pressure reducing stations, 11 stream flow monitoring stations, and various snowmaking and irrigation delivery obligations. This is done 365 days a year, 24 hours a day.

Council is well aware of the water quality events in 2007 and 2010, the various challenges staff is facing, and the public's desire to be more comfortable with effort to address these issues. The Water Department is also working on an infrastructure and treatment plan that will treat water discharged from the Spiro and Judge Tunnels and Prospector Drain while also improving the City's drinking water quality. This will in turn further complicate the water system by adding treatment facilities and water quality requirements.

As a result of the above information, immediate changes are recommended to adapt to the rapidly changing water system, increasing regulations, increasing complexity, and increasing workload. Staff is recommending splitting the operations group into 2 areas: 1) water distribution, pumping, valves, hydrants, stream flow monitoring and water delivery, etc.; and 2) water quality and treatment. By separating these groups, managers of these smaller, more specialized groups will be better able to proactively manage, plan, and execute highly effective operations.

Below are the budget changes that will occur in water personnel between the City Manager's recommended budget and the final budget to address the above goal.

Water Quality and Treatment Manager
This is a new (full-time equivalent) FTE who will oversee and direct all water quality and treatment related activities ($92,572 increase). This position will supervise the Treatment Facilities Superintendent (see below) and provide oversight of treatment processes. This positionwill also be responsible for further developing the water quality program, research and funding opportunities, water quality regulation, and distribution water quality. This position will report directly to the Water Manager.

This position will be partially offset by eliminating the current contract position, Water Quality Program Manager, which is funded from the CIP budget. However, staff recommends only partially offsetting this expense in order to leave enough money in the water quality program budget to implement improvements including research collaboration efforts currently being studied.

Treatment Facilities Superintendent
This is a new FTE who will oversee the day to day operations of Spiro WTP, QJWTP, all chlorination facilities, and mine maintenance ($99,581). This position will coordinate maintenance plans, schedules, staffing, day to day treatment, upgrades and expansions, and other tasks related to keeping these facilities in top form. This person will report directly to the Water Quality and Treatment Manager.

Water Worker IV
This position is currently a Water Worker III and part of the treatment group. Due to the technical requirements of this position, staff is recommending that this position be increased to a Water Worker IV position ($7,815 increase). This position will report directly to the Treatment Facilities Superintendent.

Conservation Coordinator
Staff is recommending that an Analyst IV (non-exempt—hourly) be reclassed a to Conservation Coordinator (exempt—salary) to better reflect the duties of the position ($1,284 increase). This change stems from turnover of this position as of June 8, 2012 and is unrelated to the changes to address operations.

Administrative Interfund (IFT) Transfer Study Recommendation
In 2001, an Indirect Cost Analysis Summary Report was created that quantified the effective total cost of providing local government services within the City. Starting in 2011, the City began annually updating the Admin IFT study to calculate administrative interfund transfers from the enterprise funds (Golf, Water, and Transit) to the General Fund. This updated Administrative Interfund Transfer study (Attachment A) provides an updated estimate of cost of services to the enterprise funds from administrative departments within the General Fund. The purpose of the Admin IFT is to charge enterprise funds for indirect services provided from administrative departments. The following chart shows the Recommended Admin IFT total for FY13 in comparison to last year’s Admin IFT. Also, it must be noted and that an ongoing transfer from the General Fund to the Water Fund ($300k) will begin in the FY13 budget to help pay for the cost of water services in the General Fund.

	Water Fund	Golf Fund	Transit Fund	Total Admin IFT
Current Admin IFT Total	$579,000	$104,000	$575,000	$1,258,000
Recommended Admin IFT Total	$610,398	$108,946	$521,522	$1,240,866
Difference	$31,398	$4,946	-$53,478	-$17,134

(See Attachment A- Admin IFT Executive Summary and Analysis)

Grant Reimbursements
The FY 2012 Final Adjusted Budget includes a technical adjustment for state and federal grant reimbursements received in the General Fund in FY 2012. The adjustments include $18,593 in the public safety communication center department and $17,634 in the Police Department.

Reprioritization of Contract Services
The City Manager's recommended budget included a position moving into Sustainability as a contract position. It is now being recommended for the Final Budget to move the duties and responsibilities of this position to the Executive Team. This is a zero-sum budget change.

CIP Changes to the Final Budget

Empire Avenue (OTIS) Project
In order to begin construction this summer on the Empire Avenue OTIS project the final budget has been adjusted to include a $1.8 million bridge loan to cover the expense. This is in the form of an additional $1.8 million transfer from the General Fund fund balance to the Capital Fund in FY 2012. The General Fund fund balance can be replenished to the 18% allowable level once additional revenue is secured.

Ironhorse Bus Facility Project
On 5-24-2012 staff made Council aware of a change to funding and expenses for the Ironhorse Bus Facility project which had been recorded in cp0051-057458 (Bus Maintenance & Operations Facility – Federal Grants). Staff has made a technical correction to cp0051 in the FY2012 Final Adjusted Budget to record $2,027,422 in expenses that were originally shown as financed with federal grants to now showing this amount as funded with Transportation Fund balance (local funds). This change does not represent an increase in the original project budget amount approved for the project only the funding source for those expenditures. This change is necessary to more accurately reflect the current funding status of the project. With completion of the project the total project budget will be reduced from $12,965,000 to reflect the total anticipated project completion cost of $10,177,156.

Quinns WTP Asset Replacement
With the addition of Quinns Junction Water Treatment Plant (QJWTP), a budget line item is required for asset management of this $14,000,000 facility. This money will be used to replace valve, pumps, membranes, and other items to be replaced at the facility over time. The budget has been adjusted to include $50,000 in FY 2013 and $150,000 in subsequent years.

Quinns Dewatering Facility
As discussed with Council on May 24th, a mechanical dewatering process addition at QJWTP will be required once Judge Tunnel water is treated at this facility. Judge water contains various constituents in particulate form which will be filtered out by the membranes at QJWTP creating a concentrated waste stream that requires treatment. The current waste stream is discharged into the sanitary sewer which is then treated at Snyderville Basin's Silver Creek Facility. However, with the addition of Judge's waste stream, discharge to the sewer will be prohibited as a result of the concentrated metal content. The Final Budget has been adjusted to include funding of $500,000 in FY 2013 and $1.5 million in FY 2014 for the project.

Smart Irrigation Controllers
This is an incentive program designed to reduce water demand through the use of technology that adjusts watering amounts based on climatic conditions. The Final Budget was adjusted from $6,000 in FY 2013 through FY 2017, to $12,000 per year over the same time period.

Water Quality Study
This is for various water quality related studies and activities such as pipe cleaning, monitoring equipment installation, studies, and research opportunities. The Final Budget and CIP have been adjusted from $200,000 in FY2013, to $150,000 in FY 2013 through 2017. This changes the total project budget from $400,000 to $950,000.

Resort Community Sales Tax Levy
On May 17th and 24th staff presented City Council with the Capital Improvement Plan (CIP) as part of the City Manager's Recommended Budget. The proposed plan did not include funding for several large projects including the remaining OTIS projects, Historic District/Main Street projects, storm drain improvements and additional open space acquisitions. Council has expressed an intention of funding these projects with an increase to the Resort Community Sales Tax. On June 8, staff presented City Council with several scenarios showing possible allocation of the additional Resort Community Sales Tax revenue through combinations of cash and debt financing. Council expressed a desire to allow flexibility in the funding.

Staff outlined the process and timeline involved in adjusting the Resort Community Sales Tax. Because the Resort Community Sales Tax requires an election and waiting period, the earliest that the tax could be applied would be April 2013 which would only allow for three months of collections in FY 2013 and would be after the large collection months in the winter. Therefore the FY 2013 Final Budget does not include any additional funding or project budget associated with the additional Resort Community Sales Tax.

The FY 2014 plan and 5-Year CIP have been adjusted to include the funding strategy listed in Scenario A-B (Attachment B) presented on June 8th. It should be noted that because this funding scenario begins in FY 2014, City Council will have the FY 2014 budget process to make adjustment and modifications before any project funding is implemented.

Staff continues to recommend that all revenue generated with the additional .5% Resort Community Sales Tax be received directly into the Capital Improvement Fund (Fund 31) to be used for but not limited to the following capital projects, Historic Park City/ Main Street & Downtown Projects, OTIS, Open Space Acquisitions and other capital improvement projects as determined appropriate by City Council. It is staff's recommendation that this will allow all funds to be programed towards capital improvement projects and will allow City Council the flexibility to determine, on a yearly basis, the most appropriate use of the additional funds.

On June 28, 2012, staff recommends Council adopt a resolution that puts the sales tax initiative on the November ballot. Even though the date is not stipulated in state code, staff feels that adopting the sales tax initiative on this date would be beneficial since it coincides with the adoption of the budget in the same month and will allow Council and staff time to educate the community about the benefits of the tax.

Department Review:
This report has been reviewed by the Budget, Legal, and City Manager departments.

Alternatives:

A. Approve:

1. **Staff recommends that Council hold a public hearing regarding the Proposed Budget and provide direction on outstanding budget issues;**
2. **Give direction to staff regarding desired changes to the budget to be made before Final Adoption.**

B. Deny:
State statute requires at least one public hearing before the adoption of a Final Budget. The City has traditionally held a public hearing accompanying each discussion of the budget. If Council decides to forgo a public hearing at this time, another must be held before adoption of the Final Budget.

C. Modify:

D. Continue the Item:
This has the same effect as Alternative B.

E. Do Nothing:
This also has the same effect as Alternative B.

Significant Impacts:
This public hearing would satisfy the requirements of state statute to hold a public hearing before the adoption of a final budget.

Consequences of not taking the recommended action:
If Council decides to forgo a public hearing at this time, another must be held before adoption of the Final Budget.

Recommendation:
Hold a public hearing on the City Manager Recommended Budget. Provide direction concerning outstanding budget issues.

Attachments:

A – Administrative Interfund (IFT) Transfer Study
B – Scenario A-B (Resort Community Sales Tax Levy)

Executive Summary

Purpose of Report

This report analyzes the total cost of **administrative interfund transfers** (Admin IFT) to the General Fund from the enterprise funds of Park City. Certain departments within the General Fund provide administrative services, financial management, and other services for the departments within the enterprise funds. This report:

1) Describes the functions of administrative interfund transfers
2) Presents administrative interfund transfer adjustment results
3) Analyzes the methodology and calculations for each department program
4) Discusses the purpose of removing direct costs from the administrative interfund transfer
5) Describes an adjustment made to the revenues of business license fees
6) Provides a plan for the future, if the updated administrative interfund transfer is accepted
7) Provides a recommendation

Administrative Interfund Transfer Description

In 2001, the city contracted Rosenthal & Associates Inc. to perform an Indirect Cost Analysis Summary Report. This report quantified the effective total cost of providing local government services within the City. Since 2001, the City has used the same figures to calculate administrative interfund transfers from the enterprise funds to the General Fund. This analysis provides an updated estimate of cost of services provided to the enterprise funds from administrative departments within the General Fund.

In Park City, funds are transferred from the three enterprise funds (Golf, Water, and Transit) to compensate for services that are provided to them from different administrative departments in the General Fund. Enterprise funds receive these services and are charged by the General Fund, as if they were a separate business that receives services from department programs. This study identifies a reasonable methodology to understand how much money each enterprise fund should be charged for services they receive.

Results

The results compare the current Admin IFT total and the adjusted Admin IFT total for FY13. The total difference of the two studies is also provided.

	Water Fund	Golf Fund	Transit Fund	Total Admin IFT
Current Admin IFT Total	$579,000	$104,000	$575,000	$1,258,000
Adjusted Admin IFT Total	$610,398	$108,946	$521,522	$1,240,866
Difference	$31,398	$4,946	-$53,478	-$17,134

These results were generated by looking at the benefits received by the enterprise funds from the administrative department programs. Each department program created a description of the service it provides. The program descriptions were compiled together to become the Budgeting for Outcomes (BFO) Bid Packet. The dollar amounts were determined using data and logic for each department program.

Methodology

Department programs were created and clearly defined in the Budgeting for Outcomes (BFO) process. Over 130 programs and services were identified and defined in the process. Each program has a current budget. The program budget was used to generate percentages of dispersion from the three enterprise funds to the General Fund. To generate this percentage split, varying demand figures were used. For example, Information Technology programs provide services that work directly with computers. Therefore, Information Technology programs use the amount of computers that each enterprise department has divided by the total amount of computers owned by the City to generate a demand figure.

Direct Costs

Direct costs for enterprise funds include janitorial services and utilities such as natural gas (Questar), electricity (Rocky Mountain Power), and sewer (Snyderville Basin). Beginning in FY2012, each enterprise fund began paying directly for their utilities.

Business License Fees

As provided in the municipal code: “a separate license must be obtained for each branch establishment or separate location in which business is engaged” within the city limits (i.e., business licenses). The distribution of business licenses is a service provided by the Finance Department to the citizens of Park City. The business license fee itself is broken down into several categories as a way to fund distinct services provided by the City. Two of these categories are the Enhanced Enforcement Fee and the Administrative Fee. The Enhanced Enforcement Fee was developed to provide more police enforcement for taxi regulation during special events like Sundance. The Administrative Fee was developed, per State code, to recover the costs of actually administering the business license fees. These two services are funded within the General Fund, and the General Fund directly receives the Enhanced Enforcement and Administrative Fee revenues into the General Fund. These fees take up approximately 10% of the overall business license revenue.

Plan for the Future

Adjustments to the current Admin IFT provide specific logic and methods to understand how funds are transferred from the enterprise funds into the General Fund. The current plan will include an inflationary component. This is not a percentage increase per year, but rather an increase as the costs of programs increase. The Admin IFT will adjust every year with the fluctuating costs of services for each program. A new Admin IFT analysis will be performed every five years.

Recommendation

The Budget department recommends the following:

- $610,398 Admin IFT for the Water Fund
- $108,946 Admin IFT for the Golf Fund
- $521,522 Admin IFT for the Transit Fund
- Admin IFT's should be adjusted each year by a percentage matching the growth rate of budgeted expenditures for administrative support departments

The Budget Department recommends this study as an update to the administrative interfund transfer because of the specific logic and methodology used to determine the updated amounts. This is a recommended change because the current Admin IFT was performed over ten years ago, whereas this is a current and up-to-date study that offers clarity and specificity to the indirect costs of services provided to the enterprise funds.

Analysis

Introduction

In 2001, the city contracted Rosenthal & Associates Inc. to perform an Indirect Cost Analysis Summary Report. This report quantified the effective total cost of providing local government services within the City. The analysis estimated both the direct cost of final demand and the value of support services. Since 2001, the City used this data to determine the administrative interfund transfers (Admin IFT) from the enterprise funds to the General Fund. This analysis provides an updated estimate of the cost of services that are provided to the enterprise funds from administrative departments within the General Fund.

Administrative Interfund Transfer Description

An interfund transfer is an accounting transaction which exists to account for indirect administrative costs attributable to enterprise activities in the proper fund. In Park City, funds are transferred from the three main enterprise funds (Golf, Water, and Transit) to compensate for services that are provided to them from different administrative department programs in the General Fund. The services and benefits cost time and resources, so the enterprise funds pay to receive those benefits.

Results

The current administrative interfund transfer amount was determined by cost of service data from Rosenthal's Indirect Cost Analysis. Because it had been over ten years since the study, staff felt it was necessary to revisit the Admin IFT amounts and create a new study. Results of this study provide an adjustment to the Admin IFT to determine their viability using specific logic and methodology for an updated amount.

	Water Fund	Golf Fund	Transit Fund	Total Admin IFT
Current IFT Total	$579,000	$104,000	$575,000	$1,258,000
Adjusted IFT Total	$610,398	$108,946	$521,522	$1,240,866
Difference	$31,398	$4,946	-$53,478	-$17,134

This table shows the current Admin IFT total, the adjusted Admin IFT total (2012 study), and the total difference. These totals represent the accumulated expense that each enterprise fund will be charged based on the services provided to them from department programs. The total Admin IFT cost has decreased over $17,134.

Methodology

The goal of this analysis is to provide an accurate calculation of expenses charged toward the enterprise funds for specific services of department programs. Department programs were created and clearly defined in the Budgeting for Outcomes (BFO) process. Throughout the last several months, Council and staff have engaged in the BFO process, which is a modified zero-based budgeting approach. The intent of BFO is to clearly identify all of the services and programs provided by the City, the scope of service or the level at which that service is provided, and to link these to the Council Goals and Community Vision. Over 130 programs and services were identified and defined in the process. Each program has a current budget. The program budget was used to generate percentages of dispersion from the three enterprise funds to the General Fund. To generate this percentage split, varying demand figures were used. The methodology is provided for the following departments: Building Maintenance, Budget, Debt and Grants; City Manager, Human Resources, Legal, Information Technology, and Finance, Building/Engineering/Planning, and programs that are mixed between Multiple departments.

Building Maintenance

The Building Maintenance department offers the following programs included in the administrative interfund transfer: Building Repairs and Maintenance, Inspections and Contract Supervision, and Asset Management. The Building Maintenance department is responsible for the maintenance of 31 city owned facilities, exceeding 240,000 total square feet. Building maintenance provides different levels of service for City buildings. Higher levels of maintenance provided for each building equals a higher weight placed on the square footage of that building. The adjusted total square footage is used to calculate the amount of maintenance required as a service. Building maintenance provides services to buildings used by each enterprise fund. A percentage was created to represent the amount of square footage that building maintenance provides to each enterprise fund divided by the adjusted total square footage. The percentages for each enterprise fund are applied to the overall cost of each building maintenance program.

Program	Overall Cost	Water	Golf	Transit
Bldg Repairs & Maintenance	$288,190	$15,720	$1,823	$22,286
Inspections & Contract Supervision	$91,760	$5,005	$580	$7,096
Asset Mgmt/ Replacement Program	$13,000	$709	$82	$1,005

Budget, Debt, and Grants

The Budget, Debt, and Grants department is responsible for managing, budgeting, and tracking debt issuance, capital budgeting, revenues, resources, and grants for the City. The department personnel spend a majority of their time and services to benefit the General Fund. However, their time and services also benefit the enterprise funds. The methodology associated with these programs use the portion of the budget that each enterprise fund represents.

Program	Overall Cost	Water	Golf	Transit
Debt Issuance	$3,312	$1,277	$13	$0
Capital Budgeting	$10,490	$1,400	$35	$2,407
Budget Prep/Coordination	$115,721	$13,853	$3,457	$17,518
Revenue/Resource Mgmt	$19,367	$2,318	$578	$2,932
Analysis Resource	$40,258	$4,819	$1,203	$6,094
Grant Administration	$9,231	$923	$92	$1,385
Performance Measures & Benchmarking	$62,000	$4,879	$1,828	$12,124

City Manager

The City Manager department provides the management of daily operations, support of the governance process, and organizational leadership and support to City employees. For the Staff Support program, the percentage is determined by taking the number of Full Time Equivalents (FTE's) in each enterprise department divided by the overall total amount of FTE's. This method is used for the Staff Support program because it benefits each department. The Assistant City Manager provided an estimate of time and services used to benefit the enterprise funds for Legislative Liaison and City Recorder programs. A negligible amount was provided and applied.

Program	Overall Cost	Water	Golf	Transit
Staff Support	$222,624	$13,599	$9,773	$53,964
Legislative Liaison	$90,332	$1,807	$0	$2,710
City Recorder	$93,699	$3,748	$0	$937

Human Resources

The Human Resources department assists the City in the recruiting process, employee benefits, employee events, and the City's employee culture. For Human Resources, the methodology is determined by taking the number of FTE's in each enterprise department divided by the overall total amount of FTE's. This works well because Human Resources programs provide services to each employee in every department.

Program	Overall Cost	Water	Golf	Transit
Performance Mgmt	$88,579	$5,411	$3,889	$21,472
Valuing Employees	$129,971	$7,939	$5,706	$31,505
Local, State, & Federal Compliance	$128,034	$7,821	$5,621	$31,035
Recruitment	$78,110	$4,771	$3,429	$18,934
Pay Plan Design/ Administration	$70,994	$4,337	$3,117	$17,209
Benefit Design/ Administration	$62,471	$3,816	$2,742	$15,143

Legal

The majority of the services and programs provided by the Legal department benefit the General Fund, but some of the services also benefit the enterprise funds. The Water Right/Water Projects program benefits the water fund 100 percent. For the remaining legal programs, each department equally benefits from legal services. Because each department benefits from legal services, a department split was implemented. The department split factors in twenty-three departments containing personnel who benefit from legal services. Each department receives an equal percentage.

Program	Overall Cost	Water	Golf	Transit
Water Rights/Water Projects	$91,134	$91,134	$0	$0
Criminal Prosecution	$184,011	$7,360	$7,360	$7,360
Litigation	$76,682	$3,067	$3,067	$3,067
Contracts/Grants	$65,125	$2,605	$2,605	$2,605
General Legal Support	$86,176	$3,447	$3,447	$3,447
Employment Review	$51,842	$2,074	$2,074	$2,074

Information Technology

The Information Technology department oversees the operation of Park City's enterprise computer, phone, and network environment and provides a range of internal services including support and training of software and hardware applications, GIS database mapping, records archiving, and high-quality customer service. The logic and methodology for these programs uses the amount of computers that each enterprise department has divided by the total amount of computers owned by the City. For example, the Transit department uses 13 of the 290 City owned computers. This equals 4.48% percent of the total amount of City owned computers.

Program	Overall Cost	Water	Golf	Transit
Network Support	$290,043	$18,998	$6,004	$12,994
Support/Help Desk	$336,126	$22,016	$6,958	$15,058
Customer Service	$103,879	$6,804	$2,150	$4,654
Systems Support	$227,087	$14,874	$4,701	$10,173
Software Maintenance/Upgrades	$187,221	$12,263	$3,875	$8,388
GIS	$96,584	$6,326	$1,999	$4,327
Website	$33,977	$2,226	$703	$1,522

Finance

The services provided by Finance department benefits all departments. The amount of time the Finance department employees spend on the Accounting/Audit/Treasury program was estimated to generate an expense to charge each enterprise fund. The personnel costs for each fund were used. The Financial Services program was split into Payroll, Accounts Payable, and Accounts Receivable. For payroll services, the amount of employees per enterprise fund is used. For Accounts Receivable, ninety percent are used for the Water department due to water billing. For Accounts Payable, the total expenses per fund are used. The cost for each enterprise fund uses the combination of these three services to create the amount that they are charged for Financial Services. For Business Licenses, a percentage was identified that yields two percent of the Transit Service Enhancement Fee, which is about $900,000 per year.

Program	Overall Cost	Water	Golf	Transit
Accounting/Audit/Treasury	$299,813	$20,987	$8,839	$58,630
Financial Services	$286,306	$74,052	$8,739	$55,248
Business Licenses	$93,246	$0	$0	$18,000

Building/Planning/Engineering

Services provided by the Building, Planning, and Engineering (BPE) departments provide a small amount of assistance to the enterprise funds, mainly to the Water Fund. For Inspections, a percentage was indentified that yields two percent of impact fees, which is currently budgeted at $1.6 million. The Engineering Manager said that about ten percent of the time and services are given to benefit the Water Fund. The Planning department suggests that eighty-five percent of Permitting/Current Planning services benefit the General Fund, four percent to the Water Fund, three percent to the Golf Fund, and eight percent to the Transit Fund.

Program	Overall Cost	Water	Golf	Transit
Inspections	$1,015,085	$20,302	$0	$0
Engineering Project Mgmt	$222,345	$22,235	$0	$0
Permitting/Current Planning	$81,876	$3,275	$2,456	$6,550

Multiple Departments

The methodology and logic used for programs provided by multiple departments used the expertise and recommendation from the manager who was most heavily involved in the program and service that is provided. A percentage estimate was provided identifying the amount of time and services devoted to each of the three enterprise funds.

Program	Overall Cost	Water	Golf	Transit
Environmental Regulation/EPA	$748,962	$94,635	$0	$0
Community Outreach & Citizen Engagement	$352,209	$35,221	$0	$35,221
Council & Board Support	$317,184	$12,687	$0	$3,172
Policy Creation & Implementation	$327,588	$13,104	$0	$3,276

Direct Costs

Direct costs for enterprise funds include janitorial services and utilities such as natural gas (Questar), electricity (Rocky Mountain Power), and sewer (Snyderville Basin). Beginning in FY2012, each enterprise fund began paying directly for their utilities.

Business License Fees

As provided in the municipal code: “a separate license must be obtained for each branch establishment or separate location in which business is engaged” within the city limits (i.e., business licenses). The distribution of business licenses is a service provided by the Finance Department to the citizens of Park City. The business license fee itself is broken down into several categories as a way to fund distinct services provided by the City. Two of these categories are the Enhanced Enforcement Fee and the Administrative Fee. The Enhanced Enforcement Fee was developed to provide more police enforcement for taxi regulation during special events like Sundance. The Administrative Fee was developed, per State code, to recover the costs of actually administering the business license fees. These two services are funded within the General Fund, however, the revenues generated by these services has been received into the Transit Fund, but made their way back to the General Fund via the Admin IFT. However, it is being recommended in this study to eliminate this confusion and directly receive the Enhanced

Enforcement and Administrative Fee revenues into the General Fund. These fees take up approximately 10% of the overall business license revenue.

Plan for the Future

The adjustments to the current Admin IFT provide specific logic and methods to better understand how funds are transferred from the enterprise funds into the General Fund. A plan is necessary for the future use of the Admin IFT If this update is to be accepted. The current plan will include an inflationary component. This is not a percentage increase per year, but rather an increase as the costs of programs increase. The Admin IFT will adjust every year with the fluctuating costs of services for each program. A new Admin IFT analysis will be performed every five years, which will revisit the methods and logic used to determine the expenses charged toward the enterprise funds.

Recommendation

The Budget department recommends the following:

- $610,398 Admin IFT for the Water Fund
- $108,946 Admin IFT for the Golf Fund
- $521,522 Admin IFT for the Transit Fund
- Admin IFT’s should be adjusted each year by a percentage matching the growth rate of budgeted expenditures for administrative support departments
- Enterprise funds will be responsible for direct costs (utilities and janitorial services)

The Budget Department recommends this study as an update to the administrative interfund transfer because of the specific logic and methodology used to determine the updated amounts. This is a recommended change because the current Admin IFT was performed over ten years ago, whereas this is a current and up-to-date study that offers clarity and specificity to the indirect costs of services provided to the enterprise funds.

Scenario A/B – Hybrid of Scenario A and B

Scenario A/B is a hybrid of A and B which like scenario B designates $15 million of the additional sales revenue funds for open space acquisition and conservation easement monitoring. Like each option presented, A/B has the full amount of the additional Resort Community Sales Tax being received directly into the Capital Fund. This option relies heavily on cash up front with larger bond issuance occurring in FY2017. This structure will allow Council the flexibility to evaluate project progress and funding requirements before committing large portions of the Resort Community Sales Tax revenue to sales revenue bonds.

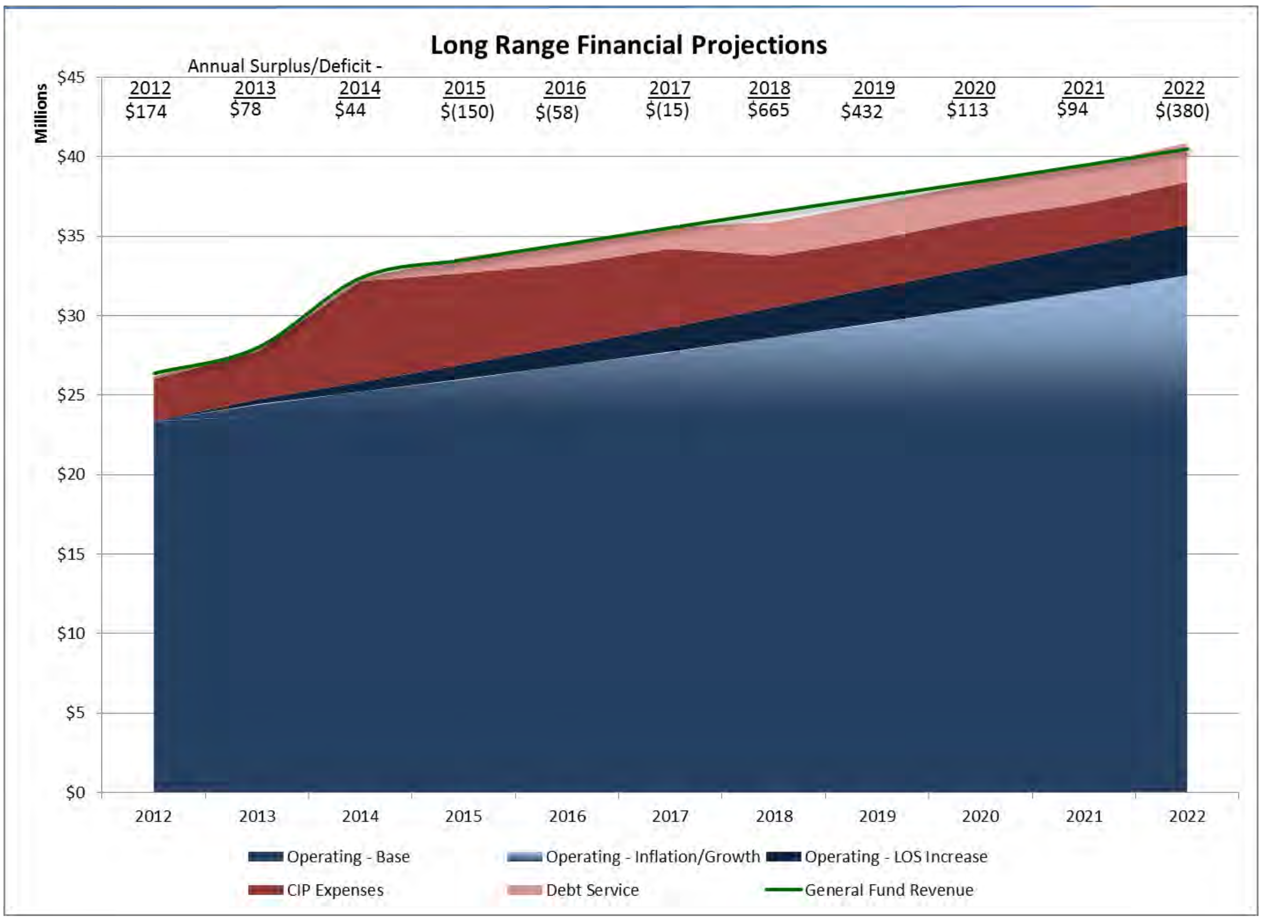
Scenario A/B shows funding through a combination of cash a debt financing. It includes a combination of sales revenue bond for open space acquisition and conservation easement monitoring in FY 2014 for $3M, FY 2015 for $4M and FY 2017 for $5M. It also includes an additional $3M in cash for open space acquisition and conservation easement monitoring in FY 2014 and 2015. This would be a total of $15M for open space acquisition and conservation easement monitoring between FY 2014 and 2017 with $10M coming in the first two years.

The scenario includes funding Historic Park City/ Main Street projects phases II, III and IV through a combination of three sales tax revenue bonds in FY 2014 for $6M, FY 2017 for $3.5M and FY 2020 for $3M. It also includes funding $2M for the project in equal cash payments of $400,000 from FY 2016 to 2020.

Option A/B also includes a combination of cash and debt funding to cover storm drain improvements. This includes cash funding of approximately $1.3M in FY 2015, 2016 and 2017 for a total cash amount of $4M. In addition, $4.5M in debt would be issued in amounts of 1.5M in FY 2018, 2021 and 2024 for a total cash and bond project amount of $8.5M.

This option includes funding phases A, B, C and D of OTIS projects. This includes $1.8M in cash in FY 2014 and $2.3M in FY 2016 to cover phase A and B respectively. It also includes the issuance of debt in the amount of $1.9M in FY 2019 and $2.5 in FY 2022 for C and D respectively. (OTIS Phase A includes Upper and Lower Empire Ave. Phase B would include Sullivan Road; Hillside Ave. Stairs; and 8th, 10th, 11th, and 14th Street. Phase C includes Rossi Hill Dr., McHenry St. and Swede Alley. Phase D includes the remaining OTIS projects)

Long Range Financial Model Scenario A/B - Hybrid of Scenario A and B with $15 million dedicated to Open Space											
Project	Funding Type	Total Funding	Funding Available by Fiscal Year								
			FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
OTIS (Phase A)	Cash	$ 1,800,000	$1,800,000								
OTIS (Phase B)	Cash	$ 2,300,000			$2,300,000						
OTIS (Phase C)	Debt	$ 1,900,000						$1,900,000			
OTIS (Phase D)	Debt	$ 2,500,000									$2,500,000
Downtown Projects (Phase II)	Debt	$ 6,000,000	$6,000,000								
Downtown Projects (Phase III)	Debt	$ 3,500,000				$3,500,000					
Downtown Projects (Phase IV)	Debt	$ 3,000,000							$3,000,000		
Downtown Projects (Cash)	Cash	$ 2,000,000			$ 400,000	$ 400,000	$ 400,000	$ 400,000	$ 400,000		
Additional Open Space (Phase I)	Debt	$ 3,000,000	$3,000,000								
Additional Open Space (Phase II)	Debt	$ 4,000,000		$ 4,000,000							
Additional Open Space (Phase III)	Debt	$ 5,000,000				$5,000,000					
Additional Open Space (Cash)	Cash	$ 3,000,000	$1,500,000	$ 1,500,000							
Storm Drain System (Cash)	Cash	$ 4,000,000		$ 1,333,333	$1,333,333	$1,333,333					
Storm Drain System (Debt)	Debt	$ 4,500,000					$ 1,500,000			$1,500,000	



City Council Staff Report

Subject:	**Summit Land Conservancy Request for Endowment Funds and General Discussion of the role of conservation easements**
Author:	**Heinrich Deters & Diane Foster**
Department:	**Sustainability & Executive**
Date:	**June 14, 2012**
Type of Item:	**Discussion and Direction**

Summary Recommendations:

1. Staff recommends Council discuss Summit Land Conservancy's $1,500,000 request for an endowment and the possible options for an endowment structure within the budget process and provide staff with direction.

2. Staff would also like Council to have a high level discussion on the desire to place additional conservation easements on existing and future City-owned property.

Because of the complex nature of this staff report, staff recommendations are provided in a list below:

1. Staff recommends Council not place endowments on parcels that currently have conservation easements or on recently acquired property where Council wishes to place a new conservation easement.

2. Staff recommends that Council suggest endowment funding for future conservation easements at the time of purchase as part of the transaction.

3. Staff recommends that should Council wish to place conservation easements on current or future open space parcels, that Council consider each parcel individually, rather than making a blanket statement to place conservation easements on any and all open space.

Topic/Description: Staff would like to discuss two topics with Council:

1. Review Summit Land Conservancy's request to receive funds from Park City Municipal to create an endowment to provide a secure source of future funding for the stewardship/monitoring of conservation easements on City-owned open space?
2. Does Council wish to place additional conservation easements on existing and/or future City-owned property?

Background

On March 29, 2012, staff presented Council with an initial work session report on the endowment request by Summit Land Conservancy and the placement of future conservation easements. Council had several questions and asked staff to return during the budget process with more information. Staff has provided a list of those questions and their answers.

1. What is stewardship? *Stewardship can have several deliverables, depending on the issue but basically involves third party monitoring of the easement property and subsequent reports to ensure the conservation values associated are being upheld. Much of the cost is associated with staff time and administrative costs, such as meetings, site visits and other aspects which are essential for third party monitoring of reserved rights and possible violations.*

2. What is stewardship vs. maintenance? *Stewardship is the oversight, education and communication of maintaining the conservation values associated with an easement. Most often the deliverable of this function is notification through email, call or verbally. Maintenance is the direct or physical implementation of caring or rectifying a possible violation associated with an easement.*

3. Can Conservation Easements be transferred? *Yes. There is a specific clause in the easement noting the ability to transfer the easement for various reasons. Easements may only be passed to qualified organizations per Section 170(h) of the Internal Revenue Code.*

4. Would an endowment funded by incremental appropriations be subject to the City annual budget process? Yes.

5. Is a multi-year public Request for Proposal required for stewardship/monitoring costs if the easement is held in perpetuity by an entity such as Summit Land Conservancy? *Yes. The City's procurement code dictates this process as noted below:*

The selection of professional service contracts in an amount exceeding $25,000 shall be based on an a formal documented evaluation process such as Request for Proposals (RFP), Statement of Qualifications (SOQ), Qualification Based Selection (QBS), etc. (see Park City's Best Practices in Procurement for details).The evaluation process should include an objective assessment, preferably by multiple reviewers, of the services needed, the abilities of the contractors, the uniqueness of the service, the cost of the service, and the general performance of the contractor. Special consideration may also be given to local businesses during the evaluation in instances where knowledge of local issues, geography, statutes, etc., may enhance the quality of service rendered. The lowest quote need not necessarily be the successful contractor. Usually, emphasis will be placed on quality, with cost being the deciding factor when everything else is equal. The manager shall determine which contracts are professional service contracts. Major professional service contracts ($25,000 and over) must be approved by the City Council.

6. Could future special interests be in conflict with the bond language- *It is definitely possible. A good example of this is currently taking place in Northern California. www.pressdemocrat.com/article/20120325/articles/203251091?p=1&tc=pg.*

Summit Land Conservancy has also provided a fact sheet and budgetary breakdown to help clarify any questions Council may have. (Exhibit A)

Endowment Discussion

Recently Summit Land Conservancy has asked if Council would be willing to consider providing an endowment to provide for stewardship/monitoring services in perpetuity, as well as, their position on moving forward with easements without specific funding.

Summit Land Conservancy is unwilling to take on the liability of additional conservation easements unless those easements are accompanied by an ongoing, protected source of funding, such as an endowment. (Exhibit B Letter from Summit Land Conservancy)

Why provide an endowment?

Summit Land Conservancy would like Council to consider funding an endowment that would provide ongoing funding for third party stewardship/monitoring of conservation easements outside of economic and political uncertainty, as well as, the fact that it would potentially save taxpayers in the future.

ANALYSIS

Funding stewardship of existing and possible future conservation easements:

Stewardship/monitoring of existing conservation easements, of which the existing Summit Land Conservancy contract is part of, are paid out of the Flagstaff Fees budget. The annual cost for the stewardship of 2095 acres of property at $15.24/acre (taken from current Park City Municipal contract with Summit Land Conservancy) is $31,927 per year. (Contract Scope of Services Exhibit C) This does not include 'land conservation' costs which include the drafting of new easements and one time baseline documents for each parcel. Summit Land Conservancy has quoted approximately $7000/new easement for this service. The annual totals of 2009-2011 for Stewardship and Land Conservation in the existing contract were $43,057, *$55,208 and **$39,090

**The Osguthorpe Parcel was an unanticipated cost at time of contract*
***Gambel Oak and White Acre Easements have yet to be finalized*

The Open Space Maintenance Fund has a current balance of $558,523. This fund is restricted to costs of "recreation improvements, and/or open space acquisition, maintenance, or preservation."

Existing/potential costs associated with Maintenance of existing open space:

Maintaining City-owned open space is vital to upholding the open space values set forth in bond language, deed restrictions and conservation easements. Below is a table of existing and potential open space expenditures:

Noxious Weed Maintenance	Existing
Open Space Staffing: Trails and Open Space Project Manager	Existing
Capital Projects: Fences, Signage, Trails	Existing
Monitoring of Easements	Existing
Educational Programs (often in conjunction with Summit Land	Existing

Conservancy or other local non-profits)	
Management Plans: Studies	Potential
Management Plans: Capital projects, such as wetland restoration, wildlife infrastructure, wildfire mitigation, forestry enhancements or other environmental restoration projects.	Existing on certain properties, but no current comprehensive plan
Additional Conservation Easements	Potential
Open Space purchases	Potential

In 2011, costs associated with the maintenance of Open Space, totaled **$120,306**. This included maintenance costs detailed above and monitoring of easements. *Therefore, the City spent an additional $72,500 towards stewardship in addition to the SLC contract. It should be noted, that the 2011 expenditures did not include the costs of any internal staff time or any capital projects, such as the 2012 Osguthorpe fence and trail project.*

Any future expenditure associated with additional easements or open space purchases of open space may likely from this funding source, unless an alternate is identified.

Requested Endowment:
Summit Land Conservancy is requesting a total endowment of $1,500,000 or **$500/acre**, over the next 15-20 years to provide sufficient funds to monitor the City's current easements. That endowment is expected to generate a 6% annual return, with 3% of that return ($45,000) to be withdrawn from the fund to fund annual monitoring and 3% to be reinvestments (3% interest) to be used for monitoring. Below is a table of the stewardship or monitoring cost for City-owned parcels with easements held by Summit Land Conservancy and the endowment requested to monitor each parcel.

Easement Monitoring Costs & Endowment Request

Property	# of acres	annual cost= $15/acre (or minimum*)	Endowement Needed (assuming 3% interest)	
City-Owned Easements				
Bilogio - Round Valley	143.7	$ 2,156	$ 71,850	
Cranbrook - Round Valley	40	$ 600	$ 20,000	
Ed Gillmor - Round Valley	186	$ 2,790	$ 93,000	
Grover - Round Valley	40	$ 600	$ 20,000	
McMillian - Round Valey	280	$ 4,200	$ 140,000	
McPolin Farmlands	115.57	$ 1,734	$ 57,785	
Rail Trail*	1.977	$ 500	$ 16,667	
Richards' Ranch	18.92	$ 284	$ 9,460	
UP& L*	0.51	$ 500	$ 16,667	
Virginia Mine Claims*	13.3	$ 500	$ 16,667	
New Round Valley	340	$ 5,100	$ 170,000	
Gambel Oak	200	$ 3,000	$ 100,000	
City-County Easements				
Quarry Mountain	183	$ 1,373	$ 45,750	this is 50% since County is co-owner
Easements Co-held with Park City				
Lady Morgan* -- Deer Valley	1.79	$ 500	$ 16,667	
Ski Area -- Deer Valley	883	$ 13,245	$ 441,500	
Osguthorpe Farm	121	$ 1,815	$ 60,500	
Prospect Ridge -- Talisker	64.75	$ 971	$ 32,375	
Warren Claims -- Talisker	105	$ 1,575	$ 52,500	
TOTALS	2738.517	$ 41,442	$ 1,381,387	

* stewardship based on $15/acre per year or a minimum of $500 per year

Recent Summit County funding of similar endowment requests:
Summit County has provided 'Stewardship Endowment' funding for two of their recently acquired Open Space parcels, as one time capital expenditure, outside of the property purchase. The County utilized the 'Open Space Management' budget, for this funding. It should be noted, that the County has a separate 'Weed Management budget". Below is the endowment cost and acreage for both parcels:

Parcel/Acres	Endowment Provided	Cost per acre
Koleman- 10 acres	$25,000	$2,500
*PRI Kimball- 316 acres	$23,500	$65.10

**Private fundraising was used to offset this endowment cost.*

Endowment Structure:
The Summit Land Conservancy is proposing that the endowment would be held by The Park City Foundation. Municipal funds could be deposited into a specially identified Park City Municipal Conservation Easement Monitoring Fund that would be used exclusively for the monitoring of Park City Municipal properties or can be placed

in the Summit Land Conservancy already existing permanently restricted stewardship endowment fund. **Staff has consulted with the City's auditor, Piercy, Bowler, Taylor & Kern, and they recommend that City funds not be held in this manner by a third party. The City holding the funds would be more appropriate in their opinion.**

Non-Endowment option

The creation or appointment of existing boards could be delegated the power to approve annual monitoring payments for services rendered, as opposed to a taxpayer funded "endowment," for the non-profit entity holding the easement. This would provide separation from the political bodies and monitoring, provided an established long term funded CIP stewardship account is identified. If further separation is desired, a stewardship fund could be placed in an escrow account with a designated trustee(s) to authorize payments rather than another non-profit.

Current Summit Land Conservancy Professional Service Provider Contract

The term of the contract is three years, ending in June of 2012. Staff is looking to provide a three month extension to the existing contract while Council provides direction associated with this report.

Additional Conservation Easement Discussion:

Protecting open space from future development has been a long standing goal for Park City residents and it's Council. Over the past twenty years, the City has preserved over 7,000 acres of open space, through development agreements, the purchase of property or acquisition of easements. Mechanisms to ensure that the use of these parcels remain 'undeveloped' into the future include but are not limited to; deed restrictions, zoning, and associated bond language.

Park City has traditionally employed all of the following measures on all parcels purchased with Open Space Bond funds:

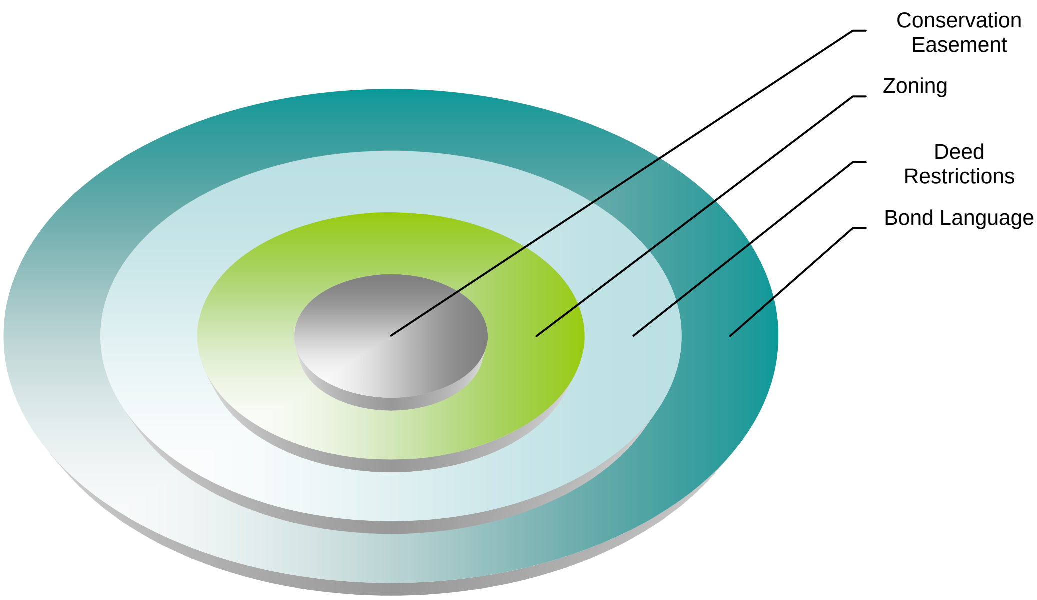
1. *Deed Restrictions:* Language which restricts use of the property as open space with a reversionary interest for the benefit of the prior owner should the terms be violated.
2. *Zoning:* Purchased properties within Park City limits are typically zoned as Recreational or Protected Open Space.
3. *Bond Language:* Every parcel purchased by the City with bond funds must be used in compliance with the terms of the issuance of the bonds restricting such use, in perpetuity, to open space.

A fourth option available for open space acquisition and subsequent stewardship is the use of conservation easements. These easements have two main goals:

1. Assigns enforcement rights of the open space deed and bond terms by which the City acquired the property to a third party conservation organization; and
2. Depending on the easement terms, the easement may further restrict the City's or the public's use of the property in perpetuity by narrowing the definition of permitted uses and conservation values of the property.

The City Council previously established that the additional protection in the form of granting such easements provide a desired degree of additional public assurance that the City government will not on their own compromise the open space values of the land in contradiction of the applicable bond language, deed restrictions and zoning. However, if drafted too narrowly, the conservation easements can limit public uses that would be otherwise permitted under the bond language and deed restrictions. Therefore, these permanent easements should be carefully drafted. Park City staff and legal counsel have consistently recommended against further limiting “permitted uses” for this reason, unless such restrictions are known and required by the seller at the time of acquisition (Armstrong for example).

The graphic below illustrates the three layers of protection that exist prior to placing a conservation easement on a piece of property, as well as, how permitted uses may come into conflict with one another if additional ‘layers’ are established at later intervals:



Staff maintains the position that the placement of conservation easements on parcels with existing restrictive covenants, such as deed restrictions, as well as, additional layers of ‘protection’, such as zoning and bond language is a ‘redundant’ application. However, staff recognizes that current council direction to place easements on existing parcels purchased with bond funds does provide a beneficial third party oversight of the parcels, as well as, reinforces the public’s will and commitment to fund said parcels as open space in perpetuity. However, the City Attorney points out that this could also be done by simply assignment of enforcement rights of the original deed restrictions (create third party beneficiaries of the original deeds and/or bond restrictions). Staff also recognizes the importance of a national accreditation of an organization. . However, the priorities and tax purposes underlying most of the accredited organizations may not be in alignment with the purpose(s) underlying why the City chose to acquire certain properties. For example, entering into the easements should in no way reduce the taxpayers’ ability to recover compensatory damages in the event of a third party violation or condemnation by another government entity.

Summary of Questions for Council:

1. Does Council wish to fund stewardship endowments that already have conservation easements on them? In answering this questions, the Council should ask itself are the City's management goals and reasons the City wants easements aligned or the same as the "stewardship" concepts articulated in the attached material from Summit Lands.
2. If Council wished to place conservation easements on some or all, of the city's open space parcels that currently do not currently have easements, does Council wish to fund stewardship endowments for those properties?
3. Does Council wish to establish a policy for funding future stewardship endowments, in the case where a new open space bond fund was established?
4. Does Council wish to place conservation easements on some or all City-owned open space that does not currently have a conservation easement? If so, should this be policy direction for the future?
5. Does Council wish to place conservation easements on some or all City-owned open space on a case-by-case basis? If so, should this be policy direction for the future?
6. Should staff incorporate this Council direction (received in response to questions 1-5) in the new RFP?

Department Review: This report has been reviewed by the Sustainability, Legal and Executive Departments. Input for this report was also received from the Finance and Budget Department.

The City Manager agrees with the City Attorney's opinion listed below.

The City Attorney recommends that:

1) Continue to contract annually for direct expenses of third party monitoring of the open space and other services as agreed but limit the use of conservation easements for future purchases to only when part of the original acquisition so that endowments and other consideration may be negotiated with the seller;

2) Unless established by the seller or City at the time of purchase, the "permitted uses" in conservation easements should mirror the bond language and deed restrictions only and future permitted, public uses are determined by the appropriate governing body in accordance with such restrictions, local zoning and open/public meeting requirements;

3) Conservation easements should affirmatively state that all damages and third party compensation for violations go to a designated City open space [bond replacement] fund, including condemnation; and

4) By enabling ordinance, the Council should specifically empower their Recreation Advisory Board (assuming COSAC is to remain temporary in

nature) or a new board to make long term use recommendations and oversee specific management plans actively and proportionately funded by each jurisdiction. Delegate to RAB the power to approve annual monitoring payments for services rendered, as opposed to a taxpayer funded “endowment,” for the non-profit entity holding the easement. This would provide separation from the political bodies and monitoring, provided the Council decided to establish long term funded CIP stewardship accounts. If further separation is desired, the stewardship fund could be placed in an escrow account with a City designated trustee(s) to authorize payments rather than yet another non-profit contract that will create difficulties with government accounting rules.

Significant Impacts
Funds are not available in the budget to fund the endowment. If Council wishes to place funds in a CIP project for monitoring, those funds should come from the Resort Tax ballot initiative if passed.

Summary Recommendations: Staff recommends Council discuss Summit Land Conservancy’s request for an endowment and the possible options for an endowment structure and provide staff with direction. Staff would also like Council to have a high level discussion on the need for future conservation easements on existing and future City-owned property.

Because of the complex nature of this staff report, staff recommendations are being provided in a list below:

1. Staff recommends Council not place endowments on parcels that currently have conservation easements or on recently acquired property where Council wishes to place a new conservation easement.
2. Staff recommends that Council suggest endowment funding for future conservation easements at the time of purchase as part of the transaction. The City Attorney recommends an alternative escrow or long term CIP fund administered by RAB.
3. Staff recommends that should Council wish to place conservation easements on current or future open space parcels, that Council consider each parcel individually, rather than making a blanket statement to place conservation easements on any and all open space

Attachments
Exhibit A: Summit Land Conservancy Fact sheet and budget breakdown

Exhibit B: Letter from Summit Land Conservancy

Exhibit C: Summit Land Conservancy 2009-2011 Contract- Scope of Services

Exhibit A

WE SAVE LAND

Stewardship
Preserving land for ever and all eternity

As the holder of conservation easements on City-owned property, the Summit Land Conservancy has an "affirmative obligation" to steward these lands in perpetuity.

In order to fulfill this obligation to protect the citizens' investment in open space, the Conservancy must find non-political funding for the on-going stewardship of these properties.

Questions and Answers:

What does Stewardship entail?

1. Annual Monitoring -- Includes site visits to each property, monitoring property boundaries, comparing GPS photo locations with previous years' photo documentation, compiling written reports that include issues that have arisen during the last year which are distributed to the City and to our secure archives. Staff also follows up with City staff on any issue needing resolution and works collaboratively to see the issue to closure.

2. Archives -- Each monitoring report must be duplicated and stored with multiple layers of redundancy. The annual monitoring reports may form the basis for the Conservancy ability to defend the conservation easement in the future. Paper and digital copies are stored in the Conservancy's office and in the off-site archive location. These archives are reviewed every three years to insure the quality of the documents and continued readability of digital files.

3. Reserved Uses -- Every easement document allows some "reserved uses" that are permitted, for example trail construction or temporary structures for special events. Many of these uses require the City to notify the Conservancy that something is going to happen on the property. Some of these uses also require the Conservancy to grant approval. In each case, the Conservancy staff must investigate the request, visit the site to see what the impacts on the ground will be, and prepare a memo for the Conservancy's board. The Conservancy's board will consider each request and notification and direct the staff on how to proceed.

4. Easement Violations -- The Conservancy is required to document any easement violation by any landowner or any third party. Again, the Conservancy's board will direct staff on how to proceed. Naturally, any easement violation takes considerable staff time both in the field and in discussions with the parties involved.

5. Amendments -- Any time a land owner wishes to make a change to an easement, the Conservancy's staff must again prepare a thorough report for the Conservancy's board. This report will detail the requested amendment and analyze the impacts upon the

conservation values as well as whether or not the proposed amendment is consistent with the conservation easement and the Conservancy's Amendment Policy. The board will direct staff on how to proceed. If the amendment moves forward, the staff must document the discussions regarding the amendment, and the Conservancy will have to engage legal counsel.

6. Public Use -- Because the City properties permit public use and public events, the Conservancy staff is frequently contacted regarding issues. Each of these requires staff time to discuss, investigate, and resolve.

7. Landowner Relations -- One of the best ways to avoid easement violations is for the Conservancy and the City to maintain a good relationship, where each party understands the purpose and intents of the other. Conservancy staff and City staff meet monthly, and often have more frequent conversations regarding the variety of issues that come up on these properties. Additionally, unlike a private landowner who tends to stay the same over many years, the face of the City changes with each election, necessitating numerous meetings between the Conservancy's staff and elected officials.

Is the City Getting a Fair Deal?

The direct costs associated with the Conservancy's stewardship include staff time, GPS & camera equipment, computer programs, legal fees, other professional services as needed such as environmental reports or surveys, and document preparation. Since Stewardship is one of the public benefits the Conservancy supplies to the community, a portion of the organization's administrative costs are also allocated to Stewardship.

In 2009, at the request of City Council members Jim Heir and Candy Erickson, the Conservancy developed a stewardship cost per acre model.

How Costs are Estimated:

Total Budget for Stewardship in 2009 = $22,900
Divided by total acres under easement = $22,900/2,095 (acres)
Direct Costs per acre = $11 per year.

Allocation for Overhead.
Stewardship in 2009 budget was 21% of total programs (excluding easement purchases)
21% of Administration budget = $9,034 administrative expenses allocated to stewardship
Divided Administration allocation by total acres under easement = $9,034/2,095 (acres)
Administrative "burden" of Stewardship = $4.31

Total Cost per Acre = $4.31+$11 = $15.31

Comperables:

- $7/acre. The Minnesota Land Trust estimates $7/acre for agricultural easements averaging 100 acres with a single landowner and no public access. This land trust is in the process of reevaluating this price as it is not adequately covering the actual costs of stewardship.
- $10/acre. Similarly the Vermont Land Trust averages $10/acre again for primarily agricultural easements on private land. Here too, the organization is finding that this funding is inadequate. In both cases the private, agricultural easements being monitored require far fewer organizational resources than the public, intensely used City-owned easements.
- $30/acre. Bainbridge Island Land Trust holds easements on publicly owned land with recreational use and access. In 2011, their cost per easement was over $45/acre, but this included some exceptional remediation and restoration work. They estimate their annual cost in a more normal year to be closer to $30/acre

Leveraging

The Summit Land Conservancy has found that the $15/acre generally covers our actual costs.

We have found ways to leverage our cost/acre by bringing in AmeriCorps and other interns and volunteers to support the Conservancy's paid staff. This leveraging results in a savings to the Conservancy, and therefore to the City.

Additionally, we hope that some economies of scale will keep our costs in the $15/acre range, despite inflation, even as the number of acres we monitor continues to increase. The Conservancy also hopes to supplement our stewardship funds with additional donations from other sources, such as bequests.

What if the Conservancy isn't doing its job?

1. Donor Restricted Funds: If the City establishes a "designated" or "field of interest" fund with the Park City Foundation, the contract can specify that the organization receiving the money for stewardship is the organization charged with stewarding the easement properties.
2. Maintaining national standards. The Contract can specify that the recipient of the funds is accreditation with the Land Trust Accreditation Commission, or adhere to other well-established "best practices" for the stewardship of conservation easements. If the Conservancy were to let its accredited status drop and could not prove to the satisfaction of the Park City Foundation's board of trustees that it was still performing to the Land Trust Alliance's standards, the funding for stewardship could be withheld or allocated to another organization that was able and qualified to do the work.

How might the City pay for this?

If the City wished to fund a stewardship endowment over 20 years, a contribution of $75,000/year would be necessary.

Empire Pass Fees. Understanding that the Empire Pass fees are an important, but fluctuating source of revenue for the City, the Conservancy suggests that the City establish minimum amount from this revenue source that is used for other purposes. If the City receives more than the minimum or base in any given year, then it can make the contribution to the stewardship fund.

Exhibit B
Summit Land Conservancy Stewardship Letter

SUMMIT SLC LAND CONSERVANCY

WE SAVE LAND

March 19, 2012

Dear Mayor Dana Williams and members of the Park City Council:

Park City should be honored for it many positive environmental initiatives. One of its greatest successes has been the City's open space acquisition programs. Recognizing the critical importance of open space to the character, economy, and quality of life of Park City, Park City has not only acquired important properties, but has employed the best tool to insure that the citizen's investment in these landscapes is protected forever: permanent third party conservation easements.

As the holder of conservation easements on much of the City's open spaces, the Summit Land Conservancy monitors each property each year, inventories the ecology, and works with City staff to mitigate any adverse uses. The Conservancy's mission to permanently protect the open spaces of Park City and Summit County means that it must take measures to insure its ability to continue these monitoring activities permanently.

Accordingly, the Conservancy has established a Stewardship Endowment. This money is permanently restricted, meaning that only the interest can be used and then only for the purposes of making sure that the conservation values (open space, recreation access, wildlife habitat, etc.) are in fact still protected.

The Summit Land Conservancy is unable to accept conservation easements without appropriate stewardship funding. The IRS requires land trusts, like the Conservancy, to have funding set aside in such stewardship endowments in order to insure that these organizations will be able to fulfill their obligation to protect the land forever. Likewise, the Land Trust Alliance, having reviewed the Summit Land Conservancy's easements and their additional protections, recommends substantially increasing our existing stewardship endowment.

The Conservancy will honor its current contract with the City to place conservation easements on the North Round Valley Parcel and the Gambol Oak/Hope White-Acre Parcels, hoping to find stewardship funds from the neighbors or other sources. If the City moves forward and continues to acquire open space, we advise it to include stewardship funding as part of the transaction costs, for without such funding the conservation process is not complete.

As you know, the Conservancy has already accepted 10 conservation easements from Park City Municipal without any stewardship funding, and it is a co-holder of 5 additional easements: 4 of these also lack adequate stewardship funding. Despite this lack of funding, the Conservancy remains obligated to monitor these properties each year and has done so, with support from a contract with the City. But the contract must be renewed every few years and done so in a public process. It is entirely possible that the City could chose not to renew its contract with the Conservancy, but the Conservancy would still have to the obligation of monitoring the properties. If the Conservancy were to go away or lose the ability to monitor these easements, the open space would be imperiled.

While we understand that other protections have been placed on these lands, but these additional measures lack one very important factor: a third party. Without a third party (in this case the Summit Land Conservancy) there may be no one who realizes that a piece of property was supposed to be protected. There may be people who wish such protections to be forgotten. The Summit Land Conservancy exists for the very purpose of remembering and speaking up on behalf of those who protected the land in the first place.

In the 1920's a group of people in the town of Huntsville acquired land high up on Ogden Mountain. The property had been over-grazed resulting in a degradation of the town's water source. After purchasing the land, the people of Huntsville gave this property to the forest service, thinking that the US Government would protect the land from future development and insure that their investment would be maintained forever.

They were wrong. In the 1990's the federal government, influenced by Utah's Congressional Delegation, decided to give that land to a developer instead, and it is now owned by Snow Basin.[i]

This is why Park City decided to use third party conservation easements on the lands that it truly wants to protect. But without stewardship funding today, a future government could cripple the Summit Land Conservancy's ability to protect the land and honor the investment made by Park City citizens.

Thank you for all that you do to keep Park City green and open.

CAFox

Cheryl Fox
Executive Director
Summit Land Conservancy

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[i] See Stephen Trimble's *Bargaining For Eden*, University of California Press, 2008

Exhibit C
ADDENDUM "A"

<u>SCOPE OF SERVICES</u>

Proposal for Contract to Monitor Conservation Easement Compliance

Submitted by the

Summit Land Conservancy

Experience:

The Summit Land Conservancy has been working to protect open space in and around Park City through permanent conservation easements since its inception as COOL (Conserving Our Open Lands) in 1998. We currently hold over 847 acres of City-owned property in conservation easements and we co-hold with Park City Municipal another 1052 acres that represent the open space portion of the Flagstaff/Empire Pass Development.

These acres are held in 14 separate easements, each of which was drafted with input from the Summit Land Conservancy. The Summit Land Conservancy has also prepared baseline studies for each of these properties and monitors them annually. Copies of all baseline studies and monitoring reports have been given to the City's staff in charge of overseeing easement lands. The Summit Land Conservancy's staff meets regularly with the City's legal and sustainability staffs to address issues that our annual monitoring reveals.

The Summit Land Conservancy is proud to be a member of the Land Trust Alliance, a national educational and representative organization of over 1500 land trusts across the country. We follow the Alliance's Standards and Practices, striving for state of the art stewardship and conservation programs. This diligence has allowed us to do a better job monitoring easement properties.

In 2006 and 2007, we converted all of our monitoring documents to digital formats with GPS telemetry, and delved into other ownership issues, such as title reports. This work revealed that the acreage listed on one of the Round Valley easements was off by 90 acres. We also found that a parking Jot had encroached on part of the Rail Trail easement. Finally, we discovered that the county recorder does not show the City as the owner of the entire UP&L parcel on lower Main Street. Our staff has documented these issues in each monitoring report and followed up with a series of meetings with city staff. Some of these issues have been resolved, but we are still pursing others.

In addition our work for Park City, the Summit Land Conservancy has been granted conservation easements by private landowners, including developers. On July 1, 2009, we expect to close on our first purchase of a conservation easement from an Eastern County landowning family. We are also working with Summit County to place conservation easements on land purchased by BOSAC.

Services & Deliverables:

Monitoring:

Existing Easements:

The Summit Land Conservancy will visit each property annually once it is free of snow and perform a thorough inspection of its conservation values. Written reports for each property will be submitted to the City by December 31 of each year that this contract is in place.

The Summit Land Conservancy will monitor each of the following easement properties in 2009, 2010 and 2011:

Empire (Flagstaff Annexation Agreement), 4 easements: Ski Area, Lady Morgan, Prospect Ridge, as well as the Warren Claims on Iron Mountain, and
Round Valley, 5 easements: Ed Gilmore, Bilogio, Cranbrook, Grover, McMillian, and
Virginia Mine Claims
Rail Trail Richards
Ranch McPolin
Farmlands UP&L
Parcel

<u>New Easements:</u>

At this point, we expect to monitor the Clissold/Quarry Mountain and Iron Mountain properties in 2010 and 2011.

If the other new easements are completed before the estimated dates below, they will be added to the annual monitoring schedule sooner than is currently planned.

The Summit Land Conservancy will provide the City with written monitoring reports for each easement or group of easements. Conservancy staff will meet with the appropriate city staff to resolve any issues that the monitoring reveals. If the issues are not resolved by the next monitoring session, the Conservancy staff will take the issue to the City Manager and/or City Council.

Additionally, we will include these easements in our Adopt an Easement program to insure that more eyes and ears are attending to the conditions of the properties. Each monitoring report will also be archived both in our office safe and in a secure, off-site location.

<u>Conserving New Properties:</u>

The Summit Land Conservancy will complete baseline studies and conservation easements for the following properties:

Clissold/Quarry Mountain: The Summit Land Conservancy has already completed the baseline study for this property and drafted the easement. This baseline study features an expanded wildlife study. Conservancy staff has forwarded easement drafts to both County and City legal departments. Both the County and the Summit Land Conservancy are ready to sign the easement. We are currently waiting for final approval from the City's legal department. We expect this easement to be signed and recorded before the end of 2009. Copies of the baseline document will be supplied to the City.

Iron Mountain: The Summit Land Conservancy has already done preliminary work for the baseline of the Iron Mountain parcel, since it surrounds the easement we already hold on the Warren Claims. The Conservancy will prepare a baseline study, and the conservation easement by the end of 2009.

New Round Valley: The Summit Land Conservancy will complete a baseline study of the City's new purchase in Round Valley. Staff will also draft the easement and follow it through the appropriate processes at City Hall. Copies of the baseline and recorded easements will be provided to the City no later than December 201o. The Summit Land Conservancy will also keep archive copies of these documents in both our in-office safe, and at a secure off-site archival location.

White Acre/Hope Parcels: The City purchased the Hope Parcel with COSAC II funds, and has been working with Congress to have the White Acre parcels granted to the City. Once this has been finalized, the Summit Land Conservancy will prepare one baseline study and one conservation easement for the entire area. These will be finalized by December 2010, if the congress grants the land to the city by June 2010. Again, copies of all documents will be provided to the city and archives will be kept in two separate and secure locations.

Factors:

Four unique factors give the Summit Land Conservancy an important advantage in meeting the City's needs:

1. The Summit Land Conservancy is based in Park City. Our staff and board live here and are intimately familiar with the lands that we protect. People don't have to call Salt Lake or somewhere else to get hold of us. The Board of Directors and staff understand and are honored by the trust that Park City has placed in us by granting conservation easements on tax-payer purchases and on the community benefit-open space components of local developments. We take this charge very seriously and strive to insure that the interests of the government and the citizens are well protected.

2. The Summit Land Conservancy mobilizes volunteers from the community. Our Adopt an Easement program asks locals to pay special attention to what they see on easement properties- good and bad- and let us know. We have a simple form for people to fill out on our website, or they can always call us. This increases our ability to watch these properties for compliance.

3. The Summit Land Conservancy focuses its efforts <u>only</u> on lands within Summit County. While we recognize and applaud efforts to protect other areas of this beautiful state and nation, the scope of our organization is strictly local. Our board believes that the development pressures faced by Summit County combined with the economic need to protect open space justifies the existence of an organization like the Summit Land Conservancy that works every day to insure that the open spaces that have been preserved, remain so. Our staff is readily available by phone and email to members of the local governments and their staff, as well as the citizens of Summit County.

4. The Summit Land Conservancy is committed to maintaining the highest standards of excellence as measured by the national Land Trust Alliance. Our policies and procedures for conservation and stewardship are based on the best practices as defined by the national organization. We are also a member of the Utah Nonprofits Association.

Other Factors/Limitations:

This proposal represents our best efforts to calculate the actual costs of stewardship and new conservation over the next three years. Like any non-profit organization, we strive to keep overhead and administrative costs to a minimum. We realize, however, that in order to perform our obligations **in** a professional manner, we may need to hire additional staff and move to a slightly larger office space within the next three years. Nevertheless, the financial figures in this report are based on our budget for 2009.

Monitoring Policy:

Please see appendix A

References:

1. Mayor Dana Williams 435-901-8135
2. Chris Donaldson, Chair of BOSAC, chris.donaldson@cushwake.com
3. Jan Wilking, co-Chair COSAC I, COSAC III liaison to BOSAC janwilking@gmail.com
4. Richard Sheinberg, Board Chair, Summit Land Conservancy 435-901-9163

Compliance:

The Summit Land Conservancy will comply with Park City Municipal's standard contract so long as nothing in that agreement modifies, amends or limits our rights under any of the conservation easements.

Detailed Cost Proposal:

land Conservation for City New Easements 2009-2011

New Easements Clissold Round Valley
Iron Mountain
Hope/White Acre

acres
180 split cost between City and County
340 approximate
600 approximate
200 estimated acreage

New Easement Expenses ·direct costs

total new easements		6	new in 2009
total 09land Consv budget	$	34,700	excludes purchases & prof
development reductions for city services		20%	no fund raising, no prof
direct costs per easement	$	5,783	
less 20%	$	1,167	
direct costs for city	$	4,617	cost per easement

Burden

Total 09 Admin budget $ 42,670 Does not include fund raising costs Total 09 programs $ 108,160 Conservation, Stewardship, Education Consv% of all programs 32%
Consv burden on Admin $ 13,689 burden per easement $ 2,282

Total costs for 1 new easement $ 6,898

Total cost for 31/2 new easements (half of Clissold)
$ 24,144

$	22,900	excluding endowment funds
$	42,670	Does not include any fund raising costs
$	108,160	excludes purchase funds and prof develpmt.
	21%	
$	9,034	21% of Admin
$	4.31	2095 acres
$	22,900	
$	11	2095 acres
$	15.24	total per acre costs

acres
847.43
1537.43 add 1/2 Clissold & Iron Mt. 600 acres
2077.43 add Round Valley & Hope/White Acre

Stewardship

based on cost per acre

		2009		2010		2011
City Owned esmts	$	12,917	$	23,435	$	31,666
4- Empire/Warren	$	16,074	$	16,074	$	16,074
Total	$	28,991	$	39,509	$	47,740

Land Conservation

based on cost per new easement

		2009		2010		2011
Yearly T						
1/2 Clissold	$	3,449				
Iron Mt	$	6,898				
Round Valley			$	6,898		
White Acre/Hope			$	6,898		
Total	$	10,347	$	13,796		
tals	$	49,686	$	46,407	$	47,740

TOTAL 3-YEAR REQUEST* $ **143,833**

*if the city acquires other new easements not included here,
we will submit additional invoices for those baseline and easements.

ADDENDUM "B"

PAYMENT SCHEDULE FOR "EXTRA" WORK

Summit Land Conservancy will establish a baseline and provide ongoing monitoring for any additional open space acquisition that the City requests to add to this contract for an incremental cost of $6,898 per property and $15.24 per acre for ongoing monitoring services.

City Council
Staff Report

PARK CITY 1884

Subject: **Donation Request for upcoming Land Trust Alliance National Conference**
Author: **Heinrich Deters & Nate Rockwood**
Department: **Sustainability & Budget**
Date: **June 14, 2012**
Type of Item: **Direction**

Summary Recommendations:
Staff recommends Council direct staff to accept Summit Land Conservancy's application request for a $5,000 donation for the upcoming 2012 Land Trust Alliance National Conference as a special service contract extraordinary request and begin the SSC extraordinary request evaluation process. (Attachment)

Topic/Description: Special service contract extraordinary request - Requests for City funds.

Background
On May 31, 2012, Summit Land Conservancy's Executive Director, Cheryl Fox, emailed the Mayor, inquiring about a possible sponsorship, by Park City Municipal, in the amount of $5,000 for the upcoming 2012 Land Trust Alliance National Conference, to be held in Salt Lake City this September 29th- October 2nd.

The Land Trust Alliance is a national organization that has worked for more than 25 years with the national conservation community - comprised of 1.5 million dedicated land conservation professionals, volunteers and supporters - to quickly, effectively and permanently save our most valued natural resource across America.

For more information on the Land Trust Alliance and the 2012 National Conference:

www.landtrustalliance.org/

www.landtrustalliance.org/training/rally/rally-2012-salt-lake-city/rally-2012-brochure

The Conference has scheduled several seminars and field trips to take place in Park City, identifying the open space efforts by Park City Municipal, residents and local non-profits.

It is the recommendation of the City Manager that the request for funds is treated as a special service contract and be considered as a special service contract extraordinary request.

ANALYSIS
Park City Municipal Corporation receives several requests for sponsorships and/or financial support for various programs with not-for-profit organizations. City Council has established a special service contract program which reviews applications as part on the two year budget process. These contracts/grants are funded by a 1% allocation for the total City budget. Currently there is $14,000 in funds remaining in the program for FY2012 and $19,000 for FY2013.

As part of the two-year budget cycle, Council approved the recommendation from the Special Service Contract Subcommittee regarding which organizations would receive funding through a Special Service Contract (SSC). As outlined in the Budget Document's Policies & Objectives section, Council may consider SSC extraordinary requests every six months if there are unallocated funds:

> Deadlines: All proposals for Special Service Contracts must be received no later than March 31. A competitive bidding process conducted according to the bidding guidelines of the City may set forth additional application requirements. If there are unallocated funds, extraordinary requests may be considered every six months during the two-year budget cycle, unless otherwise directed by Council.
>
> 1. The request must meet all of the normal Public Service Fund Distribution Criteria and qualify under one of the existing Special Service Contract categories;
>
> 2. The applicant must show that the requested funds represent an unexpected fiscal need that could not have been anticipated before the deadline; and
>
> 3. The applicant must demonstrate that other possible funding sources have been exhausted.

The following application deadlines have been established and posted for each six month evaluation time period. The period deadlines have been established to allow Council and staff sufficient time to adequately evaluate extraordinary request:

> **1st Period 5:00 pm November 1, 2011**
> **2nd Period 5:00 pm May 1, 2012**
> **3rd Period 5:00 pm November 1, 2012**
> **4th Period 5:00 pm May 1, 2013**

Because the current request falls after the 2nd period, it would typically be considered during the 3rd period for funding in FY 2013. Staff is seeking direction from City Council to accept the application during the 2nd time period to possibly provide funding for the conference which takes place in September – October. If Council directs staff to accept the application, staff will initiate the SSC extraordinary request process for funding in FY 2012.

It should be noted that the City did not receive any SSC extraordinary request application for the May 1st 2012 period.

Significant Impacts
This request is outside of the normal six month review period for the Special Service Contract process in FY2012. It is possible, that some other organizations may perceive this as unfair. Additionally, this request is for an event, which we normally do not fund through the SSC process and may create precedent for other non-profits.

Sufficient funds are available in the budget for this request.

Department Review: This report has been reviewed by the Sustainability, Budget, Legal and Executive Departments.

Summary Recommendations:
Staff recommends Council direct staff to accept Summit Land Conservancy's application request for a $5,000 donation for the upcoming 2012 Land Trust Alliance National Conference as a special service contract extraordinary request in FY2012 and begin the SSC extraordinary request evaluation process.

Attachment

Special Service Contract Application Form (Extraordinary Request)
June 2012
Grant Application Additional Answers:
Section 4

1: <u>Summary of Use of Funds</u>: The $5,000 from Park City Municipal will be granted to the Land Trust Alliance as sponsorship of the Alliance's national conference held in Salt Lake City, September 29- October 2, 2012. The Alliance will in turn, list Park City Municipal as a "Supporter." The City will receive the benefits of "Supporting" donors:

- City's name displayed on signage at the Salt Lake Convention Center
- City's name displayed on a slide show at the Welcoming Dinner
- City's name listed in the Welcoming Dinner Program
- One (1) complimentary basic registration to Rally (two full days of seminars & lunch)
- One (1) invitation to the Alliance's Special Friends Breakfast
- Quarter page, black and white advertisement in the Rally Program given to all attendees
- Recognition in the Alliance's annual report

The Land Trust Alliance is a national organization that supports land trusts, like the Summit Land Conservancy and Utah Open Lands through education and program support. The national conference, called Rally will bring together several thousand conservation specialists from across the country. This is the premier educational event for people seeking to save the local landscapes they cherish.

As a national leader in pro-active conservation, Park City will benefit from the proximity to Rally by having the opportunity to send staff and elected officials to educational seminars and by being featured through several field trips hosted by local land trusts. Your local conservation organizations will be stronger as well because we will be able to send more staff and board members to these same seminars.

2: <u>Financial Information</u>: Please see attached 2012 Annual Budget. Copies of the Conservancy's Annual Reviews from 2008, 2009, and 2010 are enclosed.

3: <u>Quantitative and/or qualitative goals</u>: The Summit Land Conservancy will re-grant the entire amount donated by Park City Municipal to the Land Trust Alliance for Rally sponsorship. A canceled check will verify this re-grant demonstrating that the goals for the funds (Rally Sponsorship) have been satisfied.

4: <u>Summary of Criteria</u>

<u>CRITERION 1: Accountability and Sustainability of Organization</u>

a. The Summit Land Conservancy permanently preserves open space in Summit County. Its goals are articulated in a strategic plan that is revised every three years. Similarly, the Land Trust Alliance's goal is to increase the pace and quality of land conservation through supporting local conservation organizations.
b. The Summit Land Conservancy is non-discriminatory in all programs and services.
c. Other conservation organizations and governments will send staff and other officials to Rally, improving their ability to generate effective conservation initiatives across the state.

d. The Conservancy will honor the City's contract by insuring that all funds will be allocated to the sponsorship of Rally 2012.
e. The Summit Land Conservancy is a recognized as a 501c3 organization by the IRS.

<u>CRITERION 2: Program Need and City Benefit</u>

a. Preservation of local open space continues to be the number one goal for Park City residents. Despite the economic down turn, City residents continue to ask for more open space, and to help pay for it. A survey conducted by the Conservancy in May 2012 showed that 88% of respondents would support another open space bond. The Land Trust Alliance's Rally provides critical support and training for local organizations that are engaged in land conservation. By supporting Rally, Park City Municipal will directly support the continued preservation of local open space.

b. Open space is protected by people. People who have better tools for conservation, better ideas for funding sources, and better understanding of conservation easements will protect more land, and protect it better. Rally provides those tools, those ideas, and that understanding. As Park City continues to serve its citizens' stated goals of protecting local landscapes, these tools, ideas, and understanding will become ever more critical to the City's success.
In Park City open space isn't just a luxury. As has been demonstrated in numerous studies by the Chamber Bureau and others, open space is essential to maintaining the City's tourist economy. Citizens and Staff who learn the best ways to protect open space will be able to insure the continuing success of Park City's resort economy.

<u>CRITERION 3: Fiscal Stability and Other Financial Support</u>

a. Funds from Park City Municipal will be re-granted to the Land Trust Alliance to support Rally 2012: The National Land Conservation Convention. A canceled check will verify that the full amount of this grant has been used for Rally sponsorship.
b. The attached Financial Reviews and 2012 Budget demonstrate that the Conservancy has a sound financial plan and is fiscally competent. The Conservancy has weathered the recent economic down turn through careful planning and management by its Board of Directors. Thanks to competent planning, the organization was actually able to increase staff and further its mission, even during the difficult economy of 2009 and 2010.

c. The Conservancy has established a budget for each year of operations. The Board reviews financial statements at each meeting. These include income statements, balance sheets, budget vs. actual reports as well as cash flow forecasts. The Conservancy has been successfully carrying paid staff since its inception as a local branch of Utah Open Lands in 1998, and throughout its existence as its own 501c3 organization (established in 2002).

d. The Conservancy achieved accreditation with the Land Trust Accreditation Commission in 2011. This process vetted and verified that everything the Conservancy does, from its operations and accounting procedures to its land transactions and stewardship meets the highest standards for nonprofit management, ethics, and organizational strength.

CRITERION 4: Fair Market Value

The dollar value of Rally sponsorship is difficult to gauge. The PR surrounding Rally will be nation-wide, and directed at an audience of outdoor enthusiasts. In addition to the staff of conservation organization, board members of land trusts across the county will be exposed to Park City and its conservation ethic. These people have the type of income and the interest in vacationing in places that appeal to their values.

The opportunity to educate local open space advocates also has tremendous and long-reaching economic value. More Park City citizens will be able to access this education because Rally will be held locally.

Finally, four separate Rally activities will be held in the Park City area. Rally participants will purchase goods and meals during these activities.

5: Unexpected Fiscal Need: The Summit Land Conservancy, along with Utah Open Lands, the Nature Conservancy of Utah and other conservation organizations are supporting Rally with their own funds. The Land Trust Alliance, knowing of Park City's front-running open space program, asked the Conservancy to seek Rally sponsorship from the City. This request came after the regular application deadline had passed. Rally will be over by the time the next deadline is here. While we understand that Special Service Agreements are usually paid out over two years, we hope that this funding will to be available by mid-summer 2012.

6: Other Possible Funding Sources: The Summit Land Conservancy, Utah Open Lands, The Nature Conservancy and other Utah-based conservation organizations have been working with the Land Trust Alliance to generate local funding for Rally since February 2012. A number of other businesses and organization have been approached, but many have not been able to participate because their resources were already allocated for 2012. Still, the Alliance has raised most of the funding needed for Rally from national sources. Because of this out of state fundraising, Park City's contribution will be heavily leveraged without outside funding sources, to the benefit of local land conservation.

City Council
Staff Report

Subject: 2012 Sundance Film Festival – Economic Impact
Authors: Jonathan Weidenhamer
Department: Sustainability
Date: June 14, 2012
Type of Item: Sundance Contract & MFL- Informational Update

Summary Recommendation:
This is an informational update on the economic impact of the 2012 Festival. Staff will return in July with an informational Study Session related to Special Events including issues specifically related to the Sundance Film Festival.

Background:
The Sundance Institute conducts an economic and demographic impact study of the Sundance Film Festival annually. Through the University of Utah's Bureau of Economic and Business Research School, the Institute reports on overall economic health and impact of the Festival which includes specific indicators such as state and local taxes generated, total spending per numerous specific categories (lodging, food & bev, recreation, etc.), and describes general spending characteristics of attendees. The full report can be found at: http://www.sundance.org /pdf/pressreleases/Economic_Activity_Report_Sundance_Film_Festival_2012.pdf

Analysis:

The findings of the Study include:
- $5.9 M in state and local tax revenues
- 1,731 jobs
- Worldwide media exposure valued at $69 M
- Overall $80 M to the State

This economic report and associated public relations effort is an example of the continued cooperative effort between the Sundance Institute and Park City Municipal Corporation to: 1) acknowledge the positive economic and marketing impacts of the Festival at both a local and a State level; 2) provide open and responsive communication to the citizens, visitors, and businesses of Park City; and 3) annually assess both positive and negative overall effects of the Festival to enable responsible mitigation of impacts to the community by events of this magnitude.

Department Review:
The Sustainability, Executive and Legal Departments have reviewed this report.

Recommendation:
This is an informational update. No action is requested at this time.

Exhibits
Exhibit A Sundance Economic Impact Press Release
Exhibit B Sundance Economic Impact Details

DISCOVERING AND DEVELOPING INDEPENDENT ARTISTS AND AUDIENCES

SUNDANCE INSTITUTE

FILM FESTIVAL
FEATURE FILM
DOCUMENTARY
FILM MUSIC
THEATRE

For Immediate Release
May 16, 2012

Media Contact:
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SUNDANCE INSTITUTE BRINGS $80 MILLION TO UTAH WITH 2012 SUNDANCE FILM FESTIVAL

2012 Independent Study Shows Gains Over 2011 in All Categories; 10-Day Event Generates Nearly $5.9 Million in Tax Revenue, Supports 1,731 Jobs, Attracts Worldwide Media Exposure Valued at $69 Million

Park City, UT — Sundance Institute today announced that the 2012 Sundance Film Festival, which took place in Park City, Utah, in January, generated an overall economic impact of $80 million for the State of Utah, according to the independent annual economic and demographic study conducted by the University of Utah's Bureau of Economic and Business Research at the David Eccles School of Business (BEBR).

The Economic Report, posted in full on the Sundance Institute website, also found that the 2012 Festival: supported over 1,731 jobs; generated over $69 million in media exposure; provided nearly $6.9 million in tax revenue; and was attended by more than 46,000 people, a 2% increase over the prior year. More than 66 percent of festival attendees traveled from outside of Utah, more than 5,700 visitors were from international locations and more than 44 percent of tourist attendees indicated that they intend to visit Utah again during the next year. 2012 figures show gains in all categories.

Keri Putnam, Executive Director of Sundance Institute, said, "Nationwide it is proven that the arts boost tourism, create jobs, increase educational outreach and support local businesses, and we are proud to be a strong example of this. We will continue to raise awareness of the importance of corporate, government, foundation and individual funding for the arts because of the critical role the arts play in creating strong, resourceful communities."

"We are proud to be the official Sundance Film Festival host state and appreciate both the economic value it brings to Utah as well as the invaluable cultural and artistic benefit to residents and visitors alike," said Governor Gary R. Herbert. "Our collaboration with Sundance Institute is multidimensional, and we are grateful to continue working together to attract the attention of international business leaders, highlight Utah's commerce friendly dynamic and drive economic benefit to the State."

Since 2001, Sundance Institute, through its annual Sundance Film Festival, has generated in excess of one-half billion dollars in economic activity for Utah. The Festival is the state's largest annual international event, bolstering tourism and attracting worldwide media attention.

Jill Miller, Managing Director of Sundance Institute, said, "The 2012 Sundance Film Festival was a resounding success from a number of perspectives, and we are pleased to see the positive impact it continues to have each year on the State's economy. The event is a collaborative community effort involving local vendors, patrons and volunteers and it brings tremendous visibility to the State with press coverage from around the world. Utah and the Sundance Film Festival are synonymous with the best in American independent film and this year was no exception."

Notable events at the 2012 Festival included the annual Salt Lake Gala, attended by Governor Herbert, legislators and community leaders. In the Governor's welcoming remarks, he commented on the value of hosting the Festival in Utah, as evidenced by its cultural and economic impact on the state. Over 5,000 local high school students participated in the Institute's Festival High School Screenings Program, where filmmakers presented their work and engaged in discussions with students about an array of cultural, political and social issues. The Festival also welcomed Hill Air Force Base for a special screening at Ogden's Egyptian Theatre. The Utah Museum for Contemporary Art was again the official Salt Lake City venue for the Festival's New Frontier program, which was free and open to the public. And, upon the conclusion of the Festival, many Utah locals attended Best of Fest, free public screenings of the Festival's award-winning films.

Business Exposure for the State of Utah
During the 2012 Festival, Zions Bank and the Governor's Office of Economic Development hosted two events, Utah Business Ambassadors and the fifth annual Sundance Institute Business + Technology Connection, both networking events targeting CEOs and other top-level executives in the fields of technology, finance, sports and more who visit Utah specifically to attend the Festival. Attendees represented companies including Oracle, Adobe, Expedia, HP, Hilton Hotels and Microsoft. Keynote speakers included Governor Herbert, Scott Anderson, Danny Glover, Joseph Gordon-Levitt, James Redford and John Wamock.

Building Audiences at Home and Abroad
Between the announcement of the film program in late November 2011 through wrap-up articles in February 2012, Sundance Institute and the 2012 Festival generated more than 35,224 print and online articles. From January 15 to February 15, 2012, the Festival generated 2,400 television pieces. In total, publicity value from the Festival totaled more than $69 million.

Over 950 registered press from 20 countries attended the Festival, including Australia, Czech Republic, Egypt, Macedonia, Kosovo, Norway, Poland, Sweden, Taiwan, Russia and Venezuela.

Sundance Institute's social media and website content strategy continues to expand to reach new audiences across the world to inspire dialogue and raise awareness for independent film. The Institute's website, Sundance.org, had 1.5 million unique visitors from 210 countries. Top countries included the United States, United Kingdom, Canada, France and Germany. In addition, the Festival has over 306,000 Facebook fans and over 127,000 Twitter followers.

Economic Report Methodology
The Economic Report findings were generated using an economic impact model known as RIMS II, developed by the U.S. Department of Commerce's Bureau of Economic Analysis. The economic impact study measures the impact of the Sundance Film Festival on jobs, wages, and value-added (or gross state product) on the state of Utah during a two-week period in January 2012. It also provides an estimate of the fiscal impacts that result from the increased economic activity generated by the Festival during the study period. Fiscal impacts refer to the effects of the Festival on state and local tax collections.

Estimating the economic impact of the 2012 Festival was a two-part process. The first phase of the study estimated the economic impacts of direct expenditures made by the Institute to produce the Festival. The second phase estimated the impacts of spending by Festival attendees.

University of Utah Bureau of Economic and Business Research
Established in 1932, the Bureau of Economic and Business Research (BEBR) is an applied research center in the David Eccles School of Business at the University of Utah. BEBR's mission is to conduct and support research related to the structure of the Utah economy, its resources, and its potential for expansion. Since its inception, BEBR has been a primary source of information on the Utah economy. BEBR's professional staff gathers and analyzes data specific to both Utah and the Rocky Mountain Region to identify those factors which influence the state's economic growth.

The Sundance Film Festival

A program of the non-profit Sundance Institute, the Festival has introduced global audiences to some of the most ground-breaking films of the past two decades, including *sex, lies, and videotape*, *Maria Full of Grace*, *The Cove*, *Hedwig and the Angry Inch*, *An Inconvenient Truth*, *Precious*, *Trouble the Water*, and *Napoleon Dynamite*, and through its New Frontier initiative, has showcased the cinematic works of media artists including Isaac Julien, Doug Aitken, Pierre Huyghe, Jennifer Steinkamp, and Matthew Barney.

2012 Festival sponsors included: Presenting Sponsors – *Entertainment Weekly*, HP, Acura, Sundance Channel and Chase Sapphire℠; Leadership Sponsors – Adobe Systems Incorporated, Bing™, Canon, DIRECTV, Focus Forward, a partnership between GE and CINELAN, Southwest Airlines, Sprint and Yahoo!; Sustaining Sponsors – Bertolli® Frozen Meal Soups, FilterForGood®, a partnership between Brita® and Nalgene®, Grey Goose® Vodka, Hilton HHonors and Waldorf Astoria Hotels & Resorts, L'Oréal Paris, Stella Artois®, Timberland, Time Warner Inc. and YouTube™. Sundance Institute recognizes critical support from the Utah Governor's Office of Economic Development, and the State of Utah as Festival Host State. The support of these organizations helped defray costs associated with the 10-day Festival and the nonprofit Sundance Institute's year-round programs for independent film and theatre artists.
www.sundance.org/festival

Sundance Institute
Sundance Institute is a global nonprofit organization founded by Robert Redford in 1981. Through its artistic development programs for directors, screenwriters, producers, composers and playwrights, the Institute seeks to discover and support independent film and theatre artists from the United States and around the world, and to introduce audiences to their new work. The Institute promotes independent storytelling to inform, inspire, and unite diverse populations around the globe. Internationally recognized for its annual Sundance Film Festival, Sundance Institute has nurtured such projects as *Born into Brothels*, *Trouble the Water*, *Son of Babylon*, *Amreeka*, *An Inconvenient Truth*, *Spring Awakening*, *I Am My Own Wife*, *Light in the Piazza* and *Angels in America*. Join Sundance Institute on Facebook, Twitter and YouTube.

# # #

SUNDANCE INSTITUTE™

2012 Sundance Film Festival
Economic Impact on the State of Utah

Economic Impact:	**$80,255,918**
Increase in Utah's Gross State Product, or GSP	
Impact on Earnings:	**$40,506,250**
Impact on wages, salaries and employer-paid benefits	
State and Local Taxes:	**$6,969,477**
*Not including airport tax	
Passenger Facility Charges:	**$97,857**
Passenger facility charges were estimated using information provided by the Salt Lake International Airport	
Jobs Supported:	**1,731**
Spending by attendees of the Festival and by the Sundance Institute supported the addition of these jobs to the Utah economy.	
Total Film Festival Attendance:	**46,731**
Non Utah Residents:	31,121
Utah Residents:	15,610

Total Spending by Festival Attendees During the Sundance Film Festival

2012 Festival		2011 Festival	
Lodging	$30,057,287	Lodging	$25,825,453
Food/Beverage	$17,813,116	Food/Beverage	$16,478,005
Auto Rental	$2,975,790	Auto Rental	$2,513,917
Other Transport	$913,567	Other Transport	$1,301,596
Recreation	$5,034,515	Recreation	$5,766,604
Other Retail Purchases	$10,343,755	Other Retail Purchases	$6,706,547
Total	**$67,138,031**	**Total**	**$58,592,121**

Characteristics of Sundance Film Festival Attendees

- Nonresident attendees accounted for 66.6 percent of all Festival attendees in 2012, or 31,121 visitors. This is virtually the same ratio of nonresident attendees estimated in 2011

- Slightly more than one-third of festival attendees were Utah residents (15,610 or 33.4 percent). Of these, 45 percent are residents of Salt Lake County. About 25 percent live in Summit County and 12.1 percent live in Weber County.

- The festival attracted an estimated 5,795 international visitors in 2012. People from 21countries traveled to Utah for the 2012 Sundance Film Festival. Visitors from Canada accounted for the single largest share of international visitors (23.5 percent) followed by France, China and England.

- The largest share of nonresident visitors are residents of the U.S. (25,326 visitors). Of these, about 43 percent were residents of three states–California, New York and Colorado.

- Of the estimated 31,121 nonresident Festival attendees, approximately 35 percent indicated this was their first visit to Utah, 84 percent said they traveled to Utah specifically to attend the Festival and 44 percent indicated they would visit Utah again during the next year.

- An increasing share of Festival attendees classify themselves as entertainment industry professionals. Of those attending the 2012 Film Festival, almost 27 percent said they were involved with the entertainment industry in a professional capacity, up from 22 percent in 2011.

Attendee Spending

- During the Festival, attendees spent a total of $67.1 million. Of this amount, nonresident spending totaled $63.2 million while Utah residents spent $3.9 million.

- Total spending per person averaged $1,436.69. Nonresidents spent a total of $2,032 per person during their stay and Utah residents spent an average of $249.85. Total spending is the sum of the average daily amounts that each attendee spent during his/her stay in Utah.

- The weighted average daily spending by Festival attendees was $252.99. Nonresidents averaged $343.70 each day during their stay and Utah residents spent an average of $72.15 each day they attended the Festival.

- Total spending for lodging averaged $643.20 and accounted for 45 percent of all expenditures made by Festival attendees (Table 2). Total spending for food and beverages averaged $381.18, followed by miscellaneous retail purchases ($221.35) and recreation and entertainment ($107.73).

- Almost 30 percent of nonresident attendees said they intended to ski or snowboard in Utah during their stay.

Film Festival Press Coverage – Showcasing Utah to the World

- In total, print, online and broadcast coverage resulted in more than $69 million in publicity value.
- Over 950 registered press from 20 countries attended the Festival, including Egypt, Macedonia, Kosovo, Norway, Poland, Sweden, Taiwan, and China.
- Sundance Institute and Sundance Film Festival generated 35, 224 print and online articles with an estimated publicity value of $28,124,850.67 from the announcement of the films in December through February 2012.
- From January 15- February 15, 2012, the Sundance Film Festival generated 2,400 broadcast stories, resulting in more than $41,137,640.23 in publicity values.

PARK CITY COUNCIL WORK SESSION MINUTES
SUMMIT COUNTY, UTAH
MAY 24, 2012

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

Tom Bakaly, City Manager; Mark Harrington, City Attorney; Bob Kollar, Venture Fund Program Manager; Joan Card, Environmental Sustainability Program Manager; Nate Rockwood, Budget Program Manager; Jed Briggs, Budget Program Manager; Clint McAffee, Water Manager, and Michelle DeHaan, Water Quality Program Manager

Rich Bullough, Summit County Board of Health Director; Beau Call, Utah Division of Water Quality

1. Council questions/comments. Alex Butwinski reported on a ULCT legislative meeting. Cindy Matsumoto discussed the Chamber adopting its budget; a grand opening for its new building is slated for August. Andy Beerman was pleased to announce that Park City has been promoted from Bronze to Silver as a Bike-Friendly City. Dick Peek reported on the status of Habitat for Humanity's Marsac Avenue project. The Mayor congratulated the County on a potential open space purchase in Round Valley.

2. Tour of Utah. Bob Kollar explained that the Tour of Utah is on the international race calendar. The start-finish is planned to be located on lower Main Street, heading out to eastern Summit County, Browns Canyon, Wolf Creek Pass, and over Guardsman Pass down Royal Street. Fifteen thousand spectators are expected and staff is working with the Police Department, Fire District, emergency management, and the Summit County Sheriff's Office on mitigating traffic impacts. There will be national coverage of the race and it is felt that the promotional benefits will outweigh impacts caused by the event.

Mr. Kollar stated that sponsor hospitality will be set up at the Kimball Art Center and a public hospitality area on the Town Lift Plaza. The Park Silly Sunday Market will be relocated to the upper portion of Main Street. The Tour of Utah Expo and autograph alley will also be on upper Main Street. The programming on Main Street will help keep people in the area anywhere from four to five hours. The City is partnering with the Chamber and both are contributing $20,000 in cash. The City has also agreed to contribute $7,500 in fee waivers and up to an additional $40,000 will come out of the Joint Venture Fund. Anything above and beyond that will come from the Chamber. In response to a question from Cindy Matsumoto, Mr. Kollar advised that a local organizing committee will focus on sponsorship sales.

With regard to the Joint Venture Fund, Mr. Kollar explained that $25,000 is dedicated to arts and culture, about $40,000 is available for event opportunities throughout the year, and a grant program is administered annually. Members were supportive of supporting the Tour.

3. Air quality monitoring. Joan Card explained that during Visioning, members raised an interest in learning more about air quality issues and the State has an initiative in Summit County. She introduced Rich Bullough, Director of the Summit County Health Department, and Beau Call, Manager of the Division of Air Quality.

Rich Bullough expressed that the Board of Health has identified air quality as being a concern and a couple of years ago, PM2.5 was measured in the County where there are generally low levels. The Board authorized $60,000 to purchase four ozone monitors, but at the same time the State wanted to conduct a saturation study on ozone so the purchase will be delayed after the State has the data. PM2.5 is a visible pollutant and at elevated levels causes health risks. He explained that monitoring began in 2009-2010 and he displayed slides of the equipment on Quinns Junction and Old Ranch Road. Levels above 35 represent health risks. He pointed out a spike one day due to a dust storm but all other levels were low. The 2011-2012 data is similar. The data is considered preliminary because EPA protocol was not followed and the state and federal levels do not consider the data robust enough to make a determination. The intent of the County is to begin to establish a base line to determine whether or not there are problems.

Beau Call explained that he is the Manager of the Air Monitoring for the State of Utah. A few years ago there was an effort to relook at the ozone standard which was expected to be reduced to at least to 70 ppb; it is currently at 75 ppb. There was not a lot of information in outlying areas although there is plenty of information on the Wasatch Front, Cache Valley and Washington County. Two years ago, the State embarked upon a summertime ozone study and EPA is known to bring in neighboring counties when a non-attainment declaration is made. One of the monitors was installed in Summit County and ran for two years.

He explained that the last two years' ozone readings for the Wasatch Front have been really good but some things have changed. The change to the ozone standard that was proposed was shelved by the administration who has decided to relook at this during the normal five year window. No one knows if the standard will change or what it will change to, however, over the last couple of years the weather has been good and as a result the State as a whole has gone from being non-attainment in most places to attainment. It was found was that the Summit County monitor correlated very well to the Hawthorne Monitor which is the primary monitor for controlling the Wasatch Front MSL. Mr. Call relayed that the monitor installed two summers ago in Summit County followed what was recorded at Hawthorne and in the last summer there were some values that were higher than at the Hawthorne Monitor. The State decided to conduct a saturation study and the plan is to place a number of monitors throughout the County and in Park

City to evaluate whether the air in the summer is homogenous. If there are high levels of ozone, trends in origin will be identified. Mr. Call explained that the initial plan was to install five or so monitors in the County and another three to five within the City area.

In response to a question from the Mayor, Mr. Call explained that the monitor was installed on Ranch Road. The highest value was 78 ppb and the standard is 75; that same day the high value at Hawthorne was not 75 or 76. Ozone is a photo-chemical reaction. Ms. Simpson asked why the testing is done in the summer. Beau Call explained that historically ozone is a summertime pollutant involving sun, high temperatures, and stagnant air. In response to a comment from the Mayor, Mr. Call explained that motor exhaust actually lowers ozone but he couldn't pin down exact pollutants. There is stratospheric and ground level ozone.

Rich Bullough explained that the proposal is to place a single monitor in downtown Park City and six monitors throughout the County; five in the Snyderville/Park City area and one in Kamas. A monitor has been set up in Morgan. The State is viewing this from a scientific perspective but there are political implications with regard to location and there needs to be an awareness component. Joan Card added that staff is recommending that the City be proactive in working with the State and County. Mr. Call explained that ozone can be created 30 miles away by blowing in from anywhere through weather patterns.

Liza Simpson felt this information will be beneficial. Joan Card discussed the State returning with findings and Mr. Call spoke about working with staff on appropriately placing the downtown monitor. The Mayor noted that the data is not going to show where the ozone originated making mitigation a challenge. Ms. Card stated that staff can provide political support for efforts in the Wasatch Front. City Council members were supportive.

3. Continuation of Capital Improvements Program Budgets. Nate Rockwood pointed out interest expressed by Council members in increasing the resort cities sales tax and providing a bridge loan from the General Fund to fund the Empire Avenue reconstruction project. In future budgets, adjustments will be made to get the General Fund capital reserve amount back up to 18%. If sales tax revenues continue to come in at the same levels, some of the transfer will be covered immediately. About $600,000 of old bond money will be allocated toward downtown improvements and the first phase can be implemented this construction season. The Mayor invited public input.

Alison Butz, HPCA, understood that the bond funding needs to be used within a certain time frame. Nate Rockwood explained that if the bond revenues were not used for downtown projects, funding would be used to pay down the bond so revenues would never be forfeited.

Mr. Rockwood explained that the resort cities sales tax was set up to allow resort communities the ability to deal with the increased costs of providing services. If Council decides to proceed, it would pass a resolution supporting an increase to the tax and the proposal would go to a city-wide vote requiring 51% approval. If approved, the Council would adopt an ordinance approving the tax and there is a 90 day period to challenge the vote. Nate Rockwood pointed out that members have discussed using the tax revenue to fund the downtown, OTIS and storm drain projects. In all likelihood if the initiative passes, the City would be able to program those projects without bonding. Andy Beerman felt it would be helpful to do some modeling on the level of increase actually need to fund potential projects.

Cindy Matsumoto explained that the Chamber is concerned that Park City not fall on the high end of total sales tax for lodging compared to other resorts. Sales tax may not influence an individual buyer but may impact group sales. She felt if the City goes from 10.45% to 10.95% on lodging, Park City will still be in the middle range.

Nate Rockwood noted that Andy Beerman researched sales tax comparisons from other resorts which were discussed. The Mayor pointed out that the County levies the lodging sales tax with a donation allocated to the Chamber. Mr. Rockwood pointed out that total sales tax includes, the State, the County, local and TRT taxes. The City Manager explained that the City has nothing specific for lodging, but has a general sales tax, transit tax and resort cities sales tax. The lodging tax to the County is 3%. Of the current 10.45%, the base rate is 7.45% of which the City receives roughly 2%. Cindy Matsumoto remarked that the County's rate is a little below the City's and Tom Bakaly believed the County's base rate is in the mid 6% range. The main difference in base rates will be the resort cities sales tax.

Alex Butwinski suggested looking at different options with regard to the level of the resort cities tax increase and the associated cash flows to pay for a bond. He felt it appropriate to dedicate funds from this revenue source to specific areas of impact. Open space should be viewed as a separate bond. Mayor Williams pointed out that this funding could be used to acquire open space but Mr. Butwinski felt the voters should have the opportunity to make the distinction rather than lumping everything together. Nate Rockwood pointed out that bonding for OTIS, storm drains and downtown improvements totals about $36 million; adding open space is about $41 million. He suggested that OTIS be phased over ten years with one or two projects per year. Andy Beerman suggested funding OTIS over 12 or 15 years to keep costs under the deficit level. Nate Rockwood illustrated financing options on the model.

Liza Simpson pointed out that the resort cities sales tax was created to help resort communities with infrastructure to support increased costs due to the added visitor population. In response to a question from Ms. Matsumoto, Mr. Rockwood explained that the pavement management program is funded with a $300,000 transfer from the General Fund and $300,000 from the B&C Road Funds annually. The City Manager pointed out that the days of $7 million surpluses are over and $3 million is anticipated this year which is recommended to be used for the Empire Avenue reconstruction. Funding core infrastructure needs is important. He pointed out that staff will need direction on open space. Mr. Rockwood displayed an iteration on the model including open space with the other three unfunded projects. Alex Butwinski again expressed his concern that open space is distinguished from other projects and stand alone for voters to make a decision. Liza Simpson agreed with Cindy Matsumoto about grouping all needs together because she is concerned about putting two tax increase proposals on the ballot. If the resort cities sales tax generates money for open space, the City will have the funds to purchase property when it becomes available.

Nate Rockwood referred to new water projects addressed in the staff report. Clint McAffee described a dewatering facility at Quinns, estimated at $2 million total, to treat the Judge Tunnel water in the next two years which will be reflected in the final budget. Mr. Rockwood explained that these water projects reflect long-term planning goals.

Mr. McAffee discussed the three year pipeline project from Judge to QTP which is being designed; the cost is $4 million and the City has obtained a $2 million grant. The Spiro-Judge pretreatment project is spread out over the next six years and the Spiro Water Treatment Plant will be upgraded over the next three or four years until the plant is removed. Nate Rockwood emphasized that these projects are funded.

With regard to Thaynes Canyon water, Clint McAffee explained that treating stream and drinking water and storing water are elements included in one comprehensive infrastructure plan. The short term goal is to bring Judge Tunnel water and convey it to the new QTP where it will be treated for turbidity and antimony through a blending plan. This is scheduled to occur within the next two years. A site feasibility study will be conducted on a new treatment facility that would treat tunnel waters to a level in compliance with stream water standards which is more stringent than drinking water standards. An engineer is under contract to test the water to determine a process for the tunnel sources and the City is waiting for the final discharge permits from the State. As the final permits are received, a target date can be determined. A local architect is looking at fitting the footprint requirement that will come out of the engineer study and the current Spiro site is a consideration. The Spiro Plant would be removed and replaced with this facility that would treat the tunnel sources and a new pipeline would move the treated water to QTP where it would be treated for drinking water. Mr. McAffee stated that within the next six to seven years a treatment facility will be on line that will just treat tunnel water for either drinking or stream water.

The Mayor asked how these improvements will affect the Thaynes Canyon neighborhood. Clint McAffee pointed out that over the last 18 months; changes have been made to supplying water to Thaynes. Historically, the water primarily came from a combination of Spiro treated water mixed with Theriot Springs water and sometimes just the spring water depending on the season. Since Spring 2011, modifications were made to pump treated Spiro water and spring water to Boothill Reservoir where it is mixed with well water and water from the new QTP. That water is then pumped up to the Woodside Tank where it is further blended with Judge Tunnel water and then fed to the Thaynes Canyon area. This is the same water provided to the rest of the City. The

Mayor invited public input. In response to a question from Andy Beerman, Mr. McAffee described the replacement of the Empire Tank.

Cindy Sharp, Thaynes Canyon resident, stated that water is essential to life and although she is no expert, there is a very serious problem in Thaynes, not just the source of the waters but pipe issues. Instead of spending capital for recreation or aesthetic projects, residents want the money spent on Thaynes water where problems have been going on a long time.

Mr. McAffee described treating Judge Tunnel water in response to a question from Ms. Sharp. He acknowledged that there are contaminants but they are below drinking water maximum contaminant levels. The Mayor stated that there isn't a single water source feeding Thaynes and the water going there is going to other parts of town. Mr. McAffee agreed. Ms. Matsumoto asked if the same mix goes to Park Meadows. Mr. McAffee responded that it all depends on demand, how water is being drawn through the system and how the sources are flowing. A blended mix also goes to Prospector. He explained that there are certain areas of town that get a higher proportion of certain sources than other parts of the City and there is no constant blend throughout the system. The Mayor remarked on the complexity of the City's water system and the ability to switch sources from one tank to another.

Cindy Sharp stated that the Judge source is basically raw water and high in antimony. Mr. McAffee explained that it is no different than well water and is meets maximum contaminant levels. She pointed out that the City is being watched by the EPA. He stated that the City has an agreement with the Department of Drinking Water and is currently operating under a variance. The State has identified concentrations coming out of Judge to be suitable in the short term. Those standards are set by the EPA. The Mayor noted that the water coming out is blended with other sources that don't have the antimony problems.

Ms. Sharp indicated that the next big issue is the pipes. In 2007 and 2010 there were major crises with the water being a dark brown color high in toxic chemicals. The infrastructure in Thaynes is 50 years old although she acknowledged turbidity and monthly testing by the City. She felt flushing the pipes is a good thing but it doesn't remove the scale on the pipes. When sources change, the Ph may change and cause a problem all over again. Replacing pipes would be very expensive but it needs to be done. There could be a bond issue, property tax increase or federal money available to pay for the project. She reported that Park City's water system ranks in the bottom 10% based on 2004 and 2006 statistics which can cause a number of health problems. There is no safe level of exposure to lead and she referred to Ms. Hurwitz's neurological problems during the 2007 crisis and another resident experiencing fatigue. She emphasized that Thaynes Canyon needs solutions now not six years down the road. Color pavement, flowers, etc. are nice on Main Street but does not solve the basic need of providing clean water.

Clint McAffee advised that new pipes will also develop scale and staff is working on a solution. Ms. Sharp stated that if the water is clean, the scale shouldn't build up. He clarified that scale is common in drinking water systems.

Michelle DeHaan explained that she is the Water Quality Program Manager for Park City where she has been employed for about seven months but involved with this evaluation the past year in her prior position. She was involved nationally on inorganic issues throughout the United States and stated that scaled form and flushing programs are very common. Park City has more aggressively implemented these flushing programs to create higher velocities to remove more scale off of the pipes. A program was conducted throughout the City this spring and will flush again in the fall. She reported that the City is seeing very good results in water quality results in the distribution system. About three weeks ago, samples were collected at two locations within the Thaynes area that were taken just after flushing that were all below the maximum contaminant levels. It is an effective process. Staff is also working with the EPA Office of Research and Development and other national consultants through the Water Research Foundation to gain funding for unique techniques that are being brought into other water systems. She explained swabbing which is similar to a pigging process which cleans the pipe itself as opposed to high velocity flushing, by physically removing the scale from the pipe material. Another novel technique which has not been tried in the United States, is ice pigging which is claimed to be more effective.

Mayor Williams noted that when the Thanes water quality issue came up a few years ago, Council considered the potential of replacing the pipe system and learned a lot about flushing systems and turbidity. The City would be willing to replace the pipes if it solved the problem but the scale returns. He agreed with Ms. Sharp on her point of blended water changing Ph levels and releasing scale into the water. Ms. DeHaan explained that water blending management is very effective and the water doesn't drastically change in concentrations. The Mayor pointed out that tap water is below all regulatory standards. Ms. DeHaan added that one of the reasons turbidity meters were installed in Thaynes was to enable responding immediately to a trigger level that exceeds a set point. She described the pigging process.

Cindy Sharp expressed her concern that residents be notified when there is a problem with the water immediately not five days afterward. She still believed the City needs to do more things.

Beverly Hurwitz, physician and resident in Thaynes Canyon, stated that she began to have neurological problems in 2005 and in 2006 and closed her medical practice because of hand tremors. She didn't learn until the water crisis in 2007 why she was having problems that couldn't be diagnosed. Her manganese level was tested and two weeks after she stopped drinking the water she was still in the top range but the level dropped during the next year and her tremors have dissipated. Most of the time manganese poisoning is irreversible so she considers herself fortunate. She stated that she didn't go public in 2007 because she didn't really know the reasons but it got better when she stopped consuming the water. Ms. Hurwitz relayed that she was not noticed about the water problem in 2010 but felt she should go public at this point and spoke at a City Council meeting. She began doing research. Her symptoms were very much like Parkinsons and after her newspaper article she began receiving calls from people in Park City sharing sad stories about their health or pets dying. It made her start looking at statistics and she stated that Summit County is among the highest in the country for Parkinsons reported by Medicare. She referred to statistics of high cancer rates for Summit County from the Utah Cancer Registry and felt the numbers are alarming for such a relatively young population. She alleged that the distribution system is a huge problem and discussed sediment measurements. Thaynes sediment has twice the amount of phosphorous, ten times the amount of silicon, 11 times the amount of calcium and manganese, 207 times the amount of magnesium, and 40 times the amount of aluminum. Measuring at the source does not reflect what is coming out of the tap. She knows this cannot be fixed immediately but it is time to let citizens know. There needs to be more monitoring at homes and the information posted. She learned that there are many new residents who are unaware of the problems or ways to protect themselves from the potential of contaminants. This should be a budget priority and she spoke again about notifying people.

Kate Averin stated that she agrees with everything that has been said. Monitoring needs to be done on a more regular basis and the information should be available to residents on the website. She doesn't need a notice when the crisis happens. She urged Council to devote more funds to solving this as a shorter term issue.

Rob Slettom, Identity Properties and resident of Thaynes Canyon, relayed that Identity manages quite a few properties in Thaynes and there are probably over 500 rental units in the general area that experienced the 2010 episode. Fortunately, it wasn't over the holidays and he pointed out that visitors would not even think about water quality when traveling in the states. He felt that property taxes should be raised if it means better health.

Jim Helfend, resident, submitted a petition signed by about 80 residents in the Thaynes and Aspen Springs area:

> *We the undersigned residents and/or property owners of the Thaynes area are very concerned about the quality of the water supplied by Park City Municipal Corporation to our homes. We believe that water free from harmful toxins such as antimony, arsenic, lead, cadmium, manganese, mercury, Radium-226 and thallium, is something that customers of Park City Municipal Corporation are entitled to. We are entitled to water that is at or below Maximum Contaminant Levels as set by the Federal Government 100% of the time. We request MONTHLY testing at various tap locations and publication of these test results on the Park City Municipal website via email distribution. We insist that immediate notification be provided to all water customers when any levels of these, or other toxic contaminants, exceed Maximum Contaminant Levels. A new clean water*

source or the filtering, monitoring and distribution capabilities of the water treatment facilities of the Spiro Plant must be brought up to the highest technological capabilities to remove these type of toxins and our distribution pipes must be replaced or cleaned so that they no longer contain chemical scale.

The Mayor pointed out that 60% of our water comes from mine sources and if there was another option, the mines would be closed off immediately. He believes that within the next five years, Park City water will be the most expensive in the United States because of the focus on acquiring water rights, importing water from the Weber River, and solving water quality issues. He encouraged people with homes over 25 years old to look at connections from the water meter into the property. Park City has spent $20 million buying new water to get rid of the mine water altogether or to be able to blend it to a point that is well below the allowable standards. The City is testing Thaynes once a month and the Mayor requested that results be published on the website. The eNotify process was explained. Cindy Matsumoto believed the City has worked hard but the big issue here is the loss of confidence in the City's water quality and she encouraged looking at ways to build trust.

Beverly Hurwitz suggested that the City set up a health surveillance task force that could assess Park City's health issues since the Summit County Board of Health doesn't provide these services.

With regard to Ms. Hurwitz's health statistics for Summit County, the Mayor emphasized that Park City is a relatively small part of the population of Summit County and the majority of people living in the County are not drinking this water. He encouraged everyone to put this matter in perspective and again spoke about monthly testing and regular reports to residents. Liza Simpson felt information should be easily accessible. Tom Bakaly stated that staff will return with options.

In response to a question from Andy Beerman about the City's response to a triggered alert, Clint McAffee explained that the triggers have not gone off yet, but the first reaction would be to test and flush the line, if needed. Michelle DeHaan added that turbidity analyzers are a measure of light and scatter. When the system is meeting all of the drinking water regulations within the distribution system to the levels already at the source levels and meeting the MCLs for all of the parameters in the distribution system and the source is looking at the turbidity trends, then a level is set that is just above any of the higher levels occurring there. Alarms have been set up for two of the areas based on the data available to date.

With no further comments, the work session was adjourned.

Prepared by Janet M. Scott, City Recorder

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
MAY 24, 2012

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, May 24, 2012. Members in attendance were Dana Williams, Andy Beerman, Alex Butwinski, Cindy Matsumoto, Dick Peek, and Liza Simpson. Staff present was Tom Bakaly, City Manager; Mark Harrington, City Attorney; Matt Cassel, City Engineer; Diane Foster, Deputy City Manager; Phyllis Robinson, Public Affairs Manager; Nate Rockwood, Budget Program Manager; Troy Dayley, Streets Manager; and Pace Erickson, Operations Manager.

II COMMUNICATIONS AND DISCLOSURES FROM COUNCIL AND STAFF

Fish pond incident – Thyanes Canyon - Phyllis Robinson explained that the water source where the fish died was not in the City's municipal water system. It is privately owned water on private land. It appears to be an isolated incident as upstream fish are alive. A property upstream from this pond shut off the flow of water for a period of 12 hours which cut off the oxygen level and stressed the stocked trout. The size of the pond and number of fish were also factors. There will be further testing on the dead fish and Council will be updated.

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

None.

IV CONSENT AGENDA *(Items that have previously been discussed or are perceived as routine and may be approved by one motion. Listed items do not imply a predisposition for approval and may be removed by motion and discussed and acted upon under "Additional Discussion – Agenda Items")*

Andy Beerman pointed out that with regard to Item No. 3, there are conditions about trucks which are not relevant to this vendor; staff will amend the agreement. Liza Simpson, "I move approval of the Consent Agenda". Alex Butwinski seconded. Motion unanimously carried.

1. Consideration of authorization to enter into a Construction Agreement with Intermountain Wind and Solar for installation of a solar photovoltaic (PV) array on the roof at the Police Facility, 2060 Park Avenue, in an amount not to exceed $113,500, in a form approved by the City Attorney – Approved.

2. Consideration of awarding a franchise agreement to Yogui's Ice Cream to allow ice cream vending within the public right-of-way for a one year term with automatic

renewal for four successive one year terms, in a form approved by the City Attorney – Approved.

3. Consideration of awarding a franchise agreement to Z-Cycles Ice Cream to allow ice cream vending within the public right-of-way for a one year term with automatic renewal for four successive one year terms, in a form approved by the City Attorney – Approved.

4. Consideration of awarding a franchise agreement to Deliciouz Ice Cream Inc. to allow ice cream vending within the public right-of-way for a one year term with automatic renewal for four successive one year terms, in a form approved by the City Attorney – Approved.

5. Consideration of authorization to execute amendment No. 1 to the Service Provider/Professional Services Agreement with Stanley Consultants for construction engineering management and post construction services related to the 2012 reconstruction of Empire Avenue in the amount of $130,805, in a form approved by the City Attorney – Approved.

V NEW BUSINESS

1. Consideration of an Ordinance approving the 80 Daly Avenue plat amendment located at 80 Daly Avenue, Park City, Utah – The Mayor opened the public hearing. There was no public input. Cindy Matsumoto, "I move that we continue the Ordinance for 80 Daly Avenue to July 12th". Dick Peek seconded. Motion unanimously carried.

2. Consideration of authorization to execute a construction agreement for the re-construction of Empire Avenue with Condie Construction in a form approved by the City Attorney and in an amount of $2,831,127, in a form approved by the City Attorney – Tom Bakaly explained that it is the intent to fund this project from the General Fund balance and he discussed building the General Fund balance again with surplus revenues in the future, if available.

Andy Beerman, "I move we execute a construction agreement for the reconstruction of Empire Avenue with Condie Construction in a form approved by the City Attorney and in an amount of $2,831,127, in a form approved by the City Attorney". Cindy Matsumoto seconded. Motion unanimously carried.

3. Consideration of a Resolution adopting the Revised Budget for Fiscal Year 2012-2013 and the Proposed Budget for Fiscal Year 2013-2014 for Park City Municipal Corporation and its related agencies – Nate Rockwood continued the discussion from Work Session and noted that transportation is an enterprise fund, funded through transportation revenues and federal funds. A majority of new projects are federally funded. An adjustment is being made to the budget for the bus maintenance facility to make sure all costs are covered and $2 million will be covered with the Transit Fund

balance. The project was federally funded by over 80%. Dick Peek asked if the numbers reflect the City's contribution of land to the project and Mr. Rockwood stated no but the City will continue to seek federal funds.

Tom Bakaly relayed that the Budget Department will return in two weeks to discuss the rest of the CIP budget and an increase to the resort cities sales tax may be a way to fund some of the projects. The model will be used to illustrate different approaches to funding.

Phyllis Robinson explained elements of the open and responsive government and preserving Park City's character strategic plans. Alex Butwinski asked for clarity on the City Manager's Office request for additional funding to cover increased hours of a contract employee. Diane Foster explained that with the potential retirement and/or reduction of hours of the City Recorder that this option is recommended.

Kent Cashel explained the Effective Transportation Strategic Plan and budget changes. The largest increase is the Park City-Salt Lake City transportation service.

Thomas Eddington addressed the Preservation of Park City Character Strategic Plan and budget modifications. There were several changes to the Library and Planning Departments. Andy Beerman inquired about scoring methodology. Jed Briggs explained that the scores were used as a starting point for budget discussion; not the end. He invited Council to look at the scoring criteria and make suggestions on how to improve it.

The Mayor opened the public hearing; there were no comments from the audience. Liza Simpson, "I move to continue the public hearing on the budget to next week". Cindy Matsumoto seconded. Motion unanimously carried.

4. Consideration of an appeal of the rejection of the crack seal bid submitted by Bonneville Asphalt and Repair relating to the 2012 Pavement Management Program – The Mayor described the order of presentations. Police Sergeant Darwin Little administered an oath to Appellant Shaun Heaton and witnesses Matt Messerly and Adam Jones.

Troy Dayley, Streets Manager, explained that the 2012 Pavement Management Program was advertised to bidders and the bid opening was conducted on May 1. There were nine bids submitted. The project encompasses five separate bid schedules in one bid package and contractors could choose which projects within the bid package they wish to bid.

Mr. Dayley relayed that Bonneville Asphalt decided to bid on the crack seal and utility adjustment potions but wanted to amend the crack seal bid on the day of the opening. A post-it note was attached to the envelope by a Bonneville employee to the sealed bid. Pace Erickson emphasized that bids must be submitted in a sealed envelope, marked on the outside "sealed bid" as well as the date of the bid opening. Additionally, all bidders were put on notice that questions on the process should be directed to the Project Manager, or Troy Dayley.

Troy Dayley relayed that Bonneville alleged that they relied on staff when attaching the post-it note and were informed of the procedure to appeal. The instructions to bidders clearly state the appropriate individual to contact regarding any and all questions pertaining to the bid. By directing questions to someone other than the Project Manager, Bonneville erred by not following the instructions in the bid and that decision can be appealed to the City Council. The Mayor invited the appellant to speak.

Shaun Heaton, owner of Bonneville Asphalt, stated that his employee Matt Messerly submitted the sealed bid package on Tuesday, May 1, 2012 at 9 a.m. for $2,090 per ton for crack seal and other bid schedules. Mr. Heaton stated that he decided to make a change to the crack seal bid and called Public Works to ask about making a change before the bid opening. He stated that a secretary instructed him to just come in and that it wouldn't be a problem. Mr. Heaton directed his employee Mr. Messerly to amend the bid. Mr. Messerly offered to open the bid envelope to make the necessary changes but the City employee said to just put a post-it-note on it and that will be fine. Mr. Heaton explained that Bonneville has done this before on a couple of occasions (other jurisdictions). He felt the City should accept the revised proposal and pointed out that the utility adjustment schedule was submitted in the same bid envelope with the crack seal. This could have been avoided if the secretary had accepted Mr. Messerly's offer to open the sealed envelope to make the changes.

Matt Messerley, Bonneville Asphalt, stated that he followed an employee's instructions in the Public Works office and changed the crack seal bid with a post-it-note stuck to the outside of the sealed bid envelope.

Adam Jones, Ridge Rock Construction, stated that he was in the Public Works office during the incident and it was the first time he saw an unsealed modification to a bid at a bid opening. He felt the integrity of the process should be protected by insisting on sealed bids.

Mr. Heaton added that even though he is recommended for the utility adjustment work, he would rather that his bid on this portion be rejected as it simply is not cost effective for him without the crack seal work. He urged the City Council to then consider his original bid without the amendment. If this is unacceptable to members, he asked that both bids be rejected.

Dick Peek pointed out that other contractors in the office could easily read the post-it-note on the sealed bid envelope which taints the process which is of concern to him. Discussion ensued on Mr. Heaton's request to reject both bids. It was explained that if Bonneville's bid is rejected that the crack seal work will be awarded to the next lowest bidder, Morgan Asphalt. Discussion ensued on the amount of Morgan's bid being almost twice the amount of Bonneville's. Pace Erickson assured Council members that Morgan's bid amount is more consistent with bids for crack seal work. Discussion ensued on Bonneville not forfeiting its bid bond, somewhere in the neighborhood of $2,400.

Alex Butwinski, "I move to deny the appeal and uphold staff recommendation to reject Bonneville Asphalt's bid". Andy Beerman seconded. Motion carried.

Andy Beerman	Aye
Alex Butwinski	Aye
Cindy Matsumoto	Nay
Dick Peek	Aye
Liza Simpson	Aye

5. Consideration of acceptance of the 2012 Pavement Management Program and authorization to enter into professional services agreements, approved in form by the City Attorney:
   (a) Kilgore Paving for pavement overlays in the amount of $489,742
   (b) Intermountain Slurry Seal for slurry seals in the amount $87,553
   (c) Ridge Rock for crack seal and trail seal coat in the amount of $89,869
   (d) Bonneville Asphalt for utility adjustments in the amount not to exceed $48,400

Cindy Matsumoto, "I move to accept the 2012 Pavement Management Program, as recommended by staff, but with utility adjustments bid awarded to Morgan Pavement". Dick Peek seconded. Motion unanimously carried.

6. Consideration of an Ordinance annexing approximately 29 acres of property located in the southwest corner of the SR248 and US40 interchange in the Quinn's Junction Area, known as the Quinn's Junction Partnership Annexation, into the corporate limits of Park City, Utah and amending the Official Zoning Map of Park City to rezone the property Community Transition with a Regional Commercial Overlay designation –

Senior Planner Kirsten Whetstone presented an overview of the annexation and the proposed MPD project and summarized the benefits of having control of the property within the City limits. She conveyed the Planning Commission's negative recommendation and summarized the Commission's concerns that the Annexation was not consistent with the General Plan. Planner Whetstone summarized the Planning Staff's positive recommendation and stated that it is based on the Findings of Fact, Conclusions of Law, and Conditions of Approval as outlined in the draft Ordinance attached to the Staff Report. She explained that the Conditions of Approval were modified by the Planning Commission at its April 25th meeting and the Commission requested that the City Council be provided with these Conditions to consider in the event the Council decides to approve the Annexation.

Peter Pillman, IBI, emphasized the effort toward mitigating impacts which is a huge benefit. He spoke about working on improvements to the project for over three months and felt the project has improved significantly. Mr. Pillman presented slides in response to Council's concerns expressed last week regarding parking, berming/landscaping, phasing, LEED certification, fire pits, wildlife, and the trail connection. He described changes to the project if processed by the County and the benefits to the community if annexed by the City. The Mayor opened the public hearing.

Mike Sweeney, property owner, stated that he supports staff's recommendation. It is a great project for Park City and compliments tourism. Staff has done a good job and he feels it complies with the General Plan.

With no further public input, the public hearing as closed.

Mark Harrington detailed minor changes to the Ordinance. Dick Peek made suggestions regarding amendments to the existing conditions, specifically requesting that language regarding a one year review of the Administrative CUP be conducted by the Planning Staff and a report be provided by staff to the City Council.

Cindy Matsumoto asked about the size of the trees shown on the visual analysis and how many years it will take for them to reach maturity. Craig Haan, IBI, replied that the trees are shown with 10-15 years of growth. Planner Whetstone indicated that standard sizes should be indicated on the final landscape plan with minimum sizes of approximately 2-3" caliper deciduous trees and 6"-8" tall conifer trees to be planted initially.

Dick Peek asked about the phasing plan and whether they could physically build only part of a sound stage. He noted that the Agreement stipulates that the sound stage height could not exceed 50 feet unless the studio has a contract with a major movie.

Andy Beerman commented that working with the state for funding for structured parking is entirely removed. Mark Harrington clarified that it has been removed as a condition of approval that applied to the last legislative session. Staff will continue to work informally toward that and there is a priority for SR248 improvements, but no on-going parking requirement. The applicant has expressed an interest and willingness in possible tenant uses to continue to continue to work with the state. Mr. Beerman asked about soil testing. Mark Harrington responded that the property is not in the soils ordinance map and testing is not required, however, all general applicable local building, state or EPA regulations must be adhered and building code protocol must be followed. Mr. Beerman asked about the bond to make sure that construction is complete. The City Attorney stated that the amount would be determined at the time of building permit issuance and Council received an updated presentation from the Chief Building Official on incorporating additional parameters of IBC to make the bond more effective. Mr. Harrington emphasized that the bond does not guarantee building completion, it guarantees site remediation in the event the building is not completed. Landscape and construction guarantee bonds work so that the site is remediated, similar to Silver Lake. The bond could be enhanced to make sure it addresses the visibility due to the size of the structures from SR248. The staff is comfortable with this condition with the IBC assurances. The numbers will not be determined until the first Phase is submitted and each phase will have a bond. The installation of the berm will match the phased parking construction. Kirsten Whetstone described the process if the if the City remediates the site and reimbursement to the City. Mr. Beerman asked if the owner is bound by the design guidelines. Mr. Harrington stated that they are binding and the guidelines will be applied by staff at the administrative CUP in conjunction with review of the LMC architectural provisions. If there is a conflict, the MPD controls and any changes would be handled dependent on scope at the time of application. If the change is considered substantial, the revised MPD would return to the Planning Commission.

Cindy Matsumoto referred to the stipulated seven foot high parameter fencing and internal gate fencing may be 12 feet. She felt the 12 feet should only apply to the gates and not internal fencing. Ms. Whetstone will make the language clearer.

Liza Simpson understood the trail crosses City property and the City will maintain it. She asked if it needs to be paved. Mark Harrington noted that initially it was designated as a paved trail but if it is a 12 foot width, just hard surface materials are required.

Alex Butwinski pointed out that the annexation petition was accepted 12 weeks ago and in the meantime, the applicant, Planning Commission, Planning Staff and IBI worked to improve the project. He again thanked Planning Commissioner Jack Thomas for his efforts. He feels they made it as good as possible and wish that there was more time to work on it. It would also be more appealing if it met more conditions of the General Plan but the Planning Commission took a good run at it; its role is regulatory. Mr. Butwinski emphasized that the City Council has a different role and should take a different view.

Mayor Williams stated he is not wild about a trail going through an alfalfa field and cutting in a 12 foot wide asphalt strip. Sooner or later a plan needs to be formulated for maintenance of all of the farm land the City owns as open space. His other point is actually obtaining a LEED certification. The City has given height variations, no affordable housing requirement, no significant open space and five times the amount of zoning on this property. He doesn't feel that acquiring the certification and the plaque is a big deal for the owners. He encouraged reviewing the trail again as it could come down the back of the property rather than bifurcating the field. The Mayor again addressed LEED certification and pointed out that the applicant has already agreed to shadowing standards which may add 3% to 5% to the project and certification should be a condition of approval.

Liza Simpson stated that she has trouble asking someone to do something the City doesn't do for its building. Alex Butwinski stated that he tends to agree with Ms. Simpson and Cindy Matsumoto had no opinion. Andy Beerman and Dick Peek were in favor of requiring the certification. Because of the tie, Ms. Matsumoto stated that she agrees with Liza Simpson and Alex Butwinski on not requiring certification. Ms. Simpson felt they will want to do it and the Mayor was doubtful. He felt that making a best effort to hit the standards is a nebulous statement. The cost of the trail will pay for the LEED certification.

Peter Pillman emphasized that actual sustainable practices and energy conservation has been agreed to.

Alex Butwinski stated that in consideration of these unique circumstances resulting from the known impacts of Summit County's settlement with the applicant versus approving these non-conforming uses for our community, he thinks Park City's interests are better served by annexing the property, "I move that we approve the Ordinance annexing approximately approximately 29 acres of property located in the southwest corner of the SR248 and US40 interchange in the Quinn's Junction Area, known as the Quinn's Junction Partnership Annexation, into the corporate limits of Park City, Utah and amending the Official Zoning Map of Park City to rezone the property Community Transition with a Regional Commercial Overlay designation with the modifications read by the City Attorney and as amended by Council member Peek (Condition Nos. 9, 15, 20 and 41)". Liza Simpson seconded. Motion carried.

Andy Beerman	Nay
Alex Butwinski	Aye
Cindy Matsumoto	Aye
Dick Peek	Nay
Liza Simpson	Aye

VI 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 5:30 p.m. Members in attendance were Mayor Dana Williams, Andy Beerman, Alex Butwinski, Cindy Matsumoto, Dick Peek, and Liza Simpson. Staff present was Tom Bakaly, City Manager; Jason Christensen, Environmental Regulatory Counsel, Tom Daley, Deputy City Attorney; Jim Blankenau, Environmental Regulatory Program Manager; Diane Foster, Deputy City Manager; Thomas Eddington, Planning Manager; Bret Howser, Budget Manager; and Mark Harrington, City Attorney. Liza Simpson "I move to close the meeting to discuss property, litigation and personnel ". Alex Butwinski seconded. Motion carried unanimously. The meeting opened at approximately 6 p.m. Alex Butwinski, "I move to open the meeting". Liza Simpson seconded. Motion unanimously carried. The Council again met in closed session after the adjournment of the regular meeting. Alex Butwinski, "I move to close the meeting to discuss property and litigation”. Liza Simpson seconded. Motion unanimously carried. Andy Beerman, “I move to adjourn”. Liza Simpson seconded. Motion unanimously carried.

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

Prepared by Janet M. Scott, City Recorder

City Council Staff Report

Subject:	**Resolution supporting 'Sea to Shining Sea' event**
Author:	**Heinrich Deters**
Department:	**Sustainability**
Date:	**June 14, 2012**
Type of Item:	**Administrative**

Summary Recommendations:
Adopt a Resolution supporting the extraordinary participants of the 2012 'Sea to Shining Sea' wounded warrior cycling event, visiting Park City on June 14th.

Background:
In the fall of 2011, the Mayor and members of staff were invited to learn more about a cross country cycling event for wounded warriors, aimed at raising awareness for disabled veterans. Below is a link to the event website.

http://worldteamsports.org/events/sea-to-shining-sea

Participating veterans of the Sea to Shining Sea event live with disabilities ranging from loss of limbs to blindness to Post Traumatic Stress. These veterans served America in wars from Afghanistan and Iraq to Vietnam.

At many major cities that the route crosses, community and media events will be held to publicize the event and allow the public to meet the team. The riders will stop at American military bases along the way, as well as connecting with local communities of disabled persons in towns and cities it travels through.

Park City Municipal is working with the National Ability Center and the local chapter of the American Legion to participate in a meet and greet reception at the St. Regis Hotel, who is sponsoring the event, Thursday evening, June 14th from 6:30 p.m. to 7 p.m. on the Astor Terrace.

Resolution No. -12

RESOLUTION RECOGNIZING THE EFFORTS OF WOUNDED WARRIORS PARTICIPATING IN THE 'SEA TO SHINING SEA' EVENT

WHEREAS, Park City takes great pride and with a humble voice, acknowledges the sacrifices made by those in the armed forces, both past and present and the freedoms they serve to protect in this great nation; and

WHEREAS, Park City recognizes the extraordinary efforts of these athletes participating in a coast to coast cycling event covering almost 4000 miles, providing a dramatic example that disabled Americans can lead productive lives and accomplish remarkable athletic feats; and

WHEREAS, we show all who have sworn to protect our shores the respect and dignity they deserve, and to honor their sacrifice by serving them as well as they served us; and

WHEREAS, Our Nation stands stronger for their service and we honor their proud legacy with our deepest gratitude.

NOW, THEREFORE, BE IT RESOLVED that the Mayor and City Council commends and expresses the unequivocal support of these great athletes and veterans who represent the ideals of patriotism, and bravery which are cornerstones of this great society.

PASSED, ADOPTED this 14th day of June, 2012.

PARK CITY MUNICIPAL CORPORATION

Mayor Dana Williams

Attest:

Janet M. Scott, City Recorder

City Council Staff Report

Subject: Resolution supporting the principles of the Community Covenant Program
Author: Janet M. Scott
Department: City Manager
Date: June 14, 2012
Type of Item: Administrative

Summary Recommendations:
Adopt a Resolution supporting the principles of the Community Covenant Program and acknowledging the many contributions of our Service Men and Women in Park City, Utah

Background:
The Mayor's Office was contacted a year ago by the Utah National Guard to officially participate in the Community Covenant Program. This effort is basically a way to encourage local businesses, utility companies, governments, etc. to support service men and women and their families. Some communities hold a celebration to honor individuals and organizations that provide discounts or special programs to military families and have everyone sign the proclamation.

The Mayor and staff were supportive of exploring community interest and posted the following public service announcement on our homepage for several months in May 2011:

> The Community Covenant Program, launched in 2008, is a formal commitment of support by state and local communities to Service Members and their Families – Active, Guard and Reserve. The City Council has been recognizing our deployed Military Men and Women over the years and after being introduced to this Program, was pleasantly surprised to learn of the number of locals quietly providing support in a variety of ways, but mostly in the form of discounted programs or services to Military Families. We want to hear from you! The Mayor would like to honor all individuals, agencies, organizations and businesses supporting our Troops and their Families on a formal proclamation. The Mayor's Office is also interested in collecting photos of deployed Service Men and Women from the area. Please contact Jan Scott at 435-615-5007 or scott@parkcity.org to be recognized in the Community Covenant Program and/or submit a photograph.

There was no response from the public so the signing ceremony was not pursued. The Mayor's Office was pleased to learn that the Chamber and Lodging Association offer discounts to military families as do the resorts. As you may know, the St. Regis graciously hosts a Mother's Day brunch for military families every year. The City provides a 10% military discount for recreation programs and golf.

A month or so ago, the Utah National Guard again contacted the Mayor's Office regarding simply adopting a resolution bringing awareness of the Community Covenant Program and the impacts of deployments on families. There is a lot of support for the military in the community but not a lot of interest in taking individual credit, so this resolution is a way to bring awareness to the Program, to thank our generous citizens and businesses, and to encourage others to get involved.

Resolution No. -12

RESOLUTION SUPPORTING THE PRINCIPLES OF THE COMMUNITY COVENANT PROGRAM AND ACKNOWLEDGING THE MANY CONTRIBUTIONS OF OUR SERVICE MEN AND WOMEN IN PARK CITY, UTAH

WHEREAS, it is appropriate to acknowledge residents of the past and present who proudly and willingly volunteer for military service to ensure a sound national defense, to provide a strong deterrent to attacks from hostile sources, and to maintain the security of our country and free people everywhere; and

WHEREAS, we gratefully acknowledge that we live in freedom today because of the many sacrifices that have been made and are being made today, by the valiant servicemen and women in the Armed Forces and their families; and

WHEREAS, we extend continuing support of these men and women and their families in this time of uncertainty and devote our thoughts and best wishes to all military service members and their families; and

WHEREAS, the Park City community extends its hope for a prompt end to the military conflicts facing our nation, and a safe and speedy return of our citizens serving in the military and all U S Armed Forces members.

NOW, THEREFORE, BE IT RESOLVED that the Mayor and City Council support the principles of the Community Covenant Program and extend our heartfelt appreciation of our service members and their families for their courage and commitment. The City Council hereby enlists the citizenry individually and collectively to make a difference in their daily lives; to learn about the unique needs of our service members and their families; to work together to build a network of support for them; and to consider ways to help mitigate the impacts of deployments.

PASSED, ADOPTED this 14th day of June, 2012.

PARK CITY MUNICIPAL CORPORATION

Mayor Dana Williams

Attest:

Janet M. Scott, City Recorder

City Council
Staff Report

Author:	**Roger McClain**
	Water Project Manager
Subject:	**QUINN'S JUNCTION WATER TREATMENT PLANT PROFESSIONAL SERVICES AGREEMENT - DESIGN AMENDMENT NO. 6**
Department:	**Public Works**
Date:	**June 14, 2012**
Type of Item:	**Administrative**

Summary Recommendations:
Staff recommends Council authorize the City Manager to execute the Sixth Amendment to the Professional Services Agreement, in a form approved by the City Attorney, with Carollo Engineers, for the design of the Quinn's Water Treatment Plant in an amount of $84,000.

Description:
Source, Water Quality, and Infrastructure.

Topic:
Additional design services during the operational closeout and performance testing period of the Quinn's Water Treatment Plant acts in accordance with the Water Strategic Plan's Source Strategies & Polices as follows:

- Maximize efficient use of existing City sources.
- Protect existing water sources.
- Ensure public health and safety is protected through quality water.
- Maximize operational efficiency.

Background:
In the fall of 2008, City Council authorized the City Manager to execute a Professional Services Agreement with Carollo Engineers for the design of the Quinn's Water Treatment Plant in an amount of $795,000.

Originally, the water treatment plant was to have an ultimate treatment capacity of 6 MGD with only 3 MGD of equipment being installed at time of construction. However, with modifications to the Water Master Plan, the ultimate capacity of the treatment plant was increased to 9 MGD. As the design process progressed, City Staff and the Engineer worked together to provide a design that ensures the treatment plant will effectively meet the current and future needs of the City. Previous amendments to Carollo's Professional Service Agreement design contract that addressed these modifications are summarized below.

Amendment No. 1:
Additional design related to full-scale testing after the membrane supplier (PALL Corp) was chosen; Evaluation and/or design of sustainable technologies; Plant capacity

increase; Separate metal building bid package; Addition of a Maintenance Shop; Front-end design of the plant to facilitate future micro-hydro power generators; Revisions to agree with the updated master planning that reflects multiple pump stations; Addition of Granular Activated Carbon vessels.

Amendment No. 2:
Design to add Boothill Zone pumping as part of the treatment plant; Architectural revisions to include an irregular building shape, varying roof lines, and various other design features in accordance with the Planning Commission recommendations; Design of office, laboratory and locker room space; Surge analysis and pressure relief for raw water; Credits associated with various site development tasks; Addition of material storage bins; Design to accommodate a future elevator; Addition of water and high voltage power to Maintenance Building; Design to accommodate the potential future treatment and discharge of Judge Tunnel water.

Amendment No. 3:
Expedite the completion of the design documents to enable construction of the Project to begin in the spring of 2010.

Amendment No. 4:
Submittal review of the metal building design to ensure that the building will meet the expectations and requirements of the Planning Commission; Bidding phase services; Services during construction; Design to facilitate adding Judge Tunnel to the Water Treatment Plant; Evaluate potential pretreatment and dewatering scenarios based upon likely requirements.

Amendment No. 5:
On-call consulting and technical support to assist PCMC in terms of treatment solutions related to three draft UPDES permits and impacts to existing treatment facilities including Quinns WTP.

Proposed Services:
Although previous amendments addressed the additional design efforts for the expanded project, the amendments did not adjust the Services required during the construction contract's startup/initial performance testing period and the contractual 6-month membrane performance test period which occurs following substantial completion of the construction contract. Amendment No. 6 addresses the additional fee required for Carollo's Services during this period. Exhibit A of the attached Amendment No. 6 provides the scope of services and details information and costs for the above items.

A brief summary of the proposed Amendment No. 6 scope of services follows:

- Services During Startup: Extends design services through the Contractor's project completion schedule extended from the end of January to the end of May and start-up through June 2012; Review efforts required to address equipment (PALL membranes, plate settler flocculators, peristaltic metering pumps, and GAC media installation) operational modifications proposed by the Contractor during startup; System optimization to troubleshoot, address, and verify waste wash water hydraulics and operations; Startup assistance to hold PALL accountable for their contractual obligations and to ensure that PALL delivers the project for which PCMC has paid.

- Services During Monitoring Test Period (MTP): PALL is contractually obligated to verify the performance of their equipment for a 6-month monitoring period. During this time, PALL is obligated to provide periodic updates and a final report that must demonstrate that its system meets their Guaranteed Performance Schedule. Amendment No. 6 includes Carollo's effort to help PCMC ensure that the monitoring is properly conducted, to help interpret the results, to help verify that PALL makes appropriate modifications to address any deficiencies, and/or to provide operational assistance as requested by PCMC.
- Supplemental consulting and technical support to assist PCMC in terms of treatment solutions related to draft UPDES permits and impacts to existing treatment facilities including Quinn's WTP.

Analysis:
Fees for the two tasks described above are summarized below:

Task	***Fee (not to exceed)***
Services During Startup	$39,000
Services During Monitoring Test Period (MTP)	$25,000
Supplemental assistance for UPDES permit impacts on QJWTP	$20,000

Staff has reviewed the negotiated fees contained in the proposed Amendment No. 6 and determined that they are fair for the work that is to be performed.

The funding for the project is impact fees and bonds and is part of the approved FY12 CIP and proposed FY13 CIP under Water Department Quinn's Water Treatment Plant.

The City's Project Manager, Roger McClain, will be working under the guidance of the Water Manager.

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

Alternatives:

A. Approve the Request:
Council could authorize the City Manager to execute the Sixth Amendment to the Professional Services Agreement, in a form approved by the City Attorney, with Carollo Engineers, for the design of the Quinn's Water Treatment Plant in an amount of $84,000.

B. Deny the Request:
Council could continue the request. Continuing the request could result in a delay to the project as alternate engineering and management methods are evaluated.

C. Continue the Item:

Council could continue the request. Continuing the request could result in a delay to the project as alternate engineering and management methods are evaluated.

D. Do Nothing:
Staff does not recommend this alternative. Doing nothing would also delay the design of the time-critical project and potentially the ability to operate the water treatment plant.

Significant Impacts:
The evaluation of plant membrane performance during the initial 6-month contractual operation period is critical to the long-term value and operation of the water treatment plant and the delivery of water to meet existing obligations.

Recommendation:
Staff recommends Council authorize the City Manager to execute the Sixth Amendment to the Professional Services Agreement, in a form approved by the City Attorney, with Carollo Engineers, for the design of the Quinn's Water Treatment Plant in an amount of $84,000.

EXHIBIT A
Amendment No. 6

SCOPE OF SERVICES

The purpose of this Amendment No. 6 is to provide additional budget to cover the additional time and effort required to successfully commission, test, and startup the Quinn's Junction WTP as identified in Carollo's April 10, 2012 Budget Status Update memo. This amendment also includes additional time to assist PCMC during the 6-month Monitoring Test Period (MTP).

Startup: Startup activities have required substantially more effort than anticipated, as identified below:

- Schedule: the Contractor's project completion schedule slipped for the end of January to the end of April.
- Equipment: the Contractor had supplier-driven equipment issues that required additional Carollo effort:
  - Plate settler flocculators were not provided with variable speed, as specified.
  - Peristaltic metering pumps were not supplied as submitted.
- GAC: media installation required additional attention
- Optimization: additional on-site time has been required to troubleshoot, address, and verify waste washwater hydraulics and operations.
- Pall coordination: it took substantially more effort, including additional trips for Dan Hugaboom, to hold Pall accountable for their contractual obligations and to ensure that Pall delivers the project for which PCMC has paid.

Monitoring Test Period (MTP): Pall is contractually obligated to verify the performance of their equipment for a 6-month monitoring period. During this time, Pall is obligated to provide periodic updates and a final report that must demonstrate that its system meets their Guaranteed Performance Schedule. This amendment provides budget to cover Carollo's effort to help PCMC ensure that the monitoring is properly conducted, to help interpret the results, to help verify that Pall makes appropriate modifications to address any deficiencies, and/or to provide operational assistance as requested by PCMC.

A total of $84,000 is hereby added to Task 4.8. A breakdown of this budget is summarized below:

- $59,000 for startup assistance
- $25,000 for MTP assistance
- $20,000 supplemental assistance for UPDES permit impacts on QJWTP

City Council Staff Report

Subject: Standby Generator Maintenance
Authors: Sayre Brennan, Engineering
Date: June 14, 2012
Type of Item: Administrative

Summary Recommendations:
The City Council should consider authorizing the City Manager to execute a Service Provider/Professional Services Agreement for the maintenance of City generator's with EC Company in a form approved by the City Attorney and in an amount of **$55,380.00**

Topic/Description:
Park City Municipal currently employs the use of five backup generators. In addition to the five existing back-up generators, the City will be installing two additional generators to its overall generator inventory within the next twelve months. This will bring the total inventory of backup generators to seven.

The maintenance and service of City generators will include the following tasks: preventative maintenance, oil changes, load tests, emergency response during work hours and outside of normal work hours, and replacement of general parts.

Funding for this project will be taken from the operating accounts of each individual department that operates a backup generator.

Background:
Currently, Park City has five existing backup generators stationed at the following locations: the Public Works Department, the Marsac Building, the Ice Arena, Police Department, and the Spiro Water Treatment Plant. Additionally, the City will be installing two new generators at the M.A.R.C building and the Quinn's Junction Water Treatment Plant within the next twelve months. These generators are used as backup energy sources to power essential City services in case of a power outage or an emergency and need to be maintained periodically so that they can perform at optimal levels when needed.

Analysis:
City staff advertised to obtain competitive bids for the maintenance of City generator's. The project was advertised in the Park Record and the Salt Lake Tribune. A single bid was received on May 22nd, 2012.

Based upon the bid schedule, EC Company bid the following prices:

COMPANY	**BID AMOUNT**
EC Company	**Grand Total of First Year (Year 1): $5,325.00** **Grand Total of Years 2-6: $7,455.00/Year**

The difference in the first year cost items (Year 1) and the following years costs (Years 2-6) is that the M.A.R.C building and Quinn's Water Treatment Plant generators are still under warranty during the first year.

The term of the maintenance agreement is anticipated to be 24 months commencing on the date of execution and shall be renewable at the end of the current term for two (2) successive 24 month terms (for a total of 72 months in three 24 month increments). The agreement cannot be extended after the second renewal without re-bidding the whole contract.

Based upon the original 24 month agreement (2 years), staff is estimating that the total cost of the agreement will be $55,380 for the maximum six year term of the contract.

Summary of Bid Over a Seven Year Agreement	
Year 1	$ 5,325.00
Year 2	$ 7,455.00
Year 3	$ 7,455.00
Year 4	$ 7,455.00
Year 5	$ 7,455.00
Year 6	$ 7,455.00
Total	$ 42,600.00
Estimated Repair & Emergency Work	$ 12,780.00
Grand Total	**$55,380.00**

The bid submitted was reviewed and deemed compliant with the terms of the Contract Documents. The company was not determined to be "local" as defined in the contracting policy. EC Company was the only bidder and therefore the lowest. EC Company has held this contract for the last two years. Staff has reviewed the costs and finds them reasonable.

Department Review:
This report has been reviewed by Emergency Management, Engineering, Legal, and the City Manager's office. All issues have been resolved.

Alternatives:

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

B. Deny the Request:

This would not allow for the maintenance of backup generators and may have an impact of the operations of the backup generators.

C. Continue the Item:

If the Council needs more information the item can be continued, but this could impact the generators from preforming at optimal levels when needed.

D. Do Nothing:

This option would make it feasible to perform maintenance tasks on the generators.

Significant Impacts:

No significant impacts are anticipated.

Consequences of not taking the recommended action:

By not taking the recommended action, the backup generators will not be regularly maintained. This will eventually cause the generators to fall into a state of disrepair and most likely will affect essentially City services in the advent of a power outage or emergency.

Recommendation:

The City Council should consider authorizing the City Manager to execute a service provider/personal services agreement for the maintenance of City generator's with EC Company in a form approved by the City Attorney and in an amount of **$55,380.00**

City Council
Staff Report

Subject:	**Additional 400 acre-feet from Weber Basin**
Author:	**Clint McAffee, Thomas A. Daley, Sr.**
Department:	**Water and Legal**
Date:	**June 14, 2012**
Type of Item:	**Administrative**

Staff Recommendation:
Staff recommends Council authorized the City Manager to execute, in a form approved by the City Attorney, the following amendments to water contracts/agreements for the purchase, delivery, and capital contribution related to 400 acre-feet of additional water through the Synderville Basin Project and Expanded Lost Creek Canyon Project (Project).

1. Amendment to the Agreement between (Mountain Regional Water Special Service District) MRWSSD, Park City Water Service District (PCWSD), and Summit County.
2. Amendment to the Water Supply Agreement between Weber Basin Water Conservancy District (WBWCD), PCWSD, and (MRWSSD).
3. Amendment to the contracts between the PCWSD and the United States of America, Bureau of Reclamation (USBR) and (WBWCD), and the (PCWSD).

Topic/Description:
By way of background, Park City Municipal Corporation's (PCMC) Water Strategic Plan which City Council approved included the following list.

Water Rights, Leases, and Agreements; and Source.

- Maximize existing water rights & leases.
- Minimize legal exposure to priority downstream water right holders.
- Minimize the impact and influence caused by early priority water rights in East Canyon and Silver Creek Drainages.
- Develop long-term wet water supplies for tunnel source redundancy.
- Support cooperation of regional strategy for providing water to Park City and the Snyderville Basin.
- Ensure adequate water supply for projected Park City build-out.
- Maximize efficient use of existing City sources.

Department Review:
This Staff report has been reviewed by Public Works, Legal, and the City Manager.

Background:

There are a series of agreements dating back to 1996 which govern the importation of water from the Rockport Reservoir to PCMC's Quinn's Junction Water Treatment Plant. Staff is recommending that three of these agreements need to be amended to increase the PCWSD's allotment of imported water by 400 acre-feet.

<u>1. MRWSSD, Summit County, and PCWSD Agreement</u>

In 1996, MRWSSD, PCWSD, WBWCD entered into a Memorandum of Understanding (MOU) which provided for the development 6,600 acre feet of water under WBWCD water rights. The water was intended for use by PCMC and Summit County. Phase I of the proposed project contemplated the development of 1,600 acre feet of ground water from wells. Phase II contemplated the importation of 5,000 acre feet from Rockport Reservoir. 4,100 acre-feet of the 1,600 acre feet was to be reserved for MRWSSD (which was then called the Atkinson Special Service District and later became Basin Water Special Service District before becoming MRWSSD)) and 2,500 acre-feet reserved for PCWSD.

Summit County and MRWSSD completed the shallow wells and collection system near Rockport Reservoir and the State Engineer approved the diversion of 1,600 acre-feet.

In March,2004, MRWSSD, Summit County, and PCWSD entered into an agreement identifying the construction, ownership, and operation of infrastructure to deliver water from the Rockport Reservoir to the ridge line of the Promontory development. The MRWSSD treatment plant is located on this ridge, which is called Signal Hill. This agreement also acknowledges that the delivery system would need to be expanded to accommodate the combined demand of MRWSSD and PCWSD.

In May,2004, WBWCD, PCWSD, and MRWSSD entered into a water supply agreement to participate in a study to bring water into the Synderville Basin (see below).

Summit County and MRWSSD subsequently constructed the infrastructure described in the March,2004 agreement.

MRWSSD, Summit County, and PCWSD entered into an agreement dated March 1, 2007. That agreement outlines each parties' capacity rights in the Project and cost allocations for each party. This agreement also outlined PCWSD's responsibility to construct infrastructure required to deliver water from Signal Hill to Park City. PCMC has completed construction of a pipeline from Signal Hill to the new QJWTP and from there to Wyatt Earp Way.

<u>2. Water Supply Agreement</u>

WBWCD, PCWSD, and MRWSSD entered into a contract dated May 13, 2004 wherein the parties agreed to participate in a study to bring Project Water (this is water stored under USBR storage rights; it dates back to the original USBR projects – including the Rockport Reservoir – and is extremely inexpensive) and District Water (this is water stored under WBWCD storage rights which were acquired after the creation of the WBWCD in 1950) into the Synderville Basin for municipal use. This agreement and subsequent amendments outline the components of the project including infrastructure and responsibility of ownership, operation, and financing. This agreement also identified reservation fees to be paid by each party to reserve a total of 5,000 acre-feet of water in the Rockport Reservoir. WBWCD subsequently determined that such a project could be completed.

On November 15, 2007, the parties amended the May 13, 2004, agreement to reflect that much of the Project was completed by Summit County andMRWSSD.

3. Water Sales Agreement

USBR, WBWCD, and PCWSSD entered into a contract dated November 15, 2007 where PCWSSD agreed to purchase of the right to use 2,500 acre-feet of water for a 40-year period which would be a combination of Project Water and District Water. MRWSSD also entered into a similar contract for 2,500 acre-feet.

Analysis:

MRWSSD recently approached PCWSD offering to transfer 400 acre-feet of their 2,500 acre-foot capacity to PCWSD. This water comes with a “peaking factor” of two which means in terms of delivering peak flows in the summer time, this water is the equivalent to 800 acre-feet of capacity. In other words, if you were to take 400 acre feet of water at a continuous flow 24 hours a day for 365 days, there would be a constant gallon per minute rate of delivery. A peaking factor of two simply doubles that continuous flow rate. In the absence of significant storage, the peaking factor is a vitally important component of a water delivery contract.

Below is a summary of amendments staff is now recommending to the agreements discussed above:.

1. MRWSSD, Summit County, and PCWSD Agreement

The following terms of the March 1, 2007 agreement between MRWSSD, Summit County, and PCWSD will be amended.

- Capacity Rights – amend to reflect that 400 acre-feet currently allocated to MRWSSD will be transferred to PCWSD.
- Pro rata cost participation in the Expanded Lost Creek Canyon Project – amend to reflect new acre-foot amounts.
- Pro rata cost participation in the Snyderville Basin Project - amend to reflect new acre-foot amounts.
- Wheeling rate charged by MRWSSD to PCWSD – amend to include new acre-foot amount and to extend grace period in terms of late fees to accommodate the City’s billing process.
- Backup Culinary Connection – the agreement currently states that PCWSD shall provide a backup culinary connection to MRWSD by March 1, 2012. This will be amended to indicate each party will work together and determine whether such a connection makes sense, where such a connection would be located, and cost sharing amounts.

2. Water Supply Agreement

The following terms of the May 13, 2004, agreement between WBWCD, MRWSSD, and PCWSD will be amended.

- Takedown Schedule (this sets the amount of water that will be taken each year by the respective parties) – this will be amended to reflect the new acre-foot amounts.
- Allocation of Water supply - this will be amended to reflect the new acre-foot amounts.

3. Water Sales Agreement

The following terms of the November 15, 2007, agreement between USBR, WBWCD, and PCWSD will be amended.

- Purchase amount – amend the purchase amount from 2,500 to 2,900 acre-feet.
- Capacity – amend peak day flow rate capacity to reflect 2,900 acre-feet.

Flow and Cost Impacts

The table below summarizes the current and amended volumes and flow rates available to PCWSD.

Current Capacity		Amended Capacity	
(acre-feet per year)	(gpm peak capacity)	(acre-feet per year)	(gpm peak capacity)
2,500	3,100	2,900	3,600

The table below summarizes the current and amended payments made by PCWSD to MRWSSD and WBWCD. These costs are approximate and are adjusted each year to reflect cost of labor, materials, and other expenses. The repayment items are to pay off debt issued to construct infrastructure related to diverting water from Rockport and delivering it to Signal Hill. These repayment items will terminate once the debt is paid off.

	Annual Take or Pay Cost		
	2,500 acre-feet	2,900 acre-feet	Additional Cost
WBWCD Costs			
Capital Facilities Repayment	$283,463	$298,787	$15,324
Power Capital Costs Repayment	$143,025	$116,928	-$26,097
Asset Replacement	$70,000	$81,200	$11,200
Water Cost	$398,425	$478,007	$79,582
WBWCD Sub Total	$894,913	$974,922	$80,009
MRWSSD Costs			
Capital Facilities Repayment	$99,024	$114,869	$15,845
Asset Replacement	$38,547	$44,631	$6,084
Fixed O & M	$138,400	$159,326	$20,926
MRWSSD Sub Total	$275,971	$318,826	$42,855
Total	**$1,170,884**	**$1,293,748**	**$122,864**

Department Review:

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

Alternatives:

A. Approve the Request:

Council could authorize the City Manager to execute the amendments to acquire an additional 400 acre-feet of water under WBWCD storage rights in the Rockport Reservoir. This is the staff recommendation.

B. Deny the Request:
Council could deny Staff's request. Denying the request would result in less capacity available to PCWSD from the Rockport Reservoir and would thereby move up the date on which PCWSD is in a water supply deficit

C. Continue the Item:
Council could continue the request. Continuing would likely jeopardize the availability of the water.

D. Do Nothing:
Staff does not recommend this alternative. Doing nothing would likely jeopardize the availability of the water and could move up the date on which PCWSD is in a water supply deficit.

Significant Impacts:

Acquiring this extra water will extend the time that current City water supplies would meet demand by 5 years or more depending on the rate growth occurs.

The additional annual cost of this water of approximately $123,000 is in the proposed FY 2013 and 2014 budget and is also in the water financial model to final build-out within PCWSD boundaries.

Recommendation:
Staff recommends that the City cCouncil authorize the City Manager to execute, in a form approved by the City Attorney, the amendments discussed *supra* to water contracts/agreements for the purchase, delivery, and capital contribution related to 400 acre-feet of additional water through the Synderville Basin Project and Expanded Lost Creek Canyon Project.

1. Amendment to the Agreement between MRWSSD, PCWSD, and Summit County.
2. Amendment to the Water Supply Agreement between WBWCD, PCWSD, and Mountain Regional Water Special Service District (MRWSSD).
3. Amendment to the lease contract between the United States of America, Bureau of Reclamation (USBR), Weber Basin Water Conservancy District (WBWCD), and Park City Water Service District (PCWSD).

City Council
Staff Report

Subject:	**Park City Heights Assessment Ordinance**
Author:	**Phyllis Robinson, Community Affairs Manager**
Department:	**Sustainability**
Date:	**June 14, 2012**
Type of Item:	**Legislative**

Summary Recommendations:
Staff recommends that Council approve the attached assessment ordinance related to the levy of assessments against properties in the PC Heights Assessment Area in the amount of approximately $3,720,000.

Topic/Description:
Park City Heights Assessment Area Assessments.

Background:
In November 2011 the City Council in its role as co-tenant owner approved a Purchase and Sale Agreement with Ivory Development for the sale and development of approximately 195.56 acres of the Park City Heights subdivision located at the east entrance to Park City. One of the terms of the sale was that the City would provide financing for the cost of publicly-owned infrastructure developed for this project. The City determined the best way to do that is through the use of the Assessment Area Act which authorizes cities to finance the cost of public improvements to be made within a portion of the city through the levy and collection of special assessment levied against the benefitting private properties. On April 19, 2012 the City Council approved a resolution creating the Park City Heights Assessment Area. This action is the second step of a three step process and creates the revenue to pay for the assessment bonds, the proceeds of which, when issued, will finance the cost of the necessary public improvements. The final step, approval of bond issuance, will come before the Council in the near future.

The public improvements will be constructed in phases; this action just covers the initial Phase I. (see attached map.)

Analysis:
The attached ordinance establishes and levies assessments against all property within the PC Heights Assessment Area. This assessment is a first priority lien in a fixed dollar amount and recorded against each individual property. It is superior to all other liens except for tax liens and mechanics and materialman"s liens.

The assessment area is being done at the behest of the sole property owner, Ivory Development; the owner has waived certain rights to public notice and a public hearing prior to Council action.

The attached ordinance confirms the assessment list and levies an assessment against certain properties in the Park City, Utah Park City Heights Assessment" Specific items in Phase 1 include cost of acquiring, construction and installing new roads, sidewalk, curb and gutter, culinary water improvements, sewer and storm drainage improvements, public parks, trails and landscaping of public areas and related improvements. Costs associated with the removal and disposal of mine waste soils are funded directly by Ivory Development and are not included in the assessment bond.

The assessment includes the cost for an independent private contractor to install the improvements under contract with the City. The contractor was selected pursuant to a competitive bid conducted by the City. In addition to covering the general contractor cost, the assessment includes the cost for engineering, landscape design, construction surveys, a 5% construction contingency, a 5% management fee to Ivory Development as construction manager, a 1% fee to the City for its expense in supervising these improvements, a bond interest reserve sufficient to pay interest on the assessment bonds/notes for the first two years, a bond reserve fund to cover any shortfall in assessments, and the costs of issuing this round of bonds/notes.

The ordinance further establishes that the method and rate of assessment is based on an equivalent residential unit („ERU") per lot; and the payment of the assessment on each lot shall be made at the earlier of the issuance of a certificate of occupancy (CO) for that lot or within three years from the date of bond/note issuance.

<u>Bond Structure</u>
Pursuant to City Council approval (the next and final step for this phase), the City will issue a 3-year bond anticipation note ("BAN"). It will be an interest-only note and is secured by a pledge and security interest in the assessments and the required reserve funds. The City does not pledge any of its credit or taxing power to support repayment of the BAN. While the title, "bond anticipation note," suggests that the City intends to issue bonds to pay off the BAN, the requirement that all assessments be paid within three years makes the issuance of a longer term bond unnecessary. However, if for some unlikely and unforeseen reason the City needed to find additional financing to pay off the BAN then the issuance of bonds becomes an option.

It is anticipated that the sale of the bonds would occur within the next 30 days. The bond will be sold by a request for bids from local banks

Department Review:
This report has been reviewed by Budget, City Manager, and Legal. All issues have been resolved.

Significant Impacts:

The bond issuance is critical to the overall project affordability. Conventional financing would increase the cost of the project including the cost of the affordable units. It is important to note that this assessment bond to with the recent water revenue bond will not exceed the bank qualified $10 million limit for 2012. Staff anticipates returning to Council later this summer for a second funding request for on-site infrastructure for Phase 2. Ivory Development is aware of our bond volume cap and that should the combined amount of bonds in 2012 exceed $10 million the excess amount would not be tax exempt. The timing of bond issuance for subsequent stages, if approved by future Councils will need to be evaluated against other city projects and bank-qualified limits at the time of request.

Alternatives:

A. Approve:
Staff recommends approving the attached PC Heights Assessment Ordinance related to the funding of public infrastructure for Park City Heights.

B. Deny:
Without the levy of assessments the City would have to pursue another financing source that would likely involve the City"s credit. This Bond was anticipated in the project construction budget. Denying the request would have a negative impact on project timelines, constructability and affordability.

C. Continue the Item:
This would delay the sale and issuance of bonds and could have a negative impact on the project timeline.

D. Do Nothing:
This would have a similar impact as Denying the Request.

Recommendation:
Staff recommends that Council approve the attached assessment ordinance related to the levy of assessments against properties in the PC Heights Assessment Area in the amount of approximately $3,720,000.

Attachments:
A: Phasing Map
B: Bond Ordinance & Budget


STATE HIGHWAY 40
RICHARDSON FLAT ROAD
Future Phases
Phase 1
Phase 2
Future Phases
Future Phases
STATE OF UTAH
Legend
Park Homes = 52
-Phase 1 = 28, Future phases = 24
Cottage Homes = 92
- Phase 1 = 4, Phase 2 = 49, Future = 39
Homestead Homes = 95
- Phase 1 = 0, Phase 2 = 10, Future = 85
Total Homes = 239
HORIZONTAL GRAPHIC SCALE
TOOELE
169 North Main Street Unit 1
Tooele, Utah 84074
Phone 435 843 3590
Fax 435 578 0108
SALT LAKE CITY
Phone 801 255 0529
LAYTON
Phone 801 547 1100
PLEASANT GROVE
Phone 801 796 8145
Park City Heights
C-1

DRAFT
Park City, Utah
June 14, 2012

The City Council (the "Council") of Park City, Utah (the "City"), met in regular session on June 14, 2012, in Park City, Utah, at 6:00 p.m. with the following members of the Council present:

Dana Williams	Mayor
Andy Beerman	Councilmember
Alex Butwinski	Councilmember
Cindy Matsumoto	Councilmember
Dick Peek	Councilmember
Liza Simpson	Councilmember

Also present:

JanetScott	City Recorder
Thomas Bakaly	City Manager
Mark Harrington	City Attorney

Absent:

After the meeting had been duly called to order and after other matters not pertinent to this Resolution had been discussed, the City Recorder presented to the Council a Certificate of Compliance with Open Meeting Law with respect to this June 14, 2012, meeting, a copy of which is attached hereto as Exhibit A.

The Mayor then noted that the City Council is now convened in this meeting for the purpose, among other things, to adopt an ordinance levying an assessment (the "Ordinance") for the Park City, Utah PC Heights Assessment Area (the "Assessment Area"). The following Ordinance was then introduced in writing, was fully discussed, and pursuant to motion duly made by Councilmember ___________ and seconded by Councilmember _______________ adopted by the following vote:

AYE:

NAY:

DMWEST #8970679 v1

The Ordinance was then signed by the Mayor in open meeting and recorded in the official records of Park City, Utah. The Ordinance is as follows:

ORDINANCE NO. ______

AN ORDINANCE CONFIRMING THE ASSESSMENT LIST AND LEVYING AN ASSESSMENT AGAINST CERTAIN PROPERTIES IN THE PARK CITY, UTAH PC HEIGHTS ASSESSMENT (THE "ASSESSMENT AREA") TO FINANCE THE COSTS OF ACQUIRING, CONSTRUCTING AND INSTALLING NEW ROADS, SIDEWALK, CURB AND GUTTER, CULINARY WATER IMPROVEMENTS, SEWER AND STORM DRAINAGE IMPROVEMENTS, PUBLIC PARKS, TRAILS AND LANDSCAPING OF PUBLIC AREAS AND RELATED IMPROVEMENTS, AND TO COMPLETE SAID IMPROVEMENTS IN A PROPER AND WORKMANLIKE MANNER (COLLECTIVELY, THE "IMPROVEMENTS"); ESTABLISHING A RESERVE FUND; PROVIDING FOR CERTAIN REMEDIES UPON DEFAULT IN THE PAYMENT OF ASSESSMENTS; ESTABLISHING THE EFFECTIVE DATE OF THIS ORDINANCE; AND RELATED MATTERS.

WHEREAS, the City Council (the "Council") of Park City, Utah (the "City"), pursuant to the Assessment Area Act, Title 11 Chapter 42, Utah Code Annotated 1953, as amended (the "Act"), and pursuant to a resolution adopted on April 19, 2012 (the "Designation Resolution"), designated the Assessment Area after having obtained from each owner of properties to be assessed within the Assessment Area an executed Acknowledgement, Waiver and Consent (the "Waiver and Consent") in the form attached to the Designation Resolution as Exhibit B; and

WHEREAS, the Council has now determined the total estimated cost of the Improvements and desires to assess the properties, the owners of which have executed a Waiver and Consent, and have prepared an assessment list of the assessments to be levied to finance the cost of the Improvements; and

WHEREAS, the Council now desires to confirm the assessment list and to levy said assessments in accordance with this assessment ordinance:

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF PARK CITY, UTAH:

Section 1. Determination of Costs of the Improvements. The Council has determined that the estimated acquisition and construction costs of the Improvements within the Assessment Area, including overhead costs and capitalized interest, is $______________, all of which shall be levied against the properties benefited within the Assessment Area.

Section 2. Approval of Assessment List; Findings. The Council confirms and adopts the assessment list for the Assessment Area, a copy of which is attached hereto as Exhibit B and incorporated herein by reference (the "Assessment List"). The Council has determined that the Assessment List is just and equitable; that each piece of property to be assessed within the Assessment Area will be benefited in an amount not less than the assessment to be levied against said property; and that no piece of property listed in the Assessment List will bear more than its proportionate share of the cost of Improvements.

Section 3. Levy of Assessments. The Council does hereby levy an assessment against each parcel of property identified in the Assessment List. Said assessments levied upon each parcel of property therein described shall be in the amount set forth in the Assessment List. The assessments are levied upon each parcel of property in the Assessment Area in accordance with the benefit received from the Improvements.

Section 4. Amount of Total Assessments. The assessments do not exceed in the aggregate the sum of: (a) the estimated contract price of the Improvements; (b) the acquisition price of the Improvements; (c) the reasonable cost of (i) utility services, maintenance, and operation to the extent permitted by the Act and (ii) labor, materials, or equipment supplied by the City, if any; (d) the price or estimated price of purchasing property; (e) overhead costs not to exceed fifteen percent (15%) of the sum of (a), (b), and (c); (f) an amount for contingencies of not more than ten percent (10%) of the sum of (a) and (c); (g) estimated interest on interim warrants and bond anticipation issued to finance the Improvements; and (h) an amount sufficient to fund a reserve fund.

Section 5. Method and Rate. Benefited properties will be assessed within the Assessment Area under an equivalent residential unit ("ERU") per lot type method of assessment are as follows:

Improvements	Assessment	ERU Method of Assessment
All improvements within Phase 1-A		Per Park Lot Per Cottage Lot
All improvements within Phase 1-B		Per Cottage Lot Per Homestead Lot
Initial Improvements within Master Plan Area Phase 2		Per Park Lot Per Cottage Lot Per Homestead Lot

Section 6. Payment of Assessments.

(a) [The City Council hereby determines that the Improvements have a useful life of not less than twenty (20) years, and have elected to have the assessments paid over a period of not more than twenty (20) years from the effective date of this Ordinance. Assessment payments shall be payable as to interest [semiannually on each ____________ and __________ beginning

_____________ and as to principal annually on each ___________, beginning ________________,] such that the aggregate annual assessment payments shall be in substantially equal amounts, subject, however, to adjustment as a result of prepayment of assessments. Interest on the unpaid balance of the assessments shall accrue at the same rate or rates as shall be borne by the assessment bonds anticipated to be issued by the City for the Assessment Area (the "Assessment Bonds"), plus an annual administration cost incurred by the City of not to exceed more than one-half of one percent of the total principal balance of the assessment.]

(b) All unpaid installments of an assessment levied against any piece of property may be paid prior to the dates on which they become due, but any such prepayment must include an additional amount equal to the interest which would accrue on the assessment to the next succeeding date on which interest is payable on the Assessment Bonds plus such additional amount as, in the opinion of the City Treasurer, is necessary to assure the availability of money to pay interest on the Assessment Bonds as interest becomes due and payable, plus any premiums required to redeem the Assessment Bonds on their first call date.

(c) [In the event all or any portion of the property assessed hereunder is subdivided into smaller parcels as evidenced by a subdivision plat approved by the Council and recorded in the Summit County Recorder's office, the Council may elect, at its discretion, to allocate the assessment balance of the previously undivided property to said smaller parcels on a proportionate basis based on ERU allocated to said smaller parcels by adopting an amendment to this Ordinance approving such allocation. The required annual assessment payments for each smaller parcel shall be based on ERU allocated by the City to said smaller parcel, so that the aggregate total of all of the annual assessment installments for all of the smaller parcels will equal the total annual assessment for the previously undivided property. When an assessment lien is perfected for each of the smaller parcels, the total assessment levied against the previously undivided property will be released, having been replaced by the aggregate of the assessments allocated to each of the smaller parcels. A release of the new assessment lien for any subdivided parcel will be delivered by the City at the time the assessment balance for such subdivided parcel is paid in full.]

(d) If prepayment of an assessment prior to the assessment payment date, or any part thereof, arises out of a need of the property owner to clear the assessment lien from a portion (the "Release Parcel") of an assessed parcel (the "Assessed Parcel"), the assessment lien on the Release Parcel may be released by the City, as follows:

(i) The property owner shall submit the legal description of the Release Parcel which shall include the total ERU allocated by the City to the Release Parcel.

(ii) The property owner shall prepay an assessment applicable to the Release Parcel calculated by the City Treasurer as follows: the amount of the prepayment calculated pursuant to Section 6(b) herein for the entire Assessed Parcel less any previously paid regularly scheduled payments multiplied by the percentage calculated by dividing the ERU of the Release Parcel by the total ERU of the entire Assessed Parcel.

(iii) The partial release of lien upon payment of the prepayment amount determined under subparagraph (ii) above shall not be permitted, except as otherwise provided in this paragraph, if the fair market value of the ERU of the Assessed Parcel, after release of the Release Parcel, is less than three times the sum of (A) the remaining unpaid assessment on such Assessed Parcel, plus (B) any other unpaid assessment liens on such Assessed Parcel. In determining the value of the ERU of the Assessed Parcel, the City Treasurer of the City is entitled to, but need not rely on, credible evidence or documentation presented by the owner of said parcel. If the City Treasurer determines that the proposed partial release does not comply with the requirements of this paragraph, such partial release may still be permitted if the owner prepays a larger portion of the assessment in order to clear the assessment lien from the Release Parcel, all as determined by said Treasurer.

(iv) Prepayments of assessments shall be applied first, for the payment of the principal and interest next coming due on the Assessment Bonds, and second for the redemption of the Assessment Bonds, in whole or in part, on the first redemption date thereof [in accordance with Section 2.5(c) of the Indenture of Trust and Pledge dated as of ________________ by and between the Issuer and____________________, as Trustee.][all as provided in the proceedings to be executed by the Council to authorize the issuance and sale of the Assessment Bonds (the "Bond Resolution")] As prepayments are paid and applied against the payment of the Assessment applicable to the Release Parcel, the Release Parcel may be released from the lien of the assessment in accordance with this subparagraph (d), and the original assessments levied against the remaining Assessed Parcel shall remain unpaid.

(e) [To reduce the administrative costs of the Assessment Area and for other reasons, the Council hereby determines that as a condition precedent to the issuance of a building permit with respect to all or any portion of the property assessed hereunder, the City shall require the assessment levied and outstanding against the property for which a building permit is requested be prepaid in full prior to the issuance of the building permit. Each owner of property within the Assessment Area has consented to this prepayment requirement.][need for an additional consent for this]

(f) [The period for amortization of the Assessments provided above does not alter or impair any agreement between the City and an owner of the property in the Assessment Area to prepay Assessments on an earlier date.]

Section 7. Default in Payment. If a default occurs in the payment of any assessment when due, the City Treasurer, on behalf of the Council, may declare the unpaid amount to be immediately due and payable and subject to collection as provided herein. In addition, the City Treasurer, on behalf of the Council, may accelerate payment of the total unpaid balance of the assessment and declare the whole of the unpaid principal and interest then due to be immediately due and payable. Interest shall accrue and be paid on all amounts declared to be delinquent or accelerated and immediately due and payable at the same rate of interest as are applied to delinquent real property taxes for the year in which the assessment payment becomes delinquent (the "Delinquent Rate"). In addition to interest charges at the Delinquent Rate, costs of collection, as approved by the City Treasurer on behalf of the Council, including, without limitation, attorneys' fees, trustee's fees, and court costs, incurred by the City or required by law shall be charged and paid on all amounts declared to be delinquent or accelerated and immediately due and payable.

Upon any default, the City Treasurer shall give notice in writing of the default to the owner of the property in default as shown by the last available equalized assessment list of the City. Notice shall be effective upon deposit of the notice in the U.S. Mail, postage prepaid, and addressed to the owner as shown on the last completed real property assessment rolls of Summit County. The notice shall provide for a period of thirty (30) days in which the owner shall pay the installments then due and owing, after which the City Treasurer, on behalf of the City, may immediately initiate a sale of the property as provided in Title 59, Chapter 2, Part 13, Utah Code Annotated 1953, as amended or sale the property pursuant to Section 11-42-502(1)(c) and related pertinent provisions of the Act, in the manner provided for actions to foreclose trust deeds. The Council hereby designates a trustee to carry out such foreclosure, and said trustee shall be deemed to have a power of sale and all other rights, power, and authority necessary to legally and lawfully foreclose the lien for delinquent assessments. If for any reason the trustee cannot perform the powers and responsibilities herein provided, it may appoint, with the consent of the Council, a qualified trustee to serve as trustee. If at the sale no person or entity shall bid and pay the City the amount due on the assessment plus interest and costs, the property shall be deemed sold to the City for these amounts. The City shall be permitted to bid at the sale. So long as the City retains ownership of the property, it shall pay all delinquent assessment installments and all assessment installments that become due, including the interest on them.

The remedies provided herein for the collection of assessments and the enforcement of liens shall be deemed and construed to be cumulative and the use of any one method or means or remedy of collection or enforcement available at law or in equity shall not deprive the City or the trustee on behalf of the City, of the use of any other method or means. The amounts of accrued interest and all costs of collection, trustee's fees, attorneys' fees, and costs, shall be added to the amount of the assessment up to, and including, the date of foreclosure sale.

Section 8. Remedy of Default. If prior to the final date payment may be legally made under a final sale or foreclosure of property to collect delinquent assessments, or prior to the end of the three month reinstatement period provided by Section 57-1-31 in the event the collection is enforced through the method of foreclosing trust deeds, the property owner pays the full amount of all unpaid installments of principal and interest which are past due and delinquent with interest on such installments at the rate or rates set forth in Section 7 herein to the payment date, plus all trustee's fees, attorneys' fees, and other costs of collection, the assessment of said owner shall be restored and the default removed, and thereafter the owner shall have the right to make the payments in installments as if the default had not occurred. Any payment made to cure a default shall be applied first, to the payment of attorneys' fees and other costs incurred as a result of such default; second, to interest charged on past due installments, as set forth above; third, to the interest portion of all past due assessments; and last, to the payment of outstanding principal.

Section 9. Lien of Assessment. An assessment or any part or installment of it, any interest accruing and the penalties, trustee's fees, attorneys' fees, and other costs of collection shall constitute a lien against the property upon which the assessment is levied on the effective date of this Ordinance. Said lien shall be superior to the lien of any trust deed, mortgage, mechanic's, or materialman's lien, or other encumbrance and shall be equal to and on a parity with the lien for general property taxes. The lien shall apply without interruption, change in priority, or alteration in any manner to any reduced payment obligations and shall continue until the assessment, reduced payment obligations, and any interest, penalties, and costs on it are paid, notwithstanding any sale of the property for or on account of a delinquent general property tax, special tax, or other assessment or the issuance of a tax deed, an assignment of interest by Summit County or a sheriff's certificate of sale or deed.

Section 10. Reserve Fund. The City does hereby establish a reserve fund (the "Reserve Fund") in lieu of funding a special improvement guaranty fund, as additional security for the Assessment Bonds. [The Reserve Fund shall consist of two accounts—a debt service reserve account (the "Debt Service Reserve Account") and a capitalized interest account (the "Capitalized Interest Account").] The Debt Service Reserve Account shall be initially funded from proceeds of the Assessment Bonds in an amount not to exceed the least of (a) ten percent (10%) of the proceeds of the Assessment Bonds determined on the basis of its initial purchase price to the public, (b) the maximum aggregate annual debt service requirement during any Bond Fund Year for the Assessment Bonds, and (c) 125% of the average aggregate annual debt service requirement for the Assessment Bonds (the "Debt Service Reserve Requirement"). The Capitalized Interest Account shall be funded with the proceeds from the Assessment Bonds to pay interest on the Assessment Bonds during construction of the Improvements. The cost of initially funding the Reserve Fund is included in the assessments of the property in the Assessment Area. The Debt Service Reserve Requirement shall be adjusted as property owners prepay their assessments in full, all as provided in the proceedings to be executed by the Council to authorize the issuance and sale of the Assessment Bonds (the "Bond Resolution"). The moneys on deposit in the Reserve Fund shall, upon the final payment of the Assessment Bonds, be applied to the final assessment payment obligation of the assessed properties. If the amounts on deposit in the Reserve Fund exceed the final assessment obligation, any excess amounts shall be paid by the City to the owners whose properties were subject to the final assessment payment obligation, as an excess assessment payment.

In the event insufficient assessments are collected by the City to make the debt service payments on the Assessment Bonds, the City shall draw on the Debt Service Reserve Account to make up such deficiency. In the event the amount on deposit in the Debt Service Reserve Account is less than the Debt Service Reserve Requirement, adjusted from time to time, the City shall replenish the Debt Service Reserve Account as provided in the Bond Resolution. If the amount on deposit in the Debt Service Reserve Account exceeds the Debt Service Reserve Requirement adjusted from time to time, excess moneys shall be transferred to the Bond Fund established under the Bond Resolution to be applied pro rata toward the next assessment payment obligations coming due.

Section 11. Investment Earnings. Except as otherwise provided in Section 10, all investment earnings on the Reserve Fund shall be maintained in said Fund and applied in the same manner as the other moneys on deposit therein as provided in the Bond Resolution.

Section 12. Contestability. No assessment shall be declared invalid or set aside, in whole or in part, in consequence of any error or irregularity which does not go to the equity or justice of the assessment or proceeding. Any party who has not waived his objections to the same as provided by statute may commence a civil action in the court with jurisdiction in Park City against the City to enjoin the levy or collection of the assessment or to set aside and declare unlawful this Ordinance.

Such action must be commenced and summons must be served on the City not later than thirty (30) days after the effective date of this Ordinance. This action shall be the exclusive remedy of any aggrieved party. No court shall entertain any complaint which the party was authorized to make by statute but did not timely make or any complaint that does not go to the equity or justice of the assessment or proceeding.

After the expiration of the thirty (30) day period provided in this section:

(a) The Assessment Bonds issued or to be issued against the Assessment Area and the assessments levied in the Assessment Area shall become incontestable as to all persons who have not commenced the action and served a summons as provided for in this section; and

(b) No suit to enjoin the issuance or payment of the Assessment Bonds, the levy, collection, or enforcement of the assessments, or in any other manner attacking or questioning the legality of the Assessment Bonds or assessments may be instituted in this state, and no court shall have authority to inquire into these matters.

Section 13. Notice to Property Owners. The City Treasurer is hereby authorized and directed to give notice of assessment by mail to the property owners in the Assessment Area. Said notice shall, among other things, state the amount of the assessment and the terms of payment. A copy of the form of notice of assessment is available for examination upon request at the office of the City Recorder. [prep this form]

Section 14. All Necessary Action Approved. The officials of the City are hereby authorized and directed to take all action necessary and appropriate to effectuate the provisions of this Ordinance.

Section 15. Repeal of Conflicting Provisions. All ordinances or parts thereof in conflict with this Ordinance are hereby repealed.

Section 16. Publication of Ordinance. Immediately after its adoption, this Ordinance shall be signed by the Mayor and City Recorder and shall be recorded in the ordinance book kept for that purpose. This Ordinance shall be published once in the Park Record, a newspaper published and having general circulation in the City, and shall take effect immediately upon its passage and approval and publication as required by law. A copy of this Ordinance shall also be posted on the Utah Public Notice Website (http://pmn.utah.gov).

PASSED AND APPROVED by the City Council, this June 14, 2012.

(SEAL)

By:__________________________________
Mayor

ATTEST:

By:__________________________________
City Recorder

Thereupon the City Treasurer was authorized and directed to give notice of assessment by mail to the property owners in the Assessment Area.

After the transaction of other business not pertinent to the foregoing matter, the meeting was on motion duly made, seconded, and carried, adjourned.

(SEAL)

By:__________________________________
Mayor

ATTEST:

By:__________________________________
City Recorder

STATE OF UTAH)
: ss.
COUNTY OF SUMMIT)

I, Janet Scott, the duly appointed, qualified, and acting City Recorder of Park City, Utah, do hereby certify that the above and foregoing is a full, true, and correct copy of the record of proceedings had by the City Council of Park City, Utah, at its meeting held on June 14, 2012, insofar as the same relates to or concerns the Park City, Utah PC Heights Assessment Area (the "Assessment Area") as the same appears of record in my office.

I further certify that the Ordinance levying the assessments was recorded by me in the official records of Park City, Utah, on June 14, 2012.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of Park City, Utah, this June 14, 2012.

(SEAL)

By:____________________________________
City Recorder

STATE OF UTAH	)	AFFIDAVIT OF MAILING
	: ss.	NOTICE OF ASSESSMENT
COUNTY OF SUMMIT	)	

I, ____________________, the duly appointed, qualified, and acting Treasurer of Park City, Utah, do hereby certify that on June 14_, 2012, I caused a Notice of Assessment to be mailed to each property owner whose property will be assessed within the Park City, Utah PC Heights Assessment Area (the "Assessment Area") by United States mail, postage prepaid, at the last known address of such owner.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of Park City, Utah, this June 14, 2012.

(SEAL)

By:_________________________________
Treasurer

PROOF OF PUBLICATION

Attached to this page is the Proof of Publication, indicating by the affidavit of the publisher that the said Ordinance levying the assessments which was contained in the Ordinance adopted by the City Council on June 14, 2012, was published one time in the Park Record.

EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH OPEN MEETING LAW

I, Janet Scott, the undersigned City Recorder of Park City, Utah (the "City"), do hereby certify, according to the records of the City in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 52-2-202, Utah Code Annotated, 1953, as amended, I gave not less than twenty-four (24) hours public notice of the agenda, date, time, and place of the June 14, 2012, public meeting held by the City as follows:

(a) By causing a Notice, in the form attached hereto as Schedule 1, to be posted at the City's principal offices on ____________, 2012, at least twenty-four (24) hours prior to the convening of the meeting, said Notice having continuously remained so posted and available for public inspection until the completion of the meeting; and

(b) By causing a copy of such Notice, in the form attached hereto as Schedule A, to be delivered to the Park Record on ____________, 2012, at least twenty-four (24) hours prior to the convening of the meeting; and

(c) By causing a copy of such Notice, to be posted on the Utah Public Notice Website (http://pmn.utah.gov).

IN WITNESS WHEREOF, I have hereunto subscribed by official signature this June 14, 2012.

By:_________________________________
City Recorder

<u>SCHEDULE 1</u>

NOTICE OF MEETING

EXHIBIT B

ASSESSMENT LIST

PC Heights Assessment Area
Estimated Budget, Total Assessment for Phase I Only

			Phase I Onsite	Phase I Master Plan	Mass Grading/ Excavation	Totals
Contractor bid		Note 1	$1,254,859	$1,054,274	$534,979	$2,844,112
Construction contingency	5.0%	Note 2	$62,743	$52,714	$26,749	$142,206
Ivory management fee	5.0%	Note 2	$62,743	$52,714	$26,749	$142,206
Engineering	2.0%	Note 2	$25,097	$21,085	$10,700	$56,882
Construction surveys	1.0%	Note 2	$12,549	$10,543	$5,350	$28,441
Landscape design	1.0%	Note 2	$12,549	$10,543	$5,350	$28,441
City Admin Fee	1.0%		$12,549	$10,543	$5,350	$28,441
Subtotal			$1,443,088	$1,212,415	$615,226	$3,270,729
Bond costs of issuance		Note 3	$34,093	$28,643	$14,535	$77,271
Bond interest reserve (2 yrs @ 2.5%/yr)	5.0%	Note 4	$82,066	$68,948	$34,987	$186,000
Bond reserve	5.0%	Note 5	$82,066	$68,948	$34,987	$186,000
Total assessment			**$1,641,312**	**$1,378,953**	**$699,735**	**$3,720,000**

Notes

1 Provided by Ivory based on actual competitive bids.

2 Determined by Ivory. Surplus , if any, used to reduce assessments.

3 Third-party expenses associated with the bond issuance are:

Bond counsel	$35,000
Financial advisor	$30,000
Trustee (3 years)	$8,000
Other	$4,271
	$77,271

4 Estimated, based on two years of interest. Will be adjusted to reflect the actual bond rate (unless variable).
The third year of interest, if applicable, will be paid as the assessment is paid.

5 Bond reserve held by trustee to satisfy any shortfall in assessment payments.
Surplus applied to final assessments due.

PC Heights Assessment Area
Phasing Plan and Equivalent Development Unit Count

	Lot Count				EDU Count				
				All					All
	Phase 1	Phase 2	Phase 3+	Phases	Weighting	Phase 1	Phase 2	Phase 3+	Phases
Park homes	28	0	24	52	0.50	14	0	12	26
Cottage homes	4	49	39	92	1.00	4	49	39	92
Homestead homes	0	10	85	95	1.50	0	15	127.5	142.5
	32	59	148	239		18	64	178.5	260.5

PC Heights Assessment Area - Phase I Assessments
Improvement Cost by Lot Type

	EDU's in 1st Bond Plan	Total Assessments	Assessment Per EDU	Per Park Lot 0.5	Per Cottage Lot 1.0	Per Homestead Lot 1.5	Totals
Improvements for Phase 1 Lots	18	$1,641,312	$91,184	$45,592	$91,184	$136,776	
# of lots				28	4	0	32
				$1,276,576	$364,736	$0	$1,641,312
Improvements for Phase 2 Lots	64	$0	$0	$0	$0	$0	
				0	49	10	59
				$0	$0	$0	$0
Master improvements - Phase 1	260.5	$1,378,953	$5,293	$2,647	$5,293	$7,940	
				52	92	95	239
				$137,631	$487,001	$754,322	$1,378,953
Mass grading/excavation	260.5	$699,735	$2,686	$1,343	$2,686	$4,029	
				52	92	95	239
				$69,839	$247,123	$382,772	$699,735
Master improvements - Phase 2	260.5	$0	$0	$0	$0	$0	
				52	92	95	239
				$0	$0	$0	$0
Totals		$3,720,000		$1,484,046	$1,098,860	$1,137,094	$3,720,000
				Variance:	$0		

Total Assessments by Lot Type

	Per Park Lot 0.5	Per Cottage Lot 1.0	Per Homestead Lot 1.5	Total Assessment
Phase 1	$49,582	$99,164	$148,745	
	28	4	0	
	$1,388,291	$396,655	$0	$1,784,945
Phase 2	$3,990	$7,980	$11,969	
	0	49	10	
	$0	$391,001	$119,694	$510,695
Phase 3+	$3,990	$7,980	$11,969	
	24	39	85	
	$95,755	$311,205	$1,017,400	$1,424,360
				$3,720,000

City Council Staff Report

Subject: **Park City Heights Public Infrastructure Construction Agreement**
Author: **Phyllis McDonough Robinson, Community Affairs Manager**
Department: **Sustainability**
Date: **June 14, 2012**
Type of Item: **Administrative**

Summary Recommendations:
The City Council should authorize the City Manager to execute a construction agreement for the construction of publicly-dedicated infrastructure at the Park City Heights subdivision with Hadco Construction in a form approved by the City Attorney and in an amount of $2,844,112.35 This award of construction contract is subject to the sale and approval of the issuance of bonds for Phase 1 of Park City Heights.

Topic/Description: Construction Agreement

Background:
The City, in conjunction with Ensign Engineering, the engineering firm retained by Ivory Development, advertised to obtain competitive bids for the Park City Heights Improvements Phase 1. The project was advertised in the Park Record on May 12 and May 16, the Salt Lake Tribune on May 14 and May 15, and on Park City's website.

Analysis:
The proposed construction contract is for work associated with the publicly owned infrastructure for Phase I of the Park City Heights subdivision. This contract includes mass grading of lots and roadways, on and off-site utilities including sewer, water, storm drainage, roadways to include surface improvements, on-site erosion control and landscaping improvements.

It does not include any environmental/soils remediation work (separately detailed in Addendum 3 of the bid documents) 3), neither improvements to the individual lots nor private utility improvements such as natural gas, electricity, telephone or cable. These items will be contracted for and paid solely by Ivory.

These public improvements will support the construction 29 affordable and 3 market residential units including the 28 affordable town houses transferred from the Burbs/IHC annexation. Ivory is undertaking these improvements in at least two phases depending on market condition.

Bids were received on May 29, 2012 and three bids were received. The initial engineer's construction estimate for the project, which included the private utilities, but did not include the soils work associated with off-site utility work, was $2,360,978.

COMPANY	**BID SUM**
Hadco Construction	$3,188,135.75
SCI	$3,362,039.50
J Wright Companies	$3,749,912.25

The City and Ivory Development (Ivory) will bifurcate this construction contract. **The portion (public improvements) to be financed with Special Assessment Bonds is $2,844,112.35.** Ivory will be solely responsible for the remaining cost, including removal and disposal of mine waste soils as well as the private utility items excluded from the bond. The total construction amount remains the same. All bids submitted were reviewed and compliant with the terms of the Contract Documents. Staff recommends the award of contract to Hadco Construction as the lowest responsive bidder.

Department Review:
This report has been reviewed by the City Manager, City Engineer, Budget and Legal departments.

Alternatives:

A. Approve the Request: This is the staff recommendation**.**

B. Deny the Request. This would have a negative impact on the overall project success and affordability. Ivory would pursue private commercial lending and contract on its own for the improvements (which would also be the case if no one buys the bonds, and the construction agreement is voided.)

C. Continue the item: If the Council needs more information the item can be continued. This could affect the 2012 construction timeline.

D. Do Nothing: This would have the same effect as denying the request.

Significant Impacts:
Construction will be funded through the issuance of special assessments bonds. The Utah Assessment Area Act authorizes cities to finance the cost of public improvements to be made within a portion of the through the collection of a special assessment levied against the benefitting private properties. The sole recourse for the bond holder in a special assessment bond is to the land and improvements. One of the terms of the Purchase and Sale Agreement with Ivory Development for Park City Heights is that the city would pursue bond financing for infrastructure for the project.

Recommendation:
The City Council should authorize the City Manager to execute a construction agreement for the construction of publicly-dedicated infrastructure at the Park City Heights subdivision with Hadco Construction in a form approved by the City Attorney and in an amount of $2,844,112.35 This award of construction contract is subject to the sale and approval of the issuance of bonds for Phase 1 of Park City Heights.

Attachment A: Bid Schedule

PARK CITY HEIGHTS DEVELOPMENT PHASE 1 IMPROVEMENT PROJECT
HADCO BID RESULTS

	Item Description	Unit	Quantity	Hadco Construction Ranking 1st	
				Unit Cost	Amount
ON-SITE IMPROVEMENTS BID SCHEDULE					
	Miscellaneous				
OS1	Mobilization / Demobilization / Cleanup	LS	1	$28,580.00	$28,580.00
OS2	Traffic Control	LS	1	$1,325.00	$1,325.00
OS3	Quality Control Testing	LS	1	$32,540.00	$32,540.00
	Roadway Construction				
OS4	Roadway Excavation Fine Grading	LS	1	$4,461.00	$4,461.00
OS5	Backfill Roadway Fine Grading	LS	1	$8,971.00	$8,971.00
OS6	Remove and Replace Soft Sub-Grade	SY	1,000	$38.60	$38,600.00
OS7	3 Inch Asphaltic Concrete PG 70-28 Grade 3/4	SF	10,470	$1.94	$20,311.80
OS8	4.5 Inch Asphaltic Concrete PG 70-28 Grade 3/4	SF	30,855	$2.87	$88,553.85
OS9	6 Inch Untreated Base Course Grade 3/4	SF	30,855	$0.84	$25,918.20
OS10	8 Inch Untreated Base Course Grade 3/4	SF	10,470	$1.08	$11,307.60
OS11	10 Inch Granular Borrow Sub-Base	SF	30,855	$0.98	$30,237.90
OS12	30 Inch Roll Gutter W/ 8 Inch Untreated Base Course Grade 3/4	LF	3,450	$17.70	$61,065.00
OS13	Concrete Sidewalk (4 Inch Thick) W/ 6 Inch Untreated Base Course Grade 3/4	SF	12,110	$4.16	$50,377.60
OS14	Asphalt Trail (3" Thick) AC-20 DM 1/2 W/ 6 Inch Untreated Base Course Grade 3/4	SF	6,550	$2.80	$18,340.00
OS15	Handicap Ramp W/ 6 Inch Untreated Base Course Grade 3/4	EA	14	$747.00	$10,458.00
OS16	Stamped and Colored Asphalt Pavement	SF	1,400	$7.94	$11,116.00
	Sewer Line Construction				
OS17	4 Foot Sanitary Sewer Manhole	EA	5	$3,743.00	$18,715.00
OS18	5 Foot Sanitary Sewer Manhole	EA	2	$4,524.00	$9,048.00
OS19	8 Inch SDR-35 PVC Sanitary Sewer Line w/ Bedding	LF	1,280	$36.90	$47,232.00
OS20	8 Inch SDR-17 HDPE Sanitary Sewer Line w/ Bedding	LF	285	$54.30	$15,475.50
OS21	Engineered Granular Borrow Trench Backfill	LF	1,565	$39.10	$61,191.50
OS22	4 Inch PVC Sanitary Sewer Lateral W/ Bedding Material	EA	35	$1,778.00	$62,230.00
OS23	6 Inch PVC Sanitary Sewer Lateral W/ Bedding Material	EA	2	$1,549.00	$3,098.00
OS24	Install Trench Dike	EA	6	$814.00	$4,884.00
OS25	Stub, Cap, Mark W/ 2x4 To Grade And Provide Concrete Kicker (Main Line)	EA	6	$676.00	$4,056.00
	Water Line Construction				
OS26	8 Inch Class 50 Ductile Iron Water Line W/ Bedding And Poly Wrap	LF	1,725	$39.90	$68,827.50
OS27	8 Inch Bend W/ Thrust Block And Poly Wrap	EA	4	$552.00	$2,208.00
OS28	8 Inch Gate Valve, Valve Box To Grade, W/ Thrust Block And Poly Wrap	EA	10	$1,838.00	$18,380.00
OS29	8 Inch Tee And Cross W/ Thrust Block And Poly Wrap	EA	4	$1,382.00	$5,528.00
OS30	1-1/2 Inch Culinary Water Lateral, W/ Single Meter Box Complete	EA	5	$3,077.00	$15,385.00
OS31	2 Inch Culinary Water Lateral, W/ 1-1/2 Inch Duel Meter Box Complete	EA	18	$4,985.00	$89,730.00
OS32	3 Inch Culinary Water Lateral, W/O Meter Box Complete	EA	2	$3,049.00	$6,098.00
OS33	2 Inch Commercial Fire Suppression Water Lateral Complete	EA	2	$1,545.00	$3,090.00
OS34	1-1/2 Inch Irrigation Lateral W/ Meter Box Complete	EA	6	$2,938.00	$17,628.00
OS35	2 Inch Irrigation Lateral W/ Meter Box Complete	EA	1	$3,270.00	$3,270.00
OS36	Stub, Cap & Mark W/ 2x4 To Grade & Provide Concrete Kicker (Main Line & 3 Inch Water Lateral W/O Meter Box)	EA	4	$469.00	$1,876.00
OS37	Engineered Granular Borrow Trench Backfill	LF	1,725	$10.20	$17,595.00
OS38	Fire Hydrant Assembly Complete W/ Ausilairy Valve, Valve Box To Grade	EA	6	$6,023.00	$36,138.00
	Storm Drainage Construction				
OS39	Install 12 Inch Class III RCP W/ Bedding	LF	770	$39.10	$30,107.00
OS40	Install 15 Inch Class III RCP W/ Bedding	LF	230	$42.80	$9,844.00
OS41	Install 18 Inch Class III RCP W/ Bedding	LF	255	$48.50	$12,367.50
OS42	Install 24 Inch Class III RCP W/ Bedding	LF	445	$57.10	$25,409.50
OS43	Install 30 Inch Class III RCP W/ Bedding	LF	510	$76.50	$39,015.00
OS44	Engineered Granular Borrow Trench Backfill	LF	2,210	$4.09	$9,038.90
OS45	Stub, Cap & Mark W/ 2x4 To Grade & Provide Concrete Kicker (Main Line)	EA	2	$410.00	$820.00
OS46	Install Storm Drain Cleanout Box W/ Manhole Ring And Solid Cover	EA	8	$3,584.00	$28,672.00
OS47	Install Storm Drain Combo Box W/ Manhole Ring & Solid Cover & Bike Safe Grate	EA	6	$4,871.00	$29,226.00
OS48	Install Storm Drain Catch Basin W/ Bike Safe Grate	EA	13	$2,487.00	$32,331.00
OS49	Concrete Flared End Section 24 Inch W/ Trash Rack	EA	1	$1,956.00	$1,956.00
OS50	Concrete Flared End Section 30 Inch W/ Trash Rack	EA	1	$2,455.00	$2,455.00
OS51	Construct Drainage Swale W/ Rip Rap 6 Inch D50	LF	475	$17.00	$8,075.00
	Street Signage, Monuments and Pavement Markings				
OS52	Install Stop Sign Complete	EA	9	$417.00	$3,753.00
OS53	Install Yield Sign Complete	EA	2	$404.00	$808.00
OS54	Install Intersection Identification Sign Double Bladed Complete	EA	6	$673.00	$4,038.00
OS55	Install Speed Limit Sign Complete	EA	1	$352.00	$352.00
OS56	Install Temporary End Of Road Rail Fence Complete	EA	4	$170.00	$680.00
OS57	Install Street Monument Assembly Complete	EA	6	$1,218.00	$7,308.00

OS58	Pavement Markings Crosswalks And Stop Bars	LS	1	$1,519.00	$1,519.00
	Erosion Control				
OS59	Temporary Inlet Protection	EA	21	$150.00	$3,150.00
OS60	Temporary Silt Fence	LF	1,000	$5.24	$5,240.00
OS61	Stabilized Construction Entrance	EA	1	$2,568.00	$2,568.00
OS62	Re-Seed Disturbed Areas	LS	1	$21,085.00	$21,085.00
OS63	Miscellaneous Erosion Control	LS	1	$21,195.00	$21,195.00
OFF-SITE MASTER PLAN IMPROVEMENTS BID SCHEDULE					
	Miscellaneous				
MP1	Mobilization / Demobilization / Cleanup	LS	1	$28,580.00	$28,580.00
MP2	Traffic Control	LS	1	$6,745.00	$6,745.00
MP3	Quality Control Testing	LS	1	$32,275.00	$32,275.00
	Roadway Construction				
MP4	Roadway Excavation Fine Grading	LS	1	$3,373.00	$3,373.00
MP5	Backfill Roadway Fine Grading	LS	1	$4,324.00	$4,324.00
MP6	Remove and Replace Soft Sub-Grade	SY	1,000	$38.60	$38,600.00
MP7	4.5 Inch Asphaltic Concrete PG 70-28 Grade 3/4	SF	25,640	$2.87	$73,586.80
MP8	6 Inch Untreated Base Course Grade 3/4	SF	25,640	$0.84	$21,537.60
MP9	10 Inch Granular Borrow Sub-Base	SF	25,640	$0.98	$25,127.20
MP10	APWA Type P Curb Wall W/ 8 Inch Untreated Base Course Grade 3/4	LF	70	$20.80	$1,456.00
MP11	Concrete Sidewalk (4 Inch Thick) W/ 6 Inch Untreated Base Course Grade 3/4	SF	7,415	$4.16	$30,846.40
MP12	Handicap Ramp W/ 6 Inch Untreated Base Course Grade 3/4	EA	8	$747.00	$5,976.00
MP13	Stamped and Colored Asphalt Pavement	SF	1,640	$7.94	$13,021.60
MP14	Remove and Reconstruct Rock Headwall And Backfill Complete Salvage And Reuse Existing Rock, Import Additional Rock As Needed	LS	1	$5,801.00	$5,801.00
MP15	Removal And Reinstallation Of Guard Rail Complete Salvage And Protect Materials For Reuse	LF	110	$90.96	$10,005.60
MP16	Construct All Weather Pond And PRV Access Road, 4 Inch Untreated Base Course Grade 3/4	SF	7,100	$6.77	$48,067.00
MP17	30 Inch Standard High Back Curb And Gutter W/ 8 Inch Untreated Base Course Grade 3/4	LF	1,210	$17.70	$21,417.00
	Sewer Line Construction				
MP18	4 Foot Sanitary Sewer Manhole	EA	7	$3,860.00	$27,020.00
MP19	5 Foot Sanitary Sewer Manhole	EA	2	$4,524.00	$9,048.00
MP20	8 Inch SDR-35 PVC Sanitary Sewer Line w/ Bedding	LF	1,580	$104.00	$164,320.00
MP21	Install 18 Inch Steel Casing W/ PVC Swr Line Complete W/ Structural Hanging Straps	LF	40	$333.00	$13,320.00
MP22	Bore And Jack 18 Inch Steel Casing W/ PVC Sewer Line Complete Under Richardson Flat Road	LF	40	$884.00	$35,360.00
MP23	Engineered Granular Borrow Trench Backfill	LF	1,580	$36.10	$57,038.00
MP24	Connect To Existing Manhole W/ Manhole Boot	EA	1	$1,416.00	$1,416.00
	Water Line Construction				
MP25	8 Inch Class 50 Ductile Iron Water Line W/ Bedding And Poly Wrap	LF	1,365	$39.00	$53,235.00
MP26	12 Inch Class 350 Ductile Iron Transmission Line W/ Bedding And Poly Wrap	LF	3,045	$54.60	$166,257.00
MP27	8 Inch Bend W/ Thrust Block And Poly Wrap	EA	9	$525.00	$4,725.00
MP28	8 Inch Tee And Cross W/ Thrust Block And Poly Wrap	EA	1	$1,282.00	$1,282.00
MP29	12 Inch Bend W/ Thrust Block And Poly Wrap	EA	15	$825.00	$12,375.00
MP30	12 Inch Tee W/ Thrust Block And Poly Wrap	EA	1	$1,085.00	$1,085.00
MP31	8 Inch Gate Valve, Valve Box To Grade, W/ Thrust Block And Poly Wrap	EA	7	$2,072.00	$14,504.00
MP32	12 Inch Butterfly Valve, Valve Box To Grade, W/ Thrust Block And Poly Wrap	EA	2	$4,185.00	$8,370.00
MP33	Fire Hydrant Assembly Complete W/ Ausilairy Valve, Valve Box To Grade	EA	4	$5,838.00	$23,352.00
MP34	Flanged Connections W/ Stainless Steel Bolt Packs	LS	1	$5,767.00	$5,767.00
MP35	Air Release / Air Vacuuum Valve W/ Manhole, Complete	EA	6	$3,764.00	$22,584.00
MP36	Install Pressure Reducing Station W/ Concrete Vault Complete	EA	1	$69,675.00	$69,675.00
MP37	Restrained Joints 8 And 12 Inch Pipe	LS	1	$40,110.00	$40,110.00
MP38	Cathodic Protection	LS	1	$8,927.00	$8,927.00
MP39	MJ Joints W/ Core Ten Steel T Head Bolts	LS	1	$2,540.00	$2,540.00
MP40	Engineered Granular Borrow Trench Backfill	LF	4,410	$10.20	$44,982.00
MP41	Connection To Existing 12 Inch Water Line, Complete	EA	1	$1,426.00	$1,426.00
MP42	Stub, Cap, Mark W/ 2x4 To Grade & Provide Concrete Kicker (Main Line)	EA	2	$410.00	$820.00
	Storm Drainage Construction				
MP43	Install 12 Inch Class III RCP W/ Bedding	LF	135	$39.10	$5,278.50
MP44	Install 15 Inch Class III RCP W/ Bedding	LF	35	$42.80	$1,498.00
MP45	Install 18 Inch Class III RCP W/ Bedding	LF	640	$48.50	$31,040.00
MP46	Install 30 Inch Class III RCP W/ Bedding	LF	205	$76.50	$15,682.50
MP47	Engineered Granular Borrow Trench Backfill	LF	1,015	$4.09	$4,151.35
MP48	Install Storm Drain Cleanout Box W/ Manhole Ring And Solid Cover	EA	3	$3,584.00	$10,752.00
MP49	Install Storm Drain Overflow Inlet Box W/ Inlet Grate And Orifice Plate	EA	1	$4,526.00	$4,526.00
MP50	Install Storm Drain Inlet Box W/ Inlet Grate	EA	4	$1,898.00	$7,592.00
MP51	Install Storm Drain Combo Box W/ Manhole Ring & Solid Cover & Bike Safe Grate	EA	2	$4,871.00	$9,742.00
MP52	Install Storm Drain Catch Basin W/ Bike Safe Grate	EA	2	$2,487.00	$4,974.00
MP53	Concrete Flared End Section 30 Inch W/ Trash Rack	EA	3	$2,455.00	$7,365.00
MP54	Construct Drainage Swale W/ Rip Rap 6 Inch D50	LF	620	$14.40	$8,928.00

PARK CITY HEIGHTS DEVELOPMENT PHASE 1 IMPROVEMENT PROJECT
HADCO BID RESULTS

	Street Signage, Monuments and Pavement Markings				
MP55	Install Stop Sign Complete	EA	2	$417.00	$834.00
MP56	Install Yield Sign Complete	EA	4	$404.00	$1,616.00
MP57	Install Intersection Identification Sign Double Bladed Complete	EA	3	$673.00	$2,019.00
MP58	Install Speed Limit Sign Complete	EA	1	$352.00	$352.00
MP59	Install Street Monument Assembly Complete	EA	5	$1,218.00	$6,090.00
MP60	Pavement Markings Crosswalks And Stop Bars	LS	1	$1,263.00	$1,263.00
	Erosion Control				
MP61	Temporary Inlet Protection	EA	15	$150.00	$2,250.00
MP62	Temporary Silt Fence	LF	1,000	$5.24	$5,240.00
MP63	Stabilized Construction Entrance	EA	1	$2,568.00	$2,568.00
MP64	Re-Seed Disturbed Areas	LS	1	$21,085.00	$21,085.00
MP65	Miscellaneous Erosion Control	LS	1	$39,150.00	$39,150.00
MASS GRADING BID SCHEDULE					
	Miscellaneous				
MG1	Mobilization / Demobilization / Cleanup	LS	1	$47,135.00	$47,135.00
MG2	Traffic Control	LS	1	$1,325.00	$1,325.00
MG3	Quality Control Testing	LS	1	$5,682.00	$5,682.00
	Site Preparation				
MG4	Site Clearing And Grubbing	SF	593100	$0.04	$23,724.00
MG5	Site Excavation Mass Grading (Cut 40,675 CY And Fill 1,300 CY)	CY	39375	$2.51	$98,831.25
MG6	Transport Excess Cut Material To On-Site Stockpile	LS	1	$152,300.00	$152,300.00
MG7	Construct Rock Retaining Wall	SF	5000	$12.00	$60,000.00
MG8	Remove And Replace Soft Sub-Grade	SY	1000	$38.60	$38,600.00
MG9	Construct Cutoff Ditch W/ Check Structures	LF	920	$9.73	$8,951.60
MG10	Construct Detention Basin	LS	1	$29,065.00	$29,065.00
	Erosion Control				
MG11	Temporary Inlet Protection	EA	3	$150.00	$450.00
MG12	Temporary Silt Fence	LF	4,165	$5.24	$21,824.60
MG13	Stabilized Construction Entrance	EA	2	$2,331.00	$4,662.00
MG14	Re-Seed Disturbed Areas	LS	1	$6,409.00	$6,409.00
MG15	Miscellaneous Erosion Control	LS	1	$36,020.00	$36,020.00
	ON-SITE IMPROVEMENTS BID SCHEDULE			**CALC TOTAL**	**$1,254,859.35**
				BID TOTAL	**$1,254,859.35**
				DIFFERENCE	**$0.00**
	OFF-SITE MASTER PLAN IMPROVEMENTS BID SCHEDULE			**CALC TOTAL**	**$1,354,273.55**
				BID TOTAL	**$1,354,266.95**
				DIFFERENCE	**$6.60**
	MASS GRADING BID SCHEDULE			**CALC TOTAL**	**$534,979.45**
				BID TOTAL	**$534,979.45**
				DIFFERENCE	**$0.00**
	TOTAL BID (3 Bid Schedules)			**CALC TOTAL**	**$3,144,112.35**
				BID TOTAL	**$3,144,105.75**
				DIFFERENCE	**$6.60**
	CONTAMINATED SOILS COST REDUCTION ADJUSTMENT			**CALC TOTAL**	**$3,144,112.35**
				BID ADJ	**$300,000.00**
				ADJ BID TOTAL	**$2,844,112.35**