PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
MAY 27, 2010

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, May 27, 2010.

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

Work Session
3:00 p.m. Council questions/comments
3:15 p.m. Tour of Utah P. 128 - 137
3:30 p.m. Budget discussion: P. 5 - 127
Fee changes:

- Building, planning, engineering, water, parking, and golf fees
- Fleet study
- CIP budgets
- Alternative matrix
- Recreation Center
- Increased fields service at Quinns Recreation Center
- Operating budget issues:
  - Pay plan and performance bonus
  - Property tax
  - Budget balancing options

5:50 p.m. Break

Regular Meeting
6:00 p.m.

I ROLL CALL

II COMMUNICATIONS AND DISCLOSURES FROM COUNCIL AND STAFF

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

IV RESIGNATIONS AND APPOINTMENTS

Consideration of two new appointments and one alternative to the Board of Adjustment and confirmation of existing members' terms as follows: P. 138 - 139
Mary Wintzer to a term expiring June 1, 2010
Rod Ludlow for a term expiring June 1, 2011
Richard Miller for a term expiring June 1, 2012
Hans Fuegi for a term expiring June 1, 2013
Ruth Gezelius for a term expiring June 1, 2014
Stewart Gross for a term expiring June 1, 2014
Julia Petit, Planning Commission non-voting liaison, for a term expiring June 1, 2014

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 service agreement with Questar Gas for design and construction services for the SR-248 and Comstock Pedestrian Tunnel Project in the amount of $40,130, in a form approved by the City Attorney P. 140 - 146

2. Consideration of a construction agreement in the amount of $39,100, in a form approved by the City Attorney, with Extreme Excavating & Landscaping Inc. for the meter vault repair project P. 147 - 164

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

1. Consideration of an Ordinance approving the 1110 Woodside Avenue plat amendment combining Lots 29 and 30, Block 5 of the Snyder's Addition to the Park City Survey, located at 1110 Woodside Avenue P. 165 - 171
   - (a) Public hearing
   - (b) Action

2. Consideration of construction agreement, in a form approved by the City Attorney, with Alder Construction Company, for the construction of the Quinns Junction Water Treatment Plat in the amount of $13,336,000 P. 172 - 205

3. Recreation Center Project: P. 206 - 241
   - (a) Consideration of award of construction agreement with Okland Construction Company, Inc. for the Recreation Center Remodel Project in the amount of $8,563,000, in a form approved by the City Attorney
   - (b) Consideration of waiver of fees for the Recreation Center Project in the amount of $143,651
   - (c) Consideration of direction to exercise a lease option with Wintzer-Crippen for property located at 1255 Iron Horse Drive, Park City, Utah

4. Consideration of Park Silly Sunday Market Supplemental Plan to the Master Festival License and City Services Agreement P. 242 - 249
   - (a) Public hearing
   - (b) Action

5. Consideration of a Resolution adopting a tentative revised budget for fiscal year 2009 and the budget for fiscal year 2010 for Park City Municipal Corporation and its related agencies
   - (a) Public hearing
   - (b) **Motion to continue to June 3, 2010**

VI OLD BUSINESS ***(Continued items)***

Consideration of an Ordinance annexing approximately 286.64 acres of property located at the southwest corner of the SR248 and US40 interchange in the Quinn's Junction area, known as the Park City Heights Annexation, into the corporate limits of Park City, Utah, and approving a Water Agreement, and amending the Official Zoning Map of Park city to zone the property in the Community Transition Zoning District (CT) P. 250 - 311

(a) Update by staff
(b) Public hearing
(c) Possible action

VII ADDITIONAL DISCUSSION – AGENDA ITEMS

VIII 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 available in Marsac Building on Wednesdays and Thursdays – 4 p.m. to 9 p.m.

Posted: 05/24/10
See www.parkcity.org

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

May 2010
31 Memorial Day – City Offices closed

June 2010
3 Budget – work
Public hearing and adoption of tentative budget
Public hearing and adoption council compensation
Adoption – Fee resolution
Adoption CEMP resolution
8 Joint Meeting with HPB – 5 p.m. – 6:30 p.m.
10 Budget – work
Public Art Board Strategic Plan - work
PC-SLC Transit Service (work - 1 hour)
Review of two year special event policy – work
Public hearing on final budget
Construction contract for Bonanza Drive
17 Budget – work
Holiday Ranch project update
Joint Planning Commission work – (5 – 6 pm)
Holiday Ranch Loop construction contract – work/action
Public hearing on final budget
Adoption of final budget for all agencies
Contract with HRL - HD
24 NSL appeals

July 2010
1 Norfolk Ave Reconstruction (work - 45 min)
Environmental update and prioritization (1 hr)
8 **No meeting**
15 Tour of Utah MFL
22 **Dana gone**
29

Pending Items:
Open space maintenance
U S Postal Service gang boxes in Old Town - MC
Wild land interface issues

City Council
Staff Report

PARK CITY 1884

Budget, Debt, & Grants

Subject:	**FY 2011 BUDGET**
Author:	**Jed Briggs, Nate Rockwood, Bret Howser, Jon Weidenhamer**
Department:	**Budget, Debt, & Grants**
Date:	**May 27, 2010**
Type of Item:	**Discussion/Legislative**

Summary Recommendations:
Hold a public hearing on the City Manager's Recommended Budget. Provide direction concerning: Fee changes; Fleet Study; CIP budget; Racquet Club; Expanding Field Service at Quinns; Budget Balancing Options; Pay Plan.

Topic:
Operating Budget (FY 2010 Adjusted Budget, FY 2011 Budget)

Background:
The City's budget process began in January with the annual Council Visioning Session. At that time, the Budget Department presented updated revenue projections which portrayed a budget shortfall of $1.8 million in FY 2010. Staff proposed a shortfall reduction matrix which outlined a strategy for addressing the shortfall through operating budget reductions, capital reprioritization, and revenue enhancement. Council affirmed a "Minor" shortfall level according to the City's revenue shortfall policy. Staff also presented an update of the long-range financial projections, the Financial Impact Assessment Report (FIAR), and the service level assessment, or SLAC. The Budget Department noted during visioning the long-term issues associated with property tax laws and the lack of an inflationary component built into the certified property tax rate. Council was told that it was unlikely that Park City could continue to provide existing service levels in the long run without considering property tax increases. Staff received additional direction from Council at Visioning Session concerning other topics, requests, and discussions to include in the upcoming budget.

Department managers then compiled operating budget reduction plans to present to the City Manager during February and March. These operating reduction plans, which identified up to 5% operating reductions, as well as any budget increase requests were considered during a series of meetings between functional teams and the City Manager. Portions of the 5% reduction plans as well as some budget increase options were then approved, denied, or modified with the intent of realizing an overall operating budget with little to no increase from 2010 original budget levels.

New capital project requests were evaluated by the CIP Committee during March and prioritized following the same criteria used during the full CIP re-prioritization done last year. The CIP Committee worked with the direction to cover $650,000 of the projected shortfall in FY 2010 with a reduction of the General Fund transfer to capital. The Committee forwarded their recommendation to the City Manager in late March. The City Manager made final decisions on operating and capital recommendations in April.

On May 3rd, staff delivered the City Manager's Recommended Budget (Tentative or Proposed Budget) to City Council. On May 6 the Tentative Budget, Budget Overview & Timeline, Update of Financial Impact Report (FIAR), Revenue Mix Analysis & 15-Year Revenue Action Plan, New Expenditure Funding Strategy, and Property Tax Increase were presented to Council. Public hearings were currently held on May 6th and May 20th. Additional public hearings are currently scheduled for May 27th, June 3rd, and 17th. Council work session on June 10th may be used for further budget discussion if the time is needed.

On May 20th staff presented the operating budget expenditures to Council by department. Included in these presentations were the recommended cuts and their impacts. Staff then explained the recommended Pay Plan, Lump Merit Pool, and Benefits (Retirement & Health Insurance) budget. Council asked for more clarification on the Pay Plan process. Staff then presented the CIP budget, which will be discussed again on May 27th. Included in the CIP budget presentation was the Racquet Club Remodel update. Staff was directed by Council for the May 27th meeting to provide more detail with regard to varying options concerning the scope of the project as well as funding, which may include the reprioritization of other CIP projects.

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

May 27 – Fee Changes – Building, Planning & Engineering Fees, Water Fees, Parking Fees, Golf Fees, Fleet Right-Sizing Study, CIP Budgets – CIP Alternative Matrix, Racquet Club Remodel, Expanding Field Service at Quinns; Outstanding Budget Issues, Pay Plan Review; Budget Balancing Options; Process Engineering Program

June 3 – Budget Policies, Personnel Policies and Procedures (P&P), Fee Resolution, **Adoption of Tentative Budget**, Outstanding Budget Issues

June 10 – Outstanding Budget Issues (if necessary)

June 17 – Presentation & Adoption of Final Budget (if no property tax increase), Adoption of Provisional Budget (if property tax will be increafracsed)

In addition to these meetings, if Council selects to implement the recommended property tax increase a public Truth In Taxation hearing must be held in August, and a Final Budget adopted by August 18th.

Analysis:

Planning, Building, Engineering Fee Update
Back in May of 2001 a study was done determining the cost of service for the Community Development departments of Building, Planning, and Engineering (BPE) for Park City Municipal Corporation. This was not a fee study, but rather an examination of how BPE services cost. In some cases fees were looked at if there was a direct correlation between a specific service and fee; in other cases services were reasonably estimated based upon a general allocation of various staff time associated with that service. Furthermore, revenues associated with the different services (and/or fees) were *never* taken into consideration.

However, after the study it could be determined, in some cases, that the cost for services (that had an associated fee) were more than the individual fee. In other words, costs were outpacing revenues. At that time, Planning fees were increased after the release of the study, which demonstrated the need.

It must be noted that the State Code is not specific in the best way for determining BPE fees, but it does state (in reference to Plan Check Fees) that municipalities may impose a “nominal fee.” The definitions section of the State Code notes that a nominal fee is meant to reimburse expenses for and time spent in administering the fee.1 This is the general “rule of thumb” for most fees administered at Park City Municipal Corporation.

Thus, this study determines costs for administering BPE fees and recommends fee adjustments in conjunction with these cost estimates.

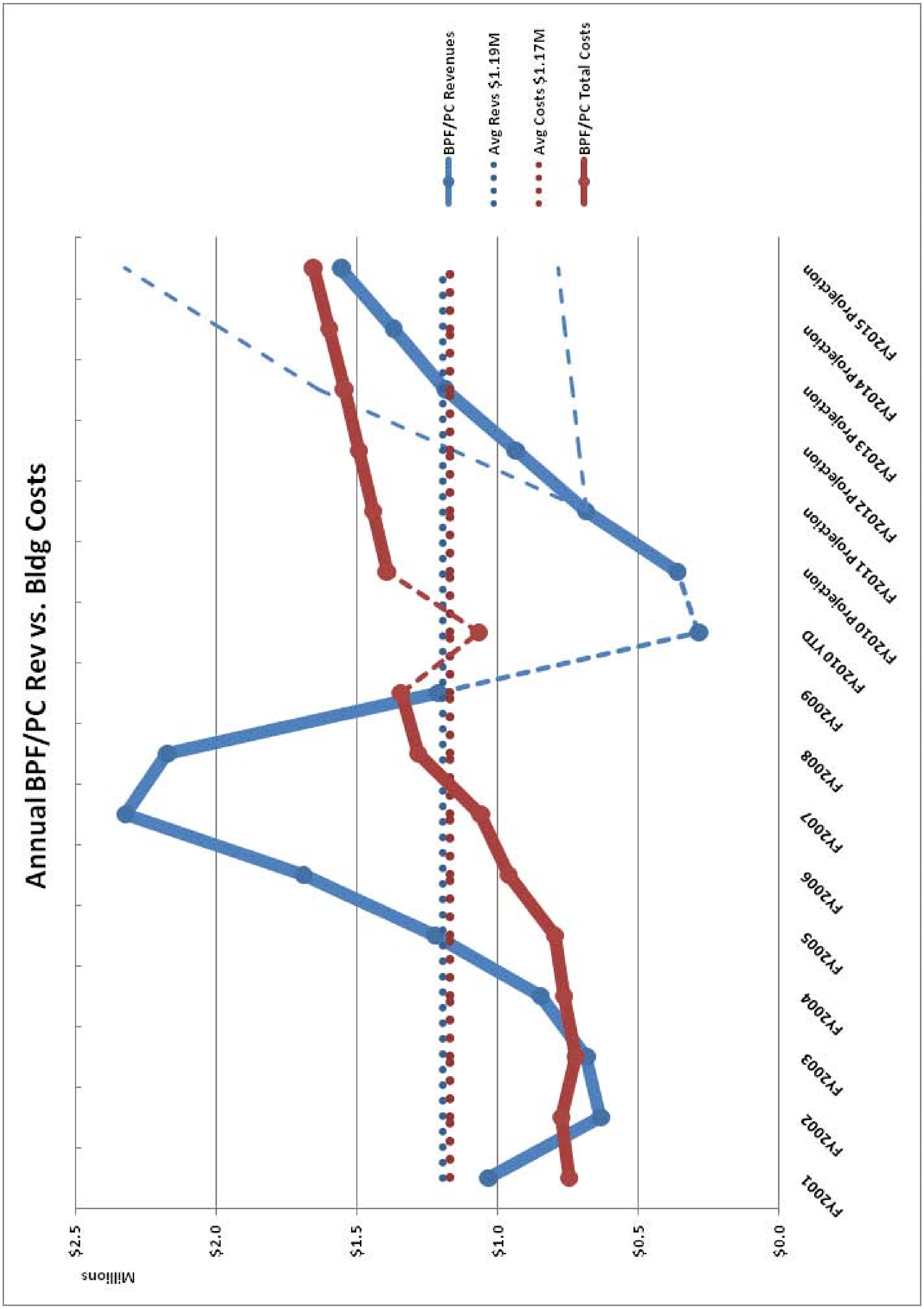
<u>Building Fees</u>

Building Valuation Data Table
The Building Valuation Data (BVD) table provides “average” square foot estimates of cost for different types of buildings (i.e., single-family, commercial, industrial, etc.) and “presents factors that reflect relative value of one construction classification/occupancy group to another so that more expensive construction is assessed greater permit fees than less expensive construction.”2 The Budget and Building Departments recommend that the BVD table be updated starting July 1, 2010.

[1] Utah State Code, 10-9a-103 Definitions.
[2] “International Code Council”, Building Valuation Data – February 2010.

Building Permit/Plan Check Fees

Once the construction value of the building has been determined a building permit and plan check fee is then issued. It's appropriate to look at these fees at the same time, since plan check fees are contingent upon building permit fees, and the associated costs are inherently linked. The plan check fee is 65% of the building permit fee. Still, it's generally considered that the plan check fee takes into account all the plan reviews done before a project goes to permit—while the building permit would be covering costs associated with all the inspections of the building. All the administrative and overhead costs usually get combined. The two fees are paid together, but the work associated with them is done before the project (plan review) and after (building permit), while the calculations for the fees is done in reverse order. The Building Department uses a permit fee multiplier (i.e., a set percentage rate used in conjunction with the construction value of any given building) to determine the Building Permit Fee. Cost estimates suggest that the current building permit fee multiplier is pretty close and should continue to be used in the short-term. It must be recommended that in future years this multiplier is looked at further, considering the major fluctuations in construction values over time. ICC suggests updating the multiplier every year by determining the previous year's total annual construction value.


Annual BPF/PC Rev vs. Bldg Costs
Millions
$2.5
$2.0
$1.5
$1.0
$0.5
$0.0
FY2001
FY2002
FY2003
FY2004
FY2005
FY2006
FY2007
FY2008
FY2009
FY2010 YTD
FY2010 Projection
FY2011 Projection
FY2012 Projection
FY2013 Projection
FY2014 Projection
FY2015 Projection
BPF/PC Revenues
Avg Revs $1.19M
Avg Costs $1.17M
BPF/PC Total Costs

Current Calculation:

$$\text{Permit Fee Multiplier} = \frac{\text{Cost} \times \text{\% Recovery}}{\text{Const. Value}} = \frac{\$600\text{k} \times 100\%}{\$81.5\text{M}} = 0.00736$$

The Budget and Building Departments recommend that the ICC (International Code Council) Permit Fee Multiplier stay at 0.0075 and not use the ICC Fee Table. The Budget Department also recommends that the multiplier be scrutinized every few years in order to ensure that the percentage rate is appropriate. The Budget and Building Departments recommend that the Plan Check Fee stay at 65% of the Building Permit Fee per State Code.

Plan Check Deposits

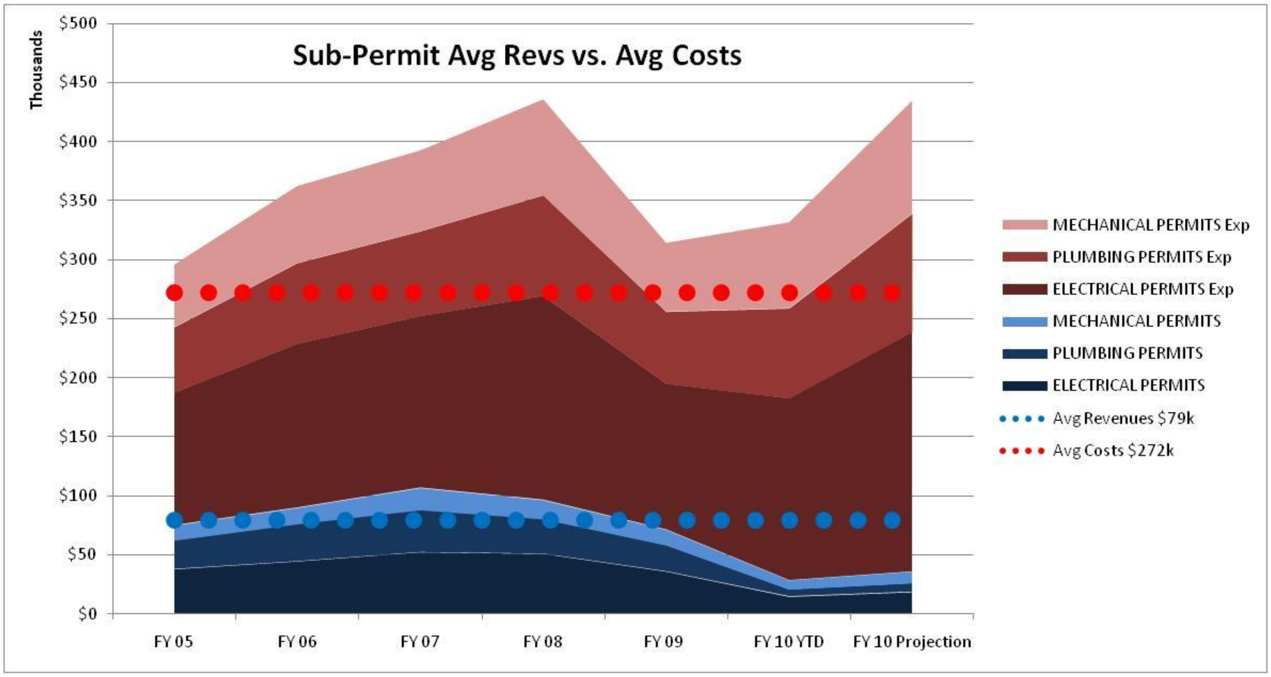
The deposit amounts are required in case a plan review doesn't go to permit. In rare, but costly cases, some plan reviews have never gone to permit, after the entire plan review was done. This isn't a very common occurrence, but if it does happen it can cause a serious burden on the City without any sufficient compensation to offset costs of services performed. Thus, the Budget and Building Departments recommend that the Plan Check Fee Deposit amounts increase as follows:

Plan Check Fee Deposit	Current Fee	New Fee
less than 3 units/3,000 sq ft	$200	$500
up to 6 units/6,000 sq ft	$500	$1,000
in excess of 6 units/6,000 sq ft	$1,000	$2,000

Sub-Permit Fees

Sub-Permit fees are those associated with electrical, plumbing, and mechanical inspections. There are over 40 different kinds of sub-permits and are considered separately from the Building Permit Fee. There are many different methodologies for calculating each sub-permit such as square footage or number of BTUs, Amps, and fixtures, etc. Making it nearly impossible to determine exact costs associated with each fee. However, it is possible to determine costs associated with the different category of sub-permits. Overall, sub-permits revenues are on average basis equal to around $79k annually, whereas average annual costs are around $272k. Thus, the Budget and Building Departments recommend that the Sub-Permit fees are increased on a fee-by- fee basis due to the higher cost associated with each permit.

Staff's fee increase recommendation for each permit is in Attachment A.



Other Inspection Fees
Calculations have determined that the hourly cost associated with other inspections is fairly close to the fee. Other inspections include inspections outside normal business hours, re-inspections, and additional inspection services. Thus, the Budget and Building Departments recommend keeping this fee the same. The Budget Department also recommends that inspectors charge this fee more frequently in order to recoup costs in this area. Many times this fee is administered based on an inspector's discretion. At times, the time/burden of administering the fee is viewed as inefficient and is ofter skipped at field inspections.

Fire Permit Fees
Fire permits deal with anything associated with fire or something combustible. The permit fees associated with Uniform Fire Code Fee are mostly set at appropriate levels. The two exceptions to this are the Explosive or Blasting Agent and Fireworks fees. The work (costs) associated with these fees takes considerable more time due to the sites having to be prepared, notifications to the fire and police departments, length of inspections as well as the review of site plans. The Budget and Building Departments recommend increasing the Explosive or Blasting Agents fee from $45 per permit to $150. It is also recommended to increase the Fireworks Fire Permit fee from $30 to $120. Finally, it's recommended that the Issuance Fee be increased from $10 to $20, just like all the other sub-permit fees.

Administrative Code Enforcement (ACE) Fees
ACE Fees are considered fees, but act as fines. Since the overall intent is not to recover costs, but to dissuade code violations the recommendation is not to

change the violation fee amounts. The Building, Budget, and Legal Departments recommend keeping the ACE violation fees as are for now. However, the Budget and Legal Departments recommend changing the Hearing Request (Appeal) Fee from $365 per appeal to 30% of the violation. The Administrative Law Judge retains the ability to award direct costs associated with specific appeals if it is denied (typically only done in bad faith/extreme circumstances).

Planning Fees

It's a lot easier to calculate expenditures per application for planning fees. Because of this we can get an average cost per application and compare it with the actual fee. There are occasions, however, where it becomes difficult to get an average cost per application due to the varying levels of per unit equivalents tied to different applications. For example, a conditional uses permit costs $720 no matter the square footage of the project, which means we can get an average cost per application. However, a subdivision application starts at $180 and then increases depending on how many units there are in the project. This means that we need to calculate the average revenue per application based on past historical data. In the case of a subdivision application the fee is $180, but the average revenue is $990.

In conjunction with the Planning Department the study was able to determine the average cost per service. In most cases the average cost per service was higher than the current fee (or average fee amount). There were a few cases where the cost was higher than the fee. Recommendations were made by the Planning Department that were done in accordance with the average costs determined by the Budget Department. Planning fees haven't been updated for about 10 years and the Planning department would like to recover costs associated with those fees quickly. The City is not trying to recover 100% of the costs, but only about half. The Budget Department recommends a phased approach over 3 years that would increase the fees in smaller increments over time, during a down economy. The first year would increase these fees on average about 23% and taper off from there.

Additionally, the Planning and Budget Departments are recommending to include the phrase "plus costs" to certain fees that will be able to be paid for online in the near future. The reason for this surcharge is due to the fact that the Planning Department will now have to pay for their own mailings and notifications to customers due to online payment.

Staff's fee increase recommendation for each application is in Attachment A.

Engineering Fees

Construction Inspection Fees
Prior to receiving a building permit, a notice to proceed or plat approval, developers pay an inspection fee equal to 6% of the estimated public works

construction cost as determined by the City Engineer. In projects with private street systems that limit city inspection requirements to water, drainage, and other improvements (not streets), the inspection fee is 4% of the estimated construction cost of the improvements to be inspected by the City Engineer. The city, upon notice to the developer, may charge the developer a fee of $25 per man-hour to recoup costs to the city above the fee charged. The city may also charge $25 per man-hour for re-inspections of work previously charged.

It was fairly difficult to research this fee out due to the few occurrences of the service over the last several years as well as the lack of digital records. Additionally, the Engineering Department used to contract out the inspection services, now the Building Department may take over some of these inspections. Since there was only one inspection done this way so far, it's difficult to determine actual costs vs. revenues at this time.

Due to the changing nature of how this fee is administered it's recommended that this fee be analyzed more in the future and that the fee stay as is for now. At this time expenditures represent 8.8% of the construction costs of the project, which is higher than the 4%-6% charged now. It is also recommended to increase the cost of the re-inspections from $25 to $75 per hour in accordance with the associated costs.

Permit to Work in Public Right-of-Way
The Permit to Work in Public Right-of-Way is fee is set at $100; the cost associated with the fee has determined to be $205 per permit. The Budget and Engineering Departments recommend increasing the Permit to Work in Public Right-of-Way from $100 to $200 due to the associated costs.

Construction Guarantees

There are two different kinds of construction guarantees: Limits of Disturbance (LOD) and Street Cut. These are essentially reimbursable deposits that go into a trust and agency balance account. It's not considered revenue because the City must pay back the guarantees if there aren't any construction issues after the development. The Budget and Engineering Departments recommend increasing the Street Cut Guarantee from $1,000 to $2,000. This increase is based on the current estimated cost for an average street cut within the City limits.

Staff's BPE Study is in Attachment A.

Water Fee Schedule
During the FY 2009 budget process, staff provided Council with a detailed plan for financing and constructing the Park City Water Infrastructure Project. This project is critical for overcoming water deficiencies identified in the Water Supply and Demand Study, provide needed source redundancy, and addressing the projected demands of new growth. These projects require significant bonding to complete. In order to meet the debt coverage ratios dictated in the water bond

indenture, it was required that water rates be adjusted to provide sufficient operating revenues. Staff proposed, and Council adopted, a schedule for rate increases beginning in FY 2009. The first of these four successive rate changes, a 24% increase, was put in place in July 2008. A second rate increase of 12% was implemented in July 2009. The schedule calls for an 8% increase in FY2011 with a second 8% increase in FY2012.

The Water Fund financial model is fluid and is regularly updated as new project cost estimates and operating budget changes occur. Currently the model continues to recommend an 8% increase in FY2011 followed by an 8% increase in FY2012.

Parking Fees (Fee Resolution Section 7)
Staff reviewed the Parking fees according to parking meter rate changes and recommendations from Staff. Outdated tow fee language was replaced with the current procedure, and the first time ticket at no charge was included in addition to the changes requested by Council for in-car meter devices. Staff recommends these devices continue to be sold at $50 with that amount of parking time preloaded on the device at no additional charge. In-car meter time would continue to calculate at the meter at $0.80 per hour. For more than five tickets on a single account, the search criteria for the additional $20 fine will be limited to three year's history.

Special use of public parking fees were adjusted to fall in line with the meter rate increase adopted by Council earlier this year. Time limit tickets were missing from the fee schedule and were added.

Golf Fee Update
In the Fee Schedule the Golf Department recommends taking out the Non-res Season Pass for $1,200 as well as the Non-res punch pass for $375. It is also being recommended to change the off season rates. A resident off season 18 holes will change from $23 to $25 and a Non-resident off season 18 holes from $26 to $28. These changes were made to keep us in line with the local market. As an example Salt Lake City course rates are between $26-$30 this time or year. State course rates are between $24-$29. As season passes were grandfathered a number of years ago we no longer sell the Non-Resident season pass.

Fleet Study
In light of recent concerns about the health of the CIP Rolling Stock Fund (RSF) and in efforts to cut overall City costs, a comprehensive analysis was conducted of the City fleet. This included analysis of the fleet replacement schedule, fleet policy, utilization data (including take-home usage), and City department vehicle needs. The Fleet Assessment Report (Attachment B) provides a complete discussion on the methodology, findings, recommendations, and impacts of the fleet study.

Summary Findings (the following findings represent the three largest problems facing the fleet fund & RSF):

1. The RSF currently receives an annual budget of $550,000, it is anticipated that with no changes in the fleet schedule this transfer will need to grow by $1.5 million over the next 10 years in order to maintain an adequate fund balance to cover costs.
2. Of the 97 passenger fleet vehicles (all vehicles excluding heavy equipment) 34 percent are considered underutilized (less than 12,000 miles per year) and 22 percent are considered severely underutilized (less than 4,800 miles per year).This equates to a total of 56 percent of the City's passenger fleet as underutilized.
3. Take-home miles represent a large proportion of total City fleet expenditures. Fifty–four percent of Public Safety vehicle miles (from the Park City School District boundary to vehicle destination) can be attributed to take-home travel (Seventy-two percent from the police station to vehicle destination). This represents an annual amount in FY2009 of approximately $166,000 in gas, maintenance, and vehicle replacement cost ($229,000 from station to destination). In addition, the City's take-home policy for non-public safety vehicles is unclear on use and mileage restrictions.

<u>Fiscal Year 2011 Recommendations</u> The fleet study showed that a large number of the City's vehicles are underutilized. Of passenger vehicles 39 percent were utilized, 34 percent were underutilized and 22 percent were severely underutilized. This equates to a passenger fleet which is 56 percent underutilized. This was especially true in the Building department where vehicles traveled on average just under 2,000 miles a year. The Engineering Department vehicle was also identified with similarly low yearly miles as was the Marsac (internal services) and I.T. vehicles. In order to correct underutilization it is recommended that the Building Department, Engineering Department and internal services and I.T. vehicles be removed from the fleet and replaced with a 3 vehicle Marsac Motor Pool. The Building Department would utilize a mileage reimbursement system for the majority of inspection miles and have priority use of two of the four wheel drive Marsac Pool vehicles when necessary. I.T. would have priority usage on the remaining Marsac Pool vehicle. Other Marsac departments would also utilize a mileage reimbursement system and use pool vehicles when available. The creation of a Marsac Pool represents a net ten-year savings of approximately $645,000 in gas, maintenance, and vehicle replacement costs. Savings amounts include budget increase in Building and internal service departments to cover reimbursement costs. This option would permanently remove a total of 7 vehicles from the fleet replacement schedule.

Other fleet recommendations include the downsizing of a Streets Department vehicle in FY 2011 and the removal of one Recreation Department vehicle which will result in a combined ten-year savings of $85,000.

Future Issues The following recommendation require additional research and planning. These recommendations will be evaluated during FY2011 and addressed in the FY2012 budget. The following are some possible preliminary recommendations:

Public Safety Vehicles
The Park City Police Department currently operates with an officer assigned take-home fleet. The police take home policy allows unlimited take-home and usage of vehicles remaining within the housing allowance boundaries (Park City School District). The policy then allows take-home privileges no greater than 35 miles beyond the boundaries. Officers within the District boundaries are provided vehicle use free of charge; officers beyond the District boundaries are charged $50 per month.

The fleet study calculated take-home mileage in two ways, first by calculating the total miles traveled from the police station to the vehicle destination and second, calculating the mileage accumulated beyond the housing allowance boundary. Once these numbers were determined, round trip mileage was multiplied by the average number of annual shifts per officer. All the vehicles mileage was then added together in order to determine the percentage of total miles spent in take-home use. These percentages were then applied to an estimated annual operating and vehicle replacement costs to determine an estimated annual take-home cost (See tables below for FY 2009 estimates).

Total Take-home Miles from Police Facility	
Total Round Trip Miles	1,738
Estimated Yearly Shifts	196
Total Annual Take-home Miles	340,687
Total Miles 2009	478,518
Total Take-home Miles	70% - 74%

Take-home Miles from School District Boundaries	
Total Round Trip Miles	1,290
Estimated Yearly Shifts	196
Total Annual Take-home Miles	252,762
Total Miles 2009	478,518
Total Take-home Miles	50% - 54%

Total Estimated Annual Cost of Police Take-home Vehicles	
	2009
Gas	$ 95,000
Maintenance	$ 50,000
Vehicle Replacement	$ 173,500
Total Annual Cost	$ 318,500
Total Cost of Take Home Miles from Police Facility (72%)	**$ 229,320**
Total Cost of Take Home Miles from Boundary (52%)	**$ 165,620**

Public Safety Take-home Fleet vs. Public Safety Motor Pool

In light of the high costs associated with take-home miles, the City Manager has recommended exploring the possibilities of shifting the Police Department from a Take-home fleet to a Public Safety Motor Pool. As outlined in the Fleet Assessment Report moving from a take home system to a pool system represents a major shift in the Police fleet organization. While it appears that a pool system would represent significant long-term savings, it would also result in losing external benefits typically associated with Police take home vehicles.

The Police Department take-home system provides many quantifiable and unquantifiable benefits to the community. Benefits include increased policing presents in neighborhoods, faster emergency response times, increased between shift capability, 24/7 “on-call” capability, greater special events capability, and greater on patrol ratio to preparation time.

Take-home vehicle privileges are also an important tool for recruiting and retaining high quality officers. In a recent study, Summit County was identified as having a *median* household income of nearly $90,000 per year. That places Summit County in the top fifty (50) most affluent counties in the country. The City’s public safety recruitment needs are different, and the City must to acknowledge that fact. Utah has long struggled to attract and retain quality public safety personnel. One of the state’s major issues has been low salaries, especially when compared to surrounding states.

Over the years, Utah counties and municipalities have attempted to counterbalance lower salaries by initiating assigned vehicle programs (among other things). The Police Department acknowledges that Park City Municipal Corporation is a leader in the state when it comes to competitive compensation packages. However, in order to maintain our competitive edge in the marketplace, we must unceasingly re-evaluate our appeal to potential employees.

According to the U.S. Department of Labor Statistics, there will be an increased need (15 to 20 percent) for law enforcement personnel over the next 10 to 15 years. If Utah is to remain even marginally competitive in the marketplace, because of our comparatively low salaries, we should consider the recruiting and retention benefits of the assigned take-home vehicle program. Utah's local governments have already made the initial capital outlays required to begin costly assigned vehicle programs; therefore, over an extended period, it is cost-effective to continue such programs.

Currently only one law enforcement agency (serving a population of more than 10,000) in Utah is operating a pool system, and it continually has significant recruiting issues. If Park City becomes the second to operate a pool system, it is reasonable to assume recruiting efforts—already complicated by the distance from affordable housing—will become increasingly difficult.

Over the years, many studies have argued the benefits of a take-home fleet over a motor pool. One such study in Tacoma, WA which compared an officer assigned take-home system to a motor pool found that while the initial setup and replacement cost were greater with a take-home system, the fuel and repair savings combined with the community benefit, over time was more cost effective than a pool system. In the Tacoma study, a take-home system worked better for the city's situation. It should be noted that in Tacoma, the percentages associated with patrol miles and take home miles was 81% to 19% respectively. Because Park City's take-home percentage is between 70%-74% directly applying the Tacoma study to Park City's situation is difficult and may be met with vastly different results.

One option that appears might work well for Park City's situation is the creation of Public Safety Motor Pool. A hypothetical Public Safety Motor Pool would include a total of 17 full size four-wheel drive vehicles. This would include 15 Chevy Tahoes and 2 Chevy Trailblazers. The Public Safety Pool would also include other personal vehicles such as ATVs, motorcycles and smaller support vehicles. Reducing the number of full size police vehicles from 34 to 17 would allow the remaining vehicles to be utilized while still retaining a sufficient police vehicle fleet to handle patrol and most emergency response situations. There is a big question if a 17-vehicle fleet could adequately handle large special events.

The creation of a 17-vehicle public safety pool would allow adequate vehicle rotation which would eliminate over engine use sometimes associated with small motor pools. A 17-vehicle pool would also allow routine maintenance without interfering with shift scheduling. There are many large potential problems associated with a Public Safety Pool such as proper storage of unused vehicles (parking), the ability to cover special events, and as discussed above the loss of external benefits of a take home fleet. In addition, as discussed removing take-home vehicle use will significantly affect police officer recruitment efforts, it would be necessary to reevaluate police officer compensation and recruitment needs as part of pay plan process FY2012. This would possibly include a car allowance option as part of police officer compensation.

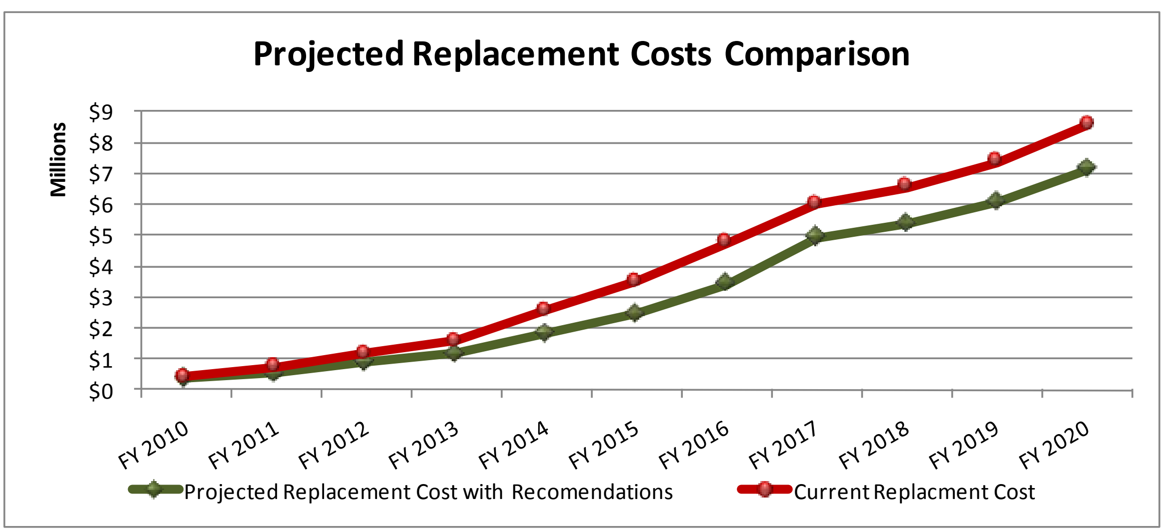
If on duty miles remain consistent, the average annual public safety vehicle utilization in a 17-vehicle pool would be around 9,000 miles per vehicle. It is anticipated that vehicle service life would be 7 to 8 years. The total projected 10 year cost savings to the Rolling Stock CIP are estimated at $954,000. Estimated 10 year saving in gas and maintenance expenses is estimated at $1,306,000. These savings do not include potential compensation increases. For example providing 28 officers with a $250 a month car allowance would cost approximately $840,000 over ten years without increases. Therefore rather than focus on total cost savings, complete look at service level impacts including officer compensation and community police impacts must be examined. The details and community impacts of implementing such a recommendation will be evaluated during FY2011 and addressed in the FY2012 budget.

<u>City Wide Take-home Policy</u>

The Fleet Assessment Report recommends the adoption of a citywide vehicle take-home policy. This policy may look similar to the current police policy. The impacts associated with the adoption of a take-home policy will be evaluated during FY2011 to be implemented in FY2012. It is recommended that the policy limits take-home vehicles to personnel currently on-call. Public Safety and Public Works Managers will also be provided take-home vehicles as necessary to respond to emergency situations. On-call take-home vehicles should also be limited to distances which facilitate reasonable on-call response times.

<u>Fleet Study Summary</u>

If both the FY 2011 recommendations and the future FY 2012 recommendations are implemented, the City will see an approximate savings of $1.36 million to the Rolling Stock CIP Fund (RSF) and $1.66 million in gas and maintenance costs reductions over the next ten years. Mileage reimbursement and car allowance offset costs will be an approximate $990,000 over ten years. This equates to a total potential ten-year savings to the General Fund of approximately $2.04 million while maintaining similar levels of service to the community.



These recommendations will result in maintaining a $550,000 yearly transfer from the General Fund into the RSF CIP through FY 2020. These options will allow the RSF CIP to sustain a healthy fund balance with dedicated resources to cover emergency and other unanticipated vehicle replacement needs.

Staff's Fleet Study is found in Attachment B.

Capital Improvement Plan (CIP) Budget

The capital budget, as proposed by the City Manager, continues to fund projects of priority four or higher. This capital plan is in line with Council direction and last year's adopted budget. The following table shows a summary of current major projects with proposed funding amounts.

Due to economic conditions last fiscal year the Capital Improvement Program (CIP) Committee examined capital projects with greater scrutiny in hopes of reducing the General Fund Transfer to capital projects in the current year as well as the two following budget years. Project managers were asked to determine whether they could operate their projects more efficiently by cutting funds and by finding other funding sources. Ultimately, the CIP Committee was successful in their objective of reducing the General Fund Transfer, while still funding the vast majority of current and new projects crucial for the City.

Since this year was the off-year of the budget the CIP Committee only looked at new CIPs and/or new funding requests for old CIPs. Projects were scored and spliced between the other projects that received scores last year. The goal of the Committee was to reduce the GF Transfer by $650k in FY10 as part of the Recession Plan (5% budget cuts) and maintain the same amount from the FY11 Plan for the FY11 GF Transfer. Many CIPs already had funding cut during the fiscal year due to the Boyer land purchase, which cut about $4.5 million from existing CIPs in order to pay for it. Tough decisions were made to cut non-essential projects, but overall most CIPs retained adequate funding.

See attachment for all projects not recommended by CIP Committee.

The total proposed CIP budget for FY 2010 Adjusted Budget is $99.9 million ($48 million original budget, $48.9 million carryforward budget, and $3 million newly proposed budget). The proposed FY 2011 CIP budget is $19.4 million—down $16.6 million from the FY 2011 Plan. The General Fund transfer to fund projects will be approximately be $2.25 million—the majority of which is dedicated to completing current projects, ensuring the maintenance of existing infrastructure, or securing funding for previously-identified needs. Projects in these categories include the Boyer Land Purchase, OTIS Phase II(a), Bonanza Drive Reconstruction, and Fleet Equipment Replacement (Rolling Stock). The CIP originally had $2.9 million scheduled to be transferred from the General Fund to fund projects in FY 2010 and another $1.68 million in FY 2011. The needed transfer has been cut to $2.25 million in FY 2010 and $1.63 million in FY 2011.

CIP #	Project	Amount	Description	Notes
CP0211	Back-up Ice resurfacer	$0	With our increased operation schedule and events it is becoming important that we have a second ice resurfacer. As our current machine gets older the chance of a breakdown increases. Parts cost makes it prohibited to have a complete stash of part. If th	Deobligated prior CIP Committee
CP0059	Cemetery Capital Replacement	$1,216	This project is designed to meet the ongoing capital replacement needs for the City Cemetery.	Not recommended - CIP Committee
NEW14	City Council Technology Improvements	$25,000	The City Manager has requested technology enhancements for the City Council meetings. This may include the capture of audio recordings, software and/or Website improvements. The largest benefits could include: 1. Fast more efficient retrieval of records 2. Direct capture and storage of records 3. Reduced paper handling costs 4. Improved customer service response times 5. Improved efficiency of employee's time	Moved to Operating Budget
CP0020	City-Wide Signs Phase I	$14,906	Funded in FY02 - Continue to coordinate and install way-finding and directional signs throughout the City.	Deobligated - Boyer Land Purchase
NEW7	Decision Support System (DSS)	$75,000	The City has legacy GIS data including construction plans, master plans, and statistical data in addition to 3D models and terrain models. Staff would like to integrate these different data sources into a single decision support system (DSS) with interactive visualization. The DSS should support alternate scenarios to forecast impacts of construction, or changes in service levels, or visitor satisfaction. For example, the DSS would include old an new aerial photographs, old and current plans, traffic counts, recreation amentities, and animated vehicles and people much like a simulation game, so that staff can demonstrate past, present, and future development scenarioes in 2D and 3D. It should be also possible to estimate how visitors respond to potential changes in Park City, or to how Park City character is perserved.	Not recommended - CIP Committee
CP0109	Deer Valley Drive Neighborhood	$0	Deer Valley Drive Neighborhood /Business Enhanced Service Request	Deobligated prior CIP Committee
CP0229	Dredge Prospector Pond	$173,724	No Description	Deobligated - CIP Committee
NEW8	Electronic Record Archiving	$100,000	Park City's electronic records system is now approximately 8 years old and thus lacks enhanced management and capture capabilities. In addition, input of data has been limited to manual scanning of paper records in a format that is not efficient for searching, retrieval or for public viewing. The yearly generation of paper business records has exceeded ITs ability to convert the data to electronic format. This issue is further compounded by the pressure to maintain existing paper storage capacity while addressing competition for building space. The largest benefits to converting to this system includes: 1. Fast more efficient retrieval of business records 2. Direct capture and storage of records 3. Disaster recovery 4. Reduced need for storage facilities and specialized shelving 5. Reduced paper handling costs 6. Improved customer service response times 7. Improved efficiency of employee's time. With these benefits, employees that submit records requests can search directly as needed. Data inputs can be placed into electronic archives likely eliminating traditional business processes that span multiple	Not recommended - CIP Committee
CP0217	Emergency Management Program Startup	$95,500	(description coming)	Moved to Operating Budget

CIP #	Project	Amount	Description	Notes
CP0205	GIS Development	$57,441	This GIS Development request would provide fundamental tools and services to further benefit from Geographical Information systems; thus, facilitating department demand/needs. This request would include the purchase of survey grades GPS equipment, a rad	Moved to Operating Budget
CP0119	Ice Rink - Cash Flow/Fundraising CIP	$0	No Description	Deobligated prior CIP Committee
NEW16	Ice Rink Elevator Pit Sump Pump	$7,500	Ice Rink	Moved to Asset Mgmt
NEW12	Ice Rink Floor Sealing/Painting	$7,500	The Ice Rink proposal is to save future capital costs of removing and installing ice sheets to repaint the ice. Removing the ice sheet completely and painting the floor white and then painting all necessary lines and logos onto the floor, not the ice, will remove the need for comlete ice removal in the future. Removing and installing an ice sheet costs about $20k in materials and staffing, and also necessitates closing the facility for three weeks, resulting in lost revenue.	Moved to Asset Mgmt
NEW9	Improved Website Mapping	$25,000	Website interactive map for the public-facing city website was done by staff and could be redesigned with added capability. Staff would like to see lodging and businesses included so residents and visitors could find transit and pedestrian routes, for example, and include a mobile component. For instance, and web map function to "send trip plan to mobile phone."	Not recommended - CIP Committee
NEW4	Library Expansion - Design	$30,000	Hire architect to develop design to program additional space on 2nd floor of Library & Ed. Center to accommodate collection growth and meet usage priorities & needs identified by community in survey.	Not recommended - CIP Committee
NEW13	Locker Room and Party Room Repair/Painting	$3,000	This project is to repair drywall and repaint the party rooms and locker rooms at the Ice Rink. Walls have been damaged by skates, puck-marks, water penetration and guests hanging party decorations. Drywall needs to be repaired and repainted in the party rooms. The tilt-up and block walls and the locker room ceilings have been stained and metal is rusting from exterior water penetration. Shower stall ceilings and paint and damaged.	Moved to Asset Mgmt
CP0230	Mobile Command Post	$50,000	No Description	Deobligated - Boyer Land Purchase
NEW3	Monitor & Lucky John Drainage	$65,000	Individual home improvements within the drainage ditch (dams, rockage, etc) has caused the ditch to back upstream. This project would design & construct a fix so this drainage would function properly.	Not recommended - CIP Committee
CP0037	Office Space	$0	Consistent with the recommendations of the Space Needs Committee, these funds will be used to reconfigure office space, workstations, meeting and storage space in the Marsac building.	Deobligated prior CIP Committee
NEW10	Paper Records Conversion	$43,000	Park City's paper records storage capacity has exceeded Its ability to convert paper documents to electronic formate. This request represents as second phase of converting existing records once other electronic capture processes are implemented.	Moved to Sundance Mitigation Payment
CP0212	Park City Ice Arena Screens and Security	$2,451	In an effort to better serve users, the Park City Ice Arena would install two information screens that would be capable of displaying information that would provide users with important information in order to make their visit easier and more enjoyable.	Not recommended - CIP Committee
CP0089	Public Art	$45,000	This project is designed to fund public art as part of an "Arts Community Master Plan".	Moved to Different Funding Source

CIP #	Project	Amount	Description	Notes
CP0133	Public Works Equipment	$28,901	For the purchase of new equipment and replacement of existing equipment related to the Public Works Dept	Deobligated - Boyer Land Purchase
CP0172	Public Works Site Cleanup	$0	Removal and remediation of soil behind the bus barn on the Public Works campus.	Deobligated prior CIP Committee
NEW2	Recreation Center Logo	$10,000	The Racquet Club has been approved by City Council to change the name of the facility to "Park City Recreation Center." Due to the name change a new logo needs to be developed that will be used on marketing pieces, clothing, website and in the building.	Not recommended - CIP Committee
CP0107	Retaining Wall at 41 Sampson Ave	$0	City contribution of retaining wall at 41 Sampson Avenue (Donnelly House)	Deobligated prior CIP Committee Other Amt Remains
NEW15	Rink Roof for Mechanical Equipment	$25,000	Roof over mechanical equipment at the Ice Rink for screening & protection	Smaller scope recommended from Ori. $125k
CP0162	Shop Computers	$0	Funding for 4 new computers in the Fleet Services shop for real-time data entry for mechanics and related equipment.	Deobligated prior CIP Committee
NEW11	Special Events Tables	$4,100	Purchase 20 tables and 40 chairs to support parties, meetings and special events. Original tables and chairs are breaking and we are having difficulty supporting revenue generating activities. We currently borrow tables and chairs from the National Ability Center.	Moved to Sundance Mitigation Payment
NEW20	Sportexe Field Snow Removal	$140,000	This option would use mechanical equipment to remove snow from the field 7 days a week. This task would utilize existing equipment and manpower along with adding additional resources. We propose adding one person 7 days a week along with adding a dedicated piece of snow removal equipment.	Not recommended - CIP Committee
NEW18	Street Light @ Marsac & Guardsman	$30,000	Nearby residents requested a street light @ the intersection. This is consistent with our policy to provide lights @ intersections.	Not recommended - CIP Committee
CP0165	Time and Attendance Software	$10,978	This capital improvement project request would significantly enhance the payroll process and time management for all departments and employees. With the elimination of managing volumes of paper, greater efficiency is achieved by the reduction in errors	Moved to Operating Budget
CP0085	Town Plaza	$131,480	This project is one of three main recommendations of the Task Force for Downtown Enhancements. A central gathering space would be created to assist in the promotion of programmed activities and events in the downtown core. Ph	Deobligated - CIP Committee

The CIP Budget was scheduled for discussion with City Council on May 27, 2010.

Update on Major Projects

Old Town Improvement Study (OTIS) Projects

The City has completed 5 of 21 street reconstruction projects outlined in the 2002 Old Town Improvement Study. The final projects of Phase I of OTIS (Lower Norfolk and Woodside – North of 13th) are complete at a total cost of $3.6 million. Phase II (a) of OTIS was also scheduled in the Five-Year CIP to begin in FY 2009, at a cost of $4.5 million. That phase includes reconstruction of Hillside in FY 2010 (almost done), Sandridge in FY 2011, and Empire and Upper Lowell in FY 2012. It's likely that Empire and Upper Lowell could be completed in conjunction with the Treasure Hill project at the project owners' expense. Currently, the cost for this portion of OTIS is not included in the anticipated bond or debt service.

The study identified sales tax revenue bonds as the recommended funding source for the projects. It is anticipated that the City will need to bond for approximately $20 million in three different phases over the next 10 years to fund the remaining projects ($6.7 million in FY 2012). Annual debt service will likely range from $700,000 to $2 million, depending upon the year. With General Fund surplus as the anticipated revenue source, it will be very important to monitor other competing needs. The proposed CIP outlines the OTIS Phases as a first step in this process. In the event that General Fund surplus exceeds expectations for a given year, staff advises that those funds be used to fund OTIS projects on an up-front cash basis rather than through debt financing. This has multiple benefits: (1) a previously identified need designated by the CIP Prioritization Committee as a primary concern (i.e., the OTIS Projects) would be funded sooner, (2) the funding would be guaranteed as the cash would be on-hand, and (3) the money saved by not having to pay interest on debt service could be used to fund other needs.

Water Projects

Water quality and delivery continue to be a top priority for Park City. With the rate of development that occurred over the past few years, water needs have been identified and the cost of these improvements is being developed to be fairly distributed between users and new development. CIP changes to the Water Fund are also reflective of the City's continuing commitment to secure Park City's water needs through improvements to the City's water infrastructure.

The Rockport Pump Station upgrade was completed in late 2008. Projects impacting the CIP during this budget process include the Park City Water Infrastructure Project which includes the construction of the raw water pipeline from Signal Hill in Promontory to Quinn's Junction where a new water treatment plant is going to be built, and the construction of a new finished waterline and raw waterline from the water treatment plant to the Prospector Park area. The Judge

Tunnel Pipeline from the Judge Tunnel to the new water treatment plant at Quinn's Junction will also be designed with construction beginning in Spring of 2011. Also in the CIP is the meter reading technology project. Financial assistance has been obtained through the Utah State Division of Drinking Water in the form of a low interest loan. Additional market loans have been obtained. The remainder of the CIP and the debt service will be funded primarily with water impact fees and water service fees.

Bonanza Drive Reconstruction

Bonanza Drive is an important commuter link for the City. In August 2007 H. W. Lochner was hired by Park City to develop a corridor and pedestrianization plan for Bonanza Drive based on earlier studies. The purpose of the plan was to outline and prioritize improvements for roadway, bicycle and pedestrian facilities along Bonanza Drive.

The design will include raised medians only near the intersection of SR-248 and Prospector Drive "no left turn" restrictions, Bicycle lanes, northbound bus pull-out, trail connection including a pedestrian tunnel at the Iron Horse intersection, a mid-block pedestrian crossing, consistent 6 foot wide sidewalks, speed limit feedback signs, wiring and conduit for a traffic signal at the Bonanza Drive/Iron Horse intersection, right turn lane along Iron Horse onto Bonanza Drive and lengthened southbound left turn lane at Deer Valley Drive. As part of this work, the existing sewer line will be relocated due to the pedestrian tunnel and replaced up to Kearns Boulevard, the existing water line will be relocated due to the pedestrian tunnel and a new distribution water line will be installed.

Construction on Bonanza Drive started July 2009 (Phase 1) and will be completed in the fall of 2010 (Phase 2). The breakout of construction is as follows:

Season One (2009):
- Road Construction from Deer Valley Drive to just North of Upper Iron Horse,
- Distribution Water Line from Deer Valley Drive through Kearns Blvd,

Season Two (2010):
- Pedestrian Tunnel,
- Road Construction from Upper Iron Horse to Kearns Blvd, and
- Remaining Utilities.

Preliminary estimates of construction costs have been provided by the design consultant for Phase 2 of construction. The estimate is broken down as follows:

Project Element	Construction Estimate	Funds Available
Construction (Phase 1)	$1,223,723	$1,223,723
Construction (Phase 2)	$4,633,485	$4,685,397
Utilities and easements	$200,000	$200,000

Preliminary Eng.	$582,320	$582,320
Construction Eng.	$581,984	$581,984
Total amounts	$7,221,512	$7,273,424

Additionally UDOT requires the City to set aside 10% or approximately $560,000 for construction contingency.

It should be noted that except for the currently contracted preliminary engineering design fee, the other numbers are not hard. Actual construction costs will be obtained June 2010 through the bidding process and actual construction engineering fees are currently being developed by the selected construction engineering consultant.

Racquet Club Remodel

As part of the FY 2010 budget Council approved a $10.5 million project budget for the renovation of the Racquet Club as recommended by the CIP Committee. The Committee recommended that Council use $7.2 million of General Fund surplus along with issuing $3.3 million dollars of sales tax revenue bonds. The strategy was that this debt could be issued in conjunction with the OTIS sales tax bonds which are scheduled to be issued late in FY 2010. This would allow the City to monitor the economy through another ski season and re-evaluate the prudence of issuing debt for the project in the spring 2010.

The design of the new Recreation Center includes many user enhancements over the existing facility. The new or enhanced amenities include a walking/jogging track, child care, pro shop, bouldering area, party room, game room, enlarged fitness area for cardio, weights and group fitness classes. The new design will also have enhanced tennis viewing that will also serve as a place for patrons to relax and socialize. The four new indoor tennis courts will provide a high quality playing experience as they have been design to meet United States Tennis Association (USTA) standards. The new facility will be more efficient not only in design but also in energy usage.

Through input received during the public approval process the building renovation increased in size from 62,000 sf to 72,000 sf. These changes include: façade variation; relocation of mechanical equipment; redesigned entry; expansion of volume to accommodate running track (pushed by reduced height); storage for the tennis bubble, and expansion of soft arts room.

The CIP Committee did not revise the prioritization of the Racquet Club Renovation project this year so it continues to recommend the project for funding as a priority 4 project, which means it is still recommended for funding.

Racquet Club Options

In the May 20th Council Meeting staff was asked to provide Council with scope of project alternatives as well as different funding strategies.

Option 1 below is staff's recommendation. It reflects the contract scheduled for Council's consideration for approval on the Regular Agenda tonight. Should the City Council prefer another alternative, they should provide that direction and we can then modify the contract number as necessary.

Option 1	
Hard Costs	
Base Bid	$7,997,000
add alternates:	
Solar Hot Water	$123,000
PV Panel	$109,000
Essential Facility	$267,000
Generator	$67,000
Cost of construction	**$8,563,000**
5% Contingency	$428,150
Art	$85,630
Total HARD Costs	$9,076,780
Soft Costs	
VCBO	$547,000
Millcreek Consulting	$100,000
Ironhorse Lease	$250,000
Tenant Improvements	$15,000
Moving & Storage	$25,000
Geotech	$25,000
FF& E	$125,000
Testing & Fees	$50,000
Engineering (essential facility)	$40,000
Total soft costs	**$1,177,000**
Grand Total	**$10,253,780**

Project Alternatives

Based on the Bid numbers received on May 17 and Council input on May 20 we have refined a range of alternatives. These are found separately on the next page. Detailed descriptions and analysis of each option is described in the "Additive & Deductive" section of this report.

Option 1 Construct whole project: This includes all the add alternates that were bid (Solar Hot Water, PV Panel, Essential Facility, Generator and Engineering). The add alternates total $606,000. This is staff's recommendation.

Option 2 Essential Add Alternates only: This options include only the Essential Facility elements for a total of $338,000.

Option 3 No Additive Alternates: This options represents the base bid of $7,997,000. The facility would not be an Essential Facility and not have Solar Hot water or PV panels.

Option 4 No Add Alternates, remove all deductions: This option removes the track surface, bouldering, framing required and athletic flooring totaling $193,000.

Option 5 Remove one tennis court, redesign, rebid: This is the only option that is an estimate of the cost associated with it since all the other options have actual bid numbers.. The base bid was estimated by taking the mid point of the per square foot cost submitted by the high & low bidder.

Option 1		Option 2		Option 3	
Staff's Recommendation Includes all add alternates (essential & environmental), Don't bond for Iron Horse Lease & Consulting Svcs.		**Essential Building Alternates Only**		**No Additive Alternates**	
Hard Costs		Hard Costs		Hard Costs	
Base Bid	$7,997,000	Base Bid	$7,997,000	Base Bid	$7,997,000
add alternates:		add alternates:		add alternates:	
Solar Hot Water	$123,000	Solar Hot Water	$0	Solar Hot Water	$0
PV Panel	$109,000	PV Panel	$0	PV Panel	$0
Essential Facility	$267,000	Essential Facility	$267,000	Essential Facility	$0
Generator	$67,000	Generator	$67,000	Generator	$0
Cost of construction	**$8,563,000**	Cost of construction	**$8,331,000**	Cost of construction	**$7,997,000**
5% Contingency	$428,150	5% Contingency	$416,550	5% Contingency	$399,850
Art	$85,630	Art	$83,310	Art	$79,970
Total HARD Costs	$9,076,780	**Total HARD Costs**	$8,830,860	**Total HARD Costs**	$8,476,820
Soft Costs		Soft Costs		Soft Costs	
VCBO	$547,000	VCBO	$547,000	VCBO	$547,000
Millcreek Consulting	$100,000	Millcreek Consulting	$100,000	Millcreek Consulting	$100,000
Ironhorse Lease	$250,000	Ironhorse Lease	$250,000	Ironhorse Lease	$250,000
Tenant Improvements	$15,000	Tenant Improvements	$15,000	Tenant Improvements	$15,000
Moving & Storage	$25,000	Moving & Storage	$25,000	Moving & Storage	$25,000
Geotech	$25,000	Geotech	$25,000	Geotech	$25,000
FF& E	$125,000	FF& E	$125,000	FF& E	$125,000
Testing & Fees	$50,000	Testing & Fees	$50,000	Testing & Fees	$50,000
Engineering (essential facility)	$40,000	Engineering (essential facility)	$40,000	Engineering (essential facility)	$0
Total soft costs	**$1,177,000**	**Total soft costs**	**$1,177,000**	**Total soft costs**	**$1,137,000**
Grand Total	**$10,253,780**	**Grand Total**	**$10,007,860**	**Grand Total**	**$9,613,820**
What are we issuing debt for?		What are we issuing debt for?		What are we issuing debt for?	
Grand Total	$10,253,780	Grand Total	$10,007,860	Grand Total	$9,613,820
Millcreek Consulting	-$100,000	Millcreek Consulting	-$100,000	Millcreek Consulting	-$100,000
Ironhorse Lease	-$250,000	Ironhorse Lease	-$250,000	Ironhorse Lease	-$250,000
RAP Tax Grant	$ (100,000)	RAP Tax Grant	$ (100,000)	RAP Tax Grant	$ (100,000)
CIP Funding	$ (7,200,000)	CIP Funding	$ (7,200,000)	CIP Funding	$ (7,200,000)
total	**$2,603,780**	**total**	**$2,357,860**	**total**	**$1,963,820**
other potential grants (estimated award)		other potential grants (estimated award)		other potential grants (estimated award)	
USTA	$ (50,000)	USTA	$ (50,000)	USTA	$ (50,000)
Restaurant Tax Grant	$ (100,000)	Restaurant Tax Grant	$ (100,000)	Restaurant Tax Grant	$ (100,000)
total	**$2,453,780**	**total**	**$2,207,860**	**total**	**$1,813,820**
debt service		**debt service**		**debt service**	

Option 4		**Option 5**	
No Additive Alternates + remove all possible Bid Deductions		**Remove one Tennis Court and no add alternates (Option 3, minus 8490 sf)***	
Hard Costs		Hard Costs	
Base Bid	$7,997,000	Base Bid	$7,451,628
add alternates:		add second winter to constru.	$100,000
Solar Hot Water	$0	add alternates:	
PV Panel	$0	Solar Hot Water	$0
Essential Facility	$0	PV Panel	$0
Generator	$0	Essential Facility	$0
Bid Deductions		Generator	$0
Running Track	$ (127,000)	Cost of construction	**$7,551,628**
Frame Deduct	$ (6,000)	5% Contingency	$377,581
Athletic Flooring	$ (3,000)	Art	$75,516
Bouldering Wall	$ (57,000)	**Total HARD Costs**	$8,004,726
Cost of construction	**$7,804,000**		
5% Contingency	$390,200		
Art	$78,040	Soft Costs	
Total HARD Costs	$8,272,240	VCBO	$547,000
		VCBO redesign	$125,000
Soft Costs		Millcreek Consulting	$100,000
VCBO	$547,000	Millcreek Consulting	$12,000
Millcreek Consulting	$100,000	Ironhorse Lease	$250,000
Ironhorse Lease	$250,000	Ironhorse Lease (+4 mo)	$60,000
Tenant Improvements	$15,000	Tenant Improvements	$15,000
Moving & Storage	$25,000	Moving & Storage	$25,000
Geotech	$25,000	Geotech	$25,000
FF& E	$125,000	FF& E	$125,000
Testing & Fees	$50,000	Testing & Fees	$50,000
Engineering (essential facility)	$0	Engineering (essential facility)	$0
Total soft costs	**$1,137,000**	**Total soft costs**	**$1,334,000**
Grand Total	**$9,409,240**	**Grand Total**	**$9,338,726**
What are we issuing debt for?		What are we issuing debt for?	
Grand Total	$9,409,240	Grand Total	$9,338,726
Millcreek Consulting	-$100,000	Millcreek Consulting	-$100,000
Ironhorse Lease	-$250,000	Ironhorse Lease	-$250,000
RAP Tax Grant	$ (100,000)	RAP Tax Grant	$ (100,000)
CIP Funding	$ (7,200,000)	CIP Funding	$ (7,200,000)
total	**$1,759,240**	**total**	**$1,688,726**
other potential grants (estimated award)		other potential grants (estimated award)	
USTA	$ (50,000)	USTA	$ -
Restaurant Tax Grant	$ (100,000)	Restaurant Tax Grant	$ (100,000)
total	**$1,609,240**	**total**	**$1,588,726**
debt service		debt service	
		* midpoint of high and low bids per/sf	
		** impacts Sundance second year	
		*** exposed on wintzer lease ok	
		**** would have to rebid	

Additional Background

Soft Costs

Temporary Lease
Staff has contacted the owners of the Iron Horse property, they are amenable to extending our lease option for an additional month at the same price ($13,000).

Relocation & Consulting Services
The Budget presented to CC on May 9, 2009 included hard and soft costs for a total anticipated budget of $10.5 M. This estimate did not include soft costs necessary for relocation ($25,000), rental of temporary space ($250,000) additional project management ($100,000), or upgrading the facility to an essential building ($374,000) totaling $749,000 not in the original projections.

In anticipation of higher bid numbers, in an effort to reduce necessary debt service $350,000 of those soft costs are currently budgeted through one-time General Fund expenses. This is reflected in all the options presented. Should Council wish to move those into the CIP the total project cost would increase by $350,000.

Annual Operational Savings Estimate (Debt Service Offset) - $100,000

Energy Efficiency ($40,000)
Current gas and electric bills total $90,000 annually. This does not include the restaurant or bubble. A study by WHW Engineering estimates (Attachment D) new gas and electricity costs to be $50,000 annually. This will be an annual savings of $40,000.

Operational Revenue Offset ($60,000 – 64,000)
Ballard*King and associates conducted an operational assessment and impact on revenues v. costs for the proposed Project (Attachment E). They project increase in revenues over expenses of $111,000 - $139,000, and an increase in operational costs of $50,000 - $75,000. Therefore their projections summarize a reduction in subsidies in the range of $60,000 - $64,000 annually. In FY 2009 the budget was subsidized just under $491,000.

SOFT COSTS - incurred to date	
VCBO	$438,000
Millcreek Consulting	$20,000
Ironhorse Lease	$68,000
Tenant Improvements	
Moving & Storage	
Geotech, Plat & Survey	$20,500
FF& E	
Testing & Fees	
Total soft costs (to date)	**$546,500**

Additive & Deductive Alternatives

Solar Hot Water & PV Panel

The Sustainability Team recommends installation of the Solar Hot Water ($123,000) and solar PV panel ($109,000) additions for the Recreation Center. These options are included in staff's recommended Option 1. The recommendation is based on the following analysis from the Environmental Sustainability Team:

1. Despite the new Recreation Center having much lower energy demands than the existing facility (see point a. below), its onsite energy usage will still contribute roughly 584 short tons of CO2e emissions annually. For perspective, this is equal to the yearly emissions from roughly 121 average world citizens. It's appropriate for the City to make an effort to mitigate a portion of these emissions with onsite energy generation. Though the forecasted annual emissions avoided are only about 6.5% of the club's total, the integration of renewables at least puts the facility (and our overall capital projects model) on a more sustainable trajectory. In relative terms, we able to set this trajectory with just over 2% of the total project budget.
    a. Annual Energy Estimates for New Rec Center (by WHW Engineering – Attachment D): 442,773 kWh & 18,818 Therms à 584 short tons of CO2e annually (existing Racquet Club contributed 1,190 tons of CO2e in 2009, not including emissions attributed to the bubble).
2. Given the number of daily visitors, the Recreation Center is likely our best opportunity to demonstrate on-site renewable energy generation to the public. There are environmental benefits, educational value, progress towards Council goals, and an enhanced image for Park City Municipal if we're able to "walk the walk" with onsite clean energy generation at this facility.

- 15 kW Solar PV Array ($109,000)

Annual Environmental Benefits

23,804 kWh annual Generation ($1,900 @ 8 cents/kWh)
25.2 short tons of CO2-equivalent (CO2e) prevented

Lifetime Environmental Benefits (30 Years)

755 tons of CO2e prevented

- Solar Thermal for Hot Water ($123,000)

Annual Environmental Benefits

200,000,000 Btus = 2,000 Therms ($1,400 @ 70 cents/Therm)
12.4 short tons of CO2e prevented

Lifetime Environmental Benefits (20 Years)

247 tons of CO2e prevented

We have limited info on the solar thermal option, but are surprised to see such a long payback. Typically, the payback for solar thermal is better than PV, but this is far from the case for this project. The installed solar PV cost is competitive ($7.27/watt), but expected a 20-panel solar thermal array to be much less. We will continue to research this.

Defer & Alternate funding options

Staff has investigated grant possibilities for solar at the Rec Center. The only opportunity for local governments in Utah that we are aware of relates to the Solar PV:

GRANT	EST. APPLICATION DEADLINE	TECHNOLOGY	FUNDING POTENTIAL
Blue Sky (Rocky Mountain Power)*	May 2011 (funds released in fall)	Solar PV only	$40k-$60k+ (historic range for Blue Sky awards for PCMC Solar)

In addition to already applying for Blue Sky funding in 2010, staff requested federal funding from the ARRA for a solar array at City Hall; we are still waiting to hear on whether the ARRA or Blue Sky funds will be awarded. Staff will continue to seek grant funding for renewable energy as other opportunities arise.

Deferring the PV to next year or later would result in only minor additional construction costs.

Essential Facility & Generator

Removing the Essential Building alternatives would save $374,000 ($267,000 structural steel, $67,000 generator, $40,000 engineering).

Park City has identified 16 different potential risks/hazards to people, property and infrastructure. Of those 16 there are five that are ranked with a “High probability,” Earthquake, Wildfire, Drought, Severe Weather and Explosions/Utility Disruptions/Other Local Emergencies. There are three identified shelters within Park City limits, the Racquet Club, the Ice Arena and the High School. Depending on the time of year and time of day, both the Ice Arena and High School have limitations. The Racquet Club provides us with our largest potential shelter. According to American Red Cross standards the Racquet Club can house over 2,000 people in an evacuation and somewhat less for longer term housing.

The “essential facility” contemplates upgrading the Racquet Club from an Occupancy Category (OC) II to an OC IV.

OC II – Building and other structures except those listed in OC I, III, IV. These would include most residential, commercial and municipal buildings.

OC IV – Designated earthquake, hurricane or other emergency shelter. Designated emergency preparedness, communication and operation center required for emergency response.

An OC IV designed building will require a minimum of 50% increase in seismic loads, 15% increase in wind loads and 20% increase in snow loads over an OC II building design. This means that the building should, in most cases, be safe to occupy immediately following a major load event.

Making the Racquet Club an essential facility improves the infrastructure of the building to help withstand earthquakes, wind events and higher snow loads. This upgrade must be completed during construction and cannot be done after the fact. With the large number of day visitors and commuting employees in town, not too mention any displaced residents or over night visitors, HAZSUS projections in a major disaster will require all of our evacuation space. In our climate we will always need indoor space. The essential facility upgrade increases significantly the chances of this building surviving a major event and remaining useable as a shelter. Any expenses incurred as an operational shelter would be reimbursable under FEMA. Any expenses at a commercial facility used for a shelter would not be reimbursable.

The Emergency Management Group (Emergency Manager, Chief of Police, Assistant City Manager, Public Works Manager, City Attorney, City Engineer, Chief Building Official/Fire Marshal, Community and Public Affairs Manager/PIO, IT Director) unanimously endorsed building this structure to the essential standard.

There are two Federal grant programs that this building would be eligible for, Mitigation and Emergency Program - Project. In a discussion with the Utah Department of Homeland Security, due to timing and competition for both these grants it is unlikely we would be successful in obtaining any grant funds.

<u>Deductive Alternatives</u>

In anticipation of higher bid numbers staff attempted to identify areas to defer or reduce non-critical project components. These include removal of: the running track, frame deduct (code requirement for track), athletic flooring in weight room, and the bouldering wall. Deducting these from the project would result in savings of $193,000. The recommended alternative keeps these components in the budget.

<u>Capital Alternative</u>

Staff was also asked to look at the possibility of funding the remainder of the project with capital projects instead of sales tax revenue bonds. Below is a list of potential CIPs that could be used for this request. They were determined by essentially moving the line up from the CIP Committee priority list from where it currently is. In a few cases some funding was left for essential responsibilities, but most of these CIPs were left with no funding.

<u>Racquet Club Financing Alternatives</u>

The FY 2010 Budget was adopted last year with $7.2M in cash-on-hand funding for the Racquet Club Renovation in addition to $3.3M in anticipated sales tax bond proceeds. Staff continues to recommend that the project be financed with a mix of cash on hand and debt. The tentative budget included $4.3 M in anticipated debt to be issued during FY 2011, however with the recently received bids, this number would be reduced to just under $2.5M for the staff-recommended building option (building option #1). Staff continues to recommend a balanced approach of cash and debt financing for this project as the borrowing rates are favorable and the resultant interest expense is arguably less consequential than the impact of further CIP cuts which would be required to get the additional cash for the project.

The matrix below shows four alternatives for funding the project. Alternative A, the staff recommended option, would bond for the remainder of the project after the $7.2M cash on hand and grants are considered. Total interest over 15 years would be around $2 million. Council might consider structuring the bonds with an early call date, though, to

The matrix below shows four alternatives for funding the project. Alternative A, the staff recommended option, would bond for the remainder of the project after the $7.2M cash on hand and grants are considered. Total interest over 15 years would be around $2 million. Council might consider structuring the bonds with an early call date, though, to keep the option of paying off the bonds after five years in the event surplus funds become available, thus limiting the interest expense and maximizing the savings associated with this funding strategy. Alternative B is similar to alternative A, except that the city would not bond for the contingency amount of the project. Instead, we would search for cash alternatives should a contingency situation materialize. Alterative C would employ $750,000 cash from the CIP Fund Balance, the remaining Marsac Seismic Renovation contingency funding (about $375,000), and $500,000 in cash from the Asset Mgt fund. Alternative C would reduce or completely cut other projects from the CIP, which are detailed below, resulting in no bonding for the Racquet Club. The impact of these strategies on debt service is shown for each of the previously described building options. Obviously, there are any number of combinations of these strategies which would result in varying levels of debt service. These four are shown as examples, but Council may explore others as well.

Racquet Club Financing Matrix

Building Option	#1	#2	#3	#4	#5
Total Cost	$ 10,253,780	$ 10,007,860	$ 9,613,820	$ 9,409,240	$ 9,338,726
Financed Portion	$ 2,453,780	$ 2,207,860	$ 1,813,820	$ 1,609,240	$ 1,588,726

Financing Alternative	Debt Service Estimate...				
A) Bond for Full Non-Cash Portion	$236,403	$212,710	$174,748	$155,038	$153,061
B) Don't Bond for Contingency	$195,154	$172,579	$136,225	$117,445	$116,684
C) Use CIP Balance/Marsac Balance/Asset Mgt	$79,847	$56,154	$18,191	$0	$0
D) Cut Sufficient CIP for No Bonding	$0	$0	$0	$0	$0

Per Council direction on May 20, staff has compiled an analysis of potential cuts in the CIP which could glean the cash funding necessary to avoid some or all of the debt service associated with the Racquet Club project. In order to compile this list, staff referred to the prioritized listing of capital projects developed by the CIP Committee in March. Cuts were made by starting at the bottom of this list and moving up until the required funds were accumulated. The full prioritized list is attached to this report, but that list includes many projects which are being closed out, have inflexible funding sources which couldn’t be used for the Racquet Club, or some other issue which would disqualify it from this analysis. Therefore, an abridged version of this list is shown below, along with the funds from the project which are available to be transferred to the Racquet Club and a description of the impacts of doing so. These cuts include several of the projects in Alternative 3, which is a much lower funding level than the City has gone to in some time. Also listed are several more projects in alternative three which Council may consider cutting instead of those listed.

Potential CIP Funding Sources for Racquet Club Renovation (1 of 2)

Project	Amount	Description	Impact
CIP Balance	750,000	Fund balance of CIP fund.	Would leave CIP Fund with approx $250,000 balance. Could create cash flow issues, negative balance, audit findings, etc. if project revenues don't come in as expected.
Marsac Seismic Renovation	375,000	Marsac seismic, HVAC, ADA and associated internal renovations.	Would completely deplete remaining funds for Marsac project, which could impact ability to deal with outstanding issues as the project is still in finalizing stages, including roof repairs, landscaping, and HVAC issues.
Asset Management/Replacement Program	500,000	Money is dedicated to this account for asset replacement each year. Creation of schedule in FY 07 for Building replacement	Would reduce reserve for asset management, leaving approx one year's worth of funding in balance. If certain aspect of asset management plan come due prior to expected year, replacement would be delayed and maintenance costs would increase.
Police Wireless Network	21,676	Enhance the wireless communication and infrastructure for Public Safety use.	Funds from this project have been committed to assist with the purchases of: 1. Security software for police laptops. This software would provide an essential security component to police laptops that are directly connected to the Internet. This software would help to mitigate cyber security risks to Police and the entire organization. 2. Wireless enhancements. Funds would be used to purchase software and infrastructure to enhance/upgrade wireless communications that benefit multiple departments. This includes software that are designed to work in low bandwidth wireless environments.
Top Soil Assistance Program	11,807	To help provide top soil to residents of Park City soils ordinance district. $32,000 will be available for FY2005 and $15,000 will be available for FY2006 to qualified residents.	The Top Soil Assistance Program (TSAP) has been the program that has facilitated and assisted property owners to remediate parcels that pose a risk to human health due to excessive heavy metal concentrations. The TSAP has promoted remediation within the Soils Ordinance and has been a partnership program that has provided an incentive to property owners. In the event TSAP is there may be a reduction in remediation activities within the Soils Ordinance, thereby a delay in reaching the 100% capping goal for the expanded area.
ADA Implementation	14,666	Many of the City's buildings have restricted programs due to physical restraints of the buildings. An ADA compliance audit was conducted by the building department and phase one improvements have been made. Additional funds will be needed	This funding is for sidewalks access improvements and is required by the State
Irrigation Controller Replacement	10,000	The Parks Dept. has a total of 38 irrigation controllers located throughout town at all City facilities including, City buildings, athletic fields, parks, school fields, etc. These electronic devices provide irrigation control to landscaped areas by radio communication from the Central computer to the individual field units. Some of these controllers are 20 years old, as they were originally installed in the early 1990s. Over the past three years we've continued to experience many electronic/communication problems with these old outdated field units. We recommended taking a systematic approach by replacing 8-10 controllers a year for the next 5 years.	These controllers are approaching 20 years old, they are in desperate need of replacement.
Trails Master Plan Implementation	260,000	Rail Trail from Bonanza to kiosk, Round Valley Trails, Entryway Trail System including trailhead parking. Funds intended to provide a comprehensive system of bicycle, pedestrian, equestrian, cross-country skiing and hiking trails - both	The City has a commitment of $75,000 ($50K CIP, $25 Rest.Tax Grant) for the Silver Quinn's Trail currently under construction as part of the Quinn's Water Line project. Other projects impacted include: Armstrong Trail, Lost Prospector Connector at Fireside/Bonanza, Osguthorpe trail, Winter trails in Round Valley, signage, Mellow Mtn – Lost Prospector re-route, April Mtn. connections to Gambel Oak, Park & Ride – Rail Trail, Trail-head @ Hillside, Trail-head at Meadows Drive, Silver Quinn's paving (2013).
Quinn's Public Improvements	48,735	For infrastructure related to Quinn's Rec Complex. Includes $15,000 for access road from SR-224.	This money was earmarked for public improvements for the Quinn's Junction area. The work is mostly complete. This money was held to correct minor issues outside the responsibility of the contractor. Staff believes most of the money can be taken without a major affect on the project or service levels for which the money was encumbered.
Skate Park Repairs	6,754	Re-paint fence and re-caulk the concrete joints.	The fund has been used to make annual repairs to the facility for such items as re-caulking the concrete joints, pool coping repairs and painting of the fence. Elimination of this fund will cut down on the ability to fund repairs to the facility.
Historic Structure Abatement Fund	38,688	Establishment of revolving fund for abatement of dangerous buildings, fund to be replenished with recovery of city costs by owner of structure.	

Potential CIP Funding Sources for Racquet Club Renovation (2 of 2)

Salt Cover	85,350	This option will cover our road salt at Public Works	This funding has already been allocated to the New Public Works Facility.
Racquet Club Program Equipment Replacement	116,089	For ongoing replacement of fitness equipment	This fund has been used to replace fitness equipment and other program equipment needed in the facility. If the fund is removed replacing equipment will be more difficult. In the renovation budget there is not a line item for new equipment. The plan has been to continue on with the equipment we have and replace pieces as needed.
Information System Enhancement/Upgrades	78,510	Funding of computer expenditures and major upgrades as technology is available. Technological advancements that solve a City need are funded from here. Past examples include web page design and implementation, security systems, document imaging, and telephone services.	Funds from this project have been committed to assist with the purchases of: 1. Time clocks software and hardware. This money would be used to finalize the time clock implementation and would jeopardize the project. 2. Point of Sale equipment and software upgrades for Recreation. This would halt the purchase of scheduling software and purchase of point of sale equipment that would improve the speed and efficiency of financial and scheduling transactions. 3. Special projects. This would prevent IT to fund other opportunities e.g., fiber/conduit installation and software upgrades to address strategic objectives.
Energy Efficiency Study -City Facilities	138,065	This study finds energy efficiencies for City facilities	Of the $138,000, $75,000 is contractually committed to Johnson Controls for Measurement and Verification over the next three years. With the balance of the funds, staff has drafted a Municipal Revolving Loan Program where the balance would be used to create a loan fund where internal municipal departments could apply for a grant for energy efficiency facility upgrades.
Mortgage Assistance Program	30,000	Provides assistance to City employees to purchase affordable units in the City	Removing these funds
Total Potential CIP Cuts	**$ 2,485,340**		

More Alternative 3 Projects with Potential Funding			
Sandridge Parking Lot	8,229	Construction of the Sandridge parking lot. Includes repairing parking lot, correct drainage problems.	Minor service level impacts
Quinn's Ice/Fields Phase II	46,391	Additional development of outdoor playing fields and support facilities	This will remove funding for pathway to USSA, field drainage improvements, field sports light visors and landscape improvements.
Snow Plow Blade Replacement	105,000	This option will replace our snowplow blades over the next three years.	These plows are 20+ years old and are scheduled for replacement this fall. These new plows will reduce down time.
Historical Incentive Grants	91,769	The historic preservation board continues to look at requests for matching grants for restoration work on a case-by-case basis. The program was modified this year to review grants requests all year long. Funding for this project	Much of these funds have been awarded in Historic Incentive grants. Reducing funding will severely limit the City's ability to provide incentives for historic preservation.
General Plan Update	312,790	(See Impact Description)	This fund started at $275,000 with a request for an additional $50,000 this fiscal year. This money is broken into three components: - Traffic and Transportation Master Plan - $112,000 - Storm Water Master Plan - $138,000, and - General Plan Update - $75,000 The Transportation Master Plan has been approved by City Council and has already started. Budget for this master plan includes the $112,00 shown above along with an additional $150,000 provided by our Transit Team. If these funds are removed, we would not be able to complete the much needed Transportation Master Plan and since it is a sub-component of the General Plan, we would not be able to complete the General Plan. The Storm Water Master Plan is another sub-component of the General Plan. A RFP/SOQ for this master plan is anticipated to be issued this July. The City has not completed a master plan since 1980 and this is long overdue. If the funding for this master plan is removed, we would not be able to complete the storm drain master plan and we would not be able to complete the General Plan. The money set aside for the General Plan Update is for public outreach and to develop graphics and other displays for the General Plan itself. If this money is cut, the General Plan would not be able to be completed until the funding is restored in later years. Overall, if the General Plan Update money is cut, the completion of the General Plan Update would be delayed to an uncertain date. The elements prepared by the Planning Department would still be completed, but the final draft would not be finished until the three elements above are completed.
Total	**$ 564,179**		

New Project Request: Increased Fields Service at Quinns Recreation Center
Carol Tesch approached the City this winter with a concept to clear the Sportexe artificial turf field at our Quinns Recreation Complex for soccer and lacrosse practices throughout subsequent winters. Under the direction of the City Manager, the Assistant City Manager coordinated a City response and analysis of various options that Mrs. Tesch proposed. In response to numerous meetings with interested groups and individuals over the course of the last few months, City Public Works Staff (Clint Daley) created a number of options in how the City might undertake such an operation. A carbon footprint analysis was also extrapolated for a bubble option over the field, which we have included. The initial cost proposal for year-round field clearing was submitted as a CIP budget option, but not identified for funding. It was submitted as a CIP item due to the initial belief that a significant portion of the expenses associated with the year 1 costs would be capital. Therefore, there was no non-funded budget option shown in last week's operating budget summary. City staff have worked to refine and reduce costs in partnership with the interested parties and have come up with a potentially viable solution (option 4) that brings our costs for the first year to $23,080 and subsequent year's costs to $13,080, if we were to begin field clearing on March 1 (given a "normal" snow year). This level of funding could be received from the interested parties. Included in an appendix are 3 different level of service options for the field clearing and one option for a bubble. Also included in the appendix is a carbon footprint analysis for the bubble option. City staff is not recommending the operations, funding, or cost recovery even at 100%, but defer to Council on direction for the Quinn's field clearing concept and direction on policy concerning desired operations.

See attachments F, G, H, I, J, and K for more information regarding increased service at Quinns Recreation Center

Outstanding Budget Issues
Due to the updated Racquet Club Renovation bid figures, as well as public comment received and Council discussion on the budget on May 6 and 20, staff has revisited the strategy for balancing the budget for FY 2011. The general sentiment among Council and the public seems to be that further attention must be paid to the operating expenditure budget in order to ensure that all efficiencies have been gained and service levels have been reconsidered prior to implementing either the long-term revenue action plan suggested in the revenue mix analysis or moving forward with a property tax increase in FY 2011 consistent with that long-term plan.

During work session on May 20, staff described to Council a zero-based budgeting approach that would be recommended for re-evaluating service levels, and eventually cutting programs, services, or service levels, as an alternative to a property tax increase. It should be stressed that this process, called Budgeting for Outcomes, would also help staff identify remaining efficiencies to be gained. The process could be combined with Capital Improvement Program Prioritization and Pay Plan Philosophy Re-evaluation to synthesize an integrated approach to taking a fresh look at what the City does, how well it does it, and what is required to finance it.

Budgeting for Outcomes would be a new budget process for the City. Currently, the City uses a base budget approach, using the most recent budget as a starting point and identifying and describing all changes from that base. Budgeting for Outcomes is a zero-based approach, where every year each department would be required to list the services and programs it provides and then bid for those services (ie: assign a cost of service). All of the services and programs are then listed together and prioritized by Council. Then resources are projected and Council “buys” services beginning at the top of the prioritization until resources are exhausted. The competition amongst departments inherent in this process encourages departments to bid as efficiently as possible so that they are more likely to have more of their services/programs purchased. Consistent application of Budgeting for Outcomes would also alleviate long-term purchasing power issues with the City’s property tax revenue stream as the City would just purchase (or provide) less and less service over time as the prices rise with inflation.

The primary drawback to Budgeting for Outcomes is the tendency for service levels to fluctuate directly with revenue volatility. As described in the revenue mix analysis, the City’s revenues fluctuate cyclically and state statute specifically prohibits operating reserves sufficient to set aside in the good times to even out the down times. While it may (and I stress may) be true that the City can transfer funds from the CIP fund to the General Fund under certain circumstances, the strong and specific language elsewhere in state statute regarding the prohibition of rainy day funds suggests that this supposed ability is an untested loophole which is likely to be closed up by the legislature as soon as an enterprising municipality exploits it. Staff would highly discourage relying on this loophole as a long-term strategy for overcoming revenue volatility. Ultimately, if the City relies indefinitely on a Budgeting for Outcomes process rather than recovering purchasing power through inflationary property tax increases, the City will grow more and more subject to the ebbs and flows of the economy, resulting in more frequent and increasingly drastic interruptions in essential municipal services. In simple terms, during each progressive recession, Council will be able to purchase fewer services off the prioritized list. And during each economic recovery, Council will be able to replace fewer of those scrapped services than it did had previously because the services/programs remaining on the list have grown more expensive while property tax dollars have not kept up with inflation.

The Budgeting for Outcomes process is lengthy and arduous, in particular the first time it is employed. Staff recommends that the City embark in the process no later than fall of this year in preparation for the FY 2012 budget process. In the meantime, staff recommends that the City move forward City Manager’s proposed budget for FY 2011, including a few modifications.

First, the budget had anticipated a $68,000 increase from the FY 2011 Plan for Racquet Club Renovation debt service. With the bids received, staff would recommend bonding for just under $2.5 M, which would result in a debt service $81,500 less than that anticipated in the FY 2011 Plan ($236,000 compared to $318,000). The City Manager is also recommending that staff lump merit increases be reduced from 6% annual eligibility to 4% annual eligibility rather than adjusting the proposed market pay plan increases. Staff believes a 4% lump merit increase for achieving performance goals is more in line with performance bonus levels offered in comparable Wasatch Benchmarking Group cities. Staff performed a study in 2005 of similar lump merit programs and found that they range between 1.25% to 6%. This recommendation is approximately an average of merit program percentages offered. This would be a permanent change to the operating budget, and staff believes it would have less of a long-term level of service impact than forgoing the pay plan or adjusting the pay plan philosophy. This would save about $170,000 ongoing in the annual operating budget.

Finally, savings from the Racquet Club debt service and reducing lump merit increases could allow for a smaller property tax increase to balance the budget for FY 2011, as well as reclaim some purchasing power for the long term. Staff now recommends a 3% property tax increase for the next two years. To be clear, that's one 3% increase in FY 2011 and no further property tax increase in FY 2012. This would net around $220,000 additional property tax for FY 2011. A plan for any further property tax increases in the future would be reevaluated and modified based on the results of the Budgeting for Outcomes process.

The following revised New Expenditure Funding Strategy illustrates how the budget is balanced given these changes. It also provides for Council to see how different funding alternatives could be implemented by matching different funding requirement with resources. You will note that there is a $160,000 surplus shown. It must be stressed that this is a two-year strategy, with the 3% tax increase intended to satisfy budget demands for two years. When figured into the FIAR projections, the total surplus over FY 2011 & 2012 is close to zero. In the second year of the plan, FY 2012, the City would go through the Budgeting for Outcomes process described above, as well as capital reprioritization and pay plan restructuring in order to completely reevaluate City service level priorities in an integrated fashion. In this way, the City will in fact "turn over every stone" before revisiting and revising the long-range revenue mix analysis and a revenue action plan, which could be put into place as early as FY 2013.

Optional Expenditure Funding Strategy

How the FY 2011 Budget is Balanced

FY 2011 Requirements		Balancing Strategy		FY 2011 Funding Sources	
Base Budget				**Projected Revenues**	
Operations	21,812,187			Property Tax	7,939,562
Pay Plan	512,000	24,618,223	Projected Revenues	Sales Tax	7,915,286
CIP Transfer	1,678,209	334,256	Budget Reductions	Franchise Tax	3,049,981
Debt Service	950,083	-	Debt Service Decrease	BPE Fees	1,019,223
Subtotal	**24,952,479**	**24,952,479**	**Subtotal**	Other Fees/Charges	2,603,489
				Ice Revenue	567,716
Budget Options				Interfund Transfers	1,522,966
Inflation	86,839	58,842	Property Tax Increase	**Subtotal**	**24,618,223**
Demand Growth	47,565	316,790	Budget Reductions		
Council Directed LOS Increase	480,216	238,987	Debt Service Decrease	**Budget Reductions**	
Subtotal	**614,619**	**614,619**	**Subtotal**	Efficiencies Gained	755,409
				Reduced Demand	43,579
Budget Issues				Low Impact LOS Reductions	254,423
URS Increase	72,365	-	Property Tax Increase	**Subtotal**	**1,053,410**
Lump Merit Pool	330,000	402,365	Budget Reductions		
~~Racquet Club Debt Svc Increase~~	~~68,817~~	-	Debt Service Decrease	**Changes to Debt Service**	
Subtotal	**402,365**	**402,365**	**Subtotal**	OTIS & RC Debt Svc Decrease	238,987
				Subtotal	**238,987**
Increases to CIP Transfer					
Traffic Calming	25,000			**Decreases to CIP Transfer**	
Trails Master Plan	100,000			Pavement Mgt Implement	174,500
Fleet Replacement	50,000	174,500	Pavement Mgt Implement	Walkability Maintenance	40,000
General Plan Update	50,000	40,000	Walkability Maintenance	Emergency Mgt Equip Replace	8,000
Irrigation Controller Replace	10,000	8,000	Emergency Mgt Equip Replace	Bldg Activity Stabilization Fund	37,500
Rink Roof for Mech. Equip.	25,000	37,500	Bldg Activity Stabilization Fund	**Subtotal**	**260,000**
Subtotal	**260,000**	**260,000**	**Subtotal**		
				New Revenue Source	
Surplus/Contingency	**161,158**	**161,158**	Property Tax Increase	3% Property Tax Increase	220,000
				Subtotal	**220,000**
Grand Total	**26,390,621**			**Grand Total**	**26,390,621**

Outstanding Pay Plan Questions
The portion of the City pay plan process, which utilizes an average of the top 5 salary midpoints of comparable cities and counties, has been practiced for more than 10 years. However, the City has adjusted the amount of variance from that average of midpoints over time. We currently use a variance of 5%, but that has gotten as high as 15% in the past. For example if the City were to increase its city comparison threshold to 7% there would have been a total savings of approximately $75,000 to this year's pay plan recommendation and 5 positions would not increase.

Turnover costs that must be considered by delaying the implementation of the pay plan this year must be considered. Staff illustrated the reduction in overtime hours and training/recruiting costs due to reducing turnover. Specific reductions include a savings of approximately $360,000 per year in overtime and an additional $85,200 per year in training and recruiting costs. Due to the reduction of turnover thus training timeframes and staff resources, staff efficiencies have increased approximately 5% in the last 7 years. Staff's concern is that as the economy emerges from the recession, turnover will increase as employees in other organizations who wanted to leave but could not due to lack of options will become able to do so, creating opportunities for City employees in other organizations and increasing overtime and turnover costs. By remaining competitive with the market, we are able to decrease these costs.

Staff was also asked to provide further information regarding a slide, which indicated that of positions recommended for an increase, they average behind market was a total of -10.62%. The City's pay plan process sets a metric to determine market pay of the average of the top 5 midpoints of comparable positions. However, anything within 5% of that number could be considered a typical deviation, so a position must be more than 5% below that average midpoint before they are considered for an increase. Once a position is greater than 5% below that average midpoint, the positions are moved typically one "grade" in the pay plan.

The City finds "benchmarks" which are similar positions from other Cities to Park City's approved positions. The City considers the MIDPOINT (MP) of the pay ranges for each individual entity. For example, if the actual pay ranges from $30,000 to $31,000 for one entity, the salary figure $30,500 would be used for comparison. Along with that midpoint the City calculates total benefit amounts and includes that in a TOTAL COMPENSATION VALUE (TCV). Then, the City sorts the figures by the TCV and averages the top 5. If a position is more than 5% below the average midpoint, then they are considered eligible for a market based adjustment in pay.

When making comparisons, the City uses the following format:

Entity	BENCHMARK TITLE	Inc	Act Min	Act Max	**MP**	Ben $	Ben %	**TCV**
City/County #1	Position #1	8	35,360.00	39,246.00	37,303.00	19,293.24	16.65%	62,807.19
City/County #2	Position #2	1	38,721.00	38,721.00	38,721.00	12,421.68	21.17%	59,339.92
City/County #3	Position #3	2	33,508.80	33,904.00	33,706.40	15,914.40	27.67%	58,947.36
City/County #4	Position #4	1	38,126.00	38,126.00	38,126.00	12,532.32	19.30%	58,016.64
City/County #5	Position #5	4	33,722.00	40,586.00	37,154.00	12,064.08	19.73%	56,548.56
City/County #6	Position #6	14	26,477.00	42,077.00	34,277.00	12,796.20	19.96%	53,914.89
City/County #7	Position #7	6	29,099.00	40,331.00	34,715.00	10,830.00	23.51%	53,706.50
City/County #8	Position #8	7	29,766.00	38,395.00	34,080.50	11,991.60	21.92%	53,542.55

City/County #9	Position #9	10	30,439.00	37,589.00	34,014.00	11,887.92	14.58%	50,861.16
City/County #10	Position #10	2	28,267.00	38,459.00	33,363.00	10,414.44	20.66%	50,670.24
City/County #11	Position #11	12	30,181.00	31,491.00	30,836.00	12,819.96	22.40%	50,563.22
Average (top 5)								59,131.93
PARK CITY	PC Position		32,490.00	32,490.00	32,490.00	16,585.00	23.04%	56,560.70
Difference								(2,571.24)
Diff %								-4.35%

So for this “example” and agreement this position would not increase because it is less than 5% below the market. Due to privacy concerns with the Wasatch Compensation Group, we are unable to publish more specific information on individual positions. Because salary increases were deferred from last year, staff recommends Council proceed with the pay plan as recommended for this year. Next year we can look at policy issues of paying employees less compared to the market by increasing the variance amount of comparing ourselves to the midpoint of the top 7-10 instead of the top 5. Staff is currently paid towards the top of the range and staff believes that translates to higher service levels. The policy question for Council is whether they want to pay more towards the middle of the range and risk possible turnover and service level impacts.

Finally, Council asked staff for more information on the Expenditure Summary Table on p. 57 of Vol. 1. The Personnel category increased from $17.4 M to $19.5 M between FY07 and FY08. Page 64 of the Vol. 1 discusses this increase: “The unusually high percentage increase in full-time positions in FY 2007 is attributed to the change of several temporary bus driver positions to full-time status.” The budged FTE increase occurred in FY07, but the actual expenditures did not hit until FY08, hence the dramatic increase between the two years.

Process Engineering Program
City staff will continue efficiency efforts focusing on operations in a systematic review of major workflow sectors in a process engineering program. The building permit process engineering review has already taken place and a sample chart of the activity summary is included. The management team will be directing the next subsequent series of process engineering reviews in an effort to reduce wait times and eliminate non-value added steps and practices in our workflows across the organization. Working smarter and continuous improvement are parts of our City culture and we are excited about this latest initiative. Alternative thinking on service delivery and examining areas for common efficiencies with partner agencies will also take place. Such efforts could lead to proposals and high level discussions on potential functional synergies. These sort of discussions are a logical extension of the budgeting-for-outcomes process and a commitment to our citizens to provide services in a cost effective manner.

See Attachment L for more information on Building Permits

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

Alternatives:

A. Hold a Public Hearing on the FY 2010 Adjusted Budget and FY 2011 Budget requests and provide direction about budget issues.

B. Continue the Item: Time will be available in future budget meetings to address any outstanding issues. Council could choose to give additional direction at that time.

C. Do Nothing

Significant Impacts:
The City's budget must be balanced. Staff recommends that Council provide policy direction on budget issues. Any unresolved issues should be discussed by June 11 so that the Final Budget can be prepared for adoption on June 18.

Recommendation:
The City Council should follow the budget presentation schedule described above and provide direction as necessary.

Attachments:

Attachment A – Building, Planning, Engineering Fee Update
Attachment B – Fleet Study
Attachment C – CIP Matrix
Attachment D – Economic Energy Summary
Attachment E – Ballard Study on RC Revenues
Attachment F -- Sportexe Field Snow Removal (Current Practices)
Attachment G -- Sportexe Field Snow Removal 365 days Option1
Attachment H -- Bubble Option 2
Attachment I -- Sportexe Field Snow Removal March (3)
Attachment J -- Field Snow Removal March Option 4 revised 5-24-10 (2)
Attachment K -- Carbon Footprint Analysis Sportexe Bubble
Attachment L – Process Engineering (Building Permit)

Planning, Building, Engineering Fee Update

Back in May of 2001 a study was done determining the cost of service for the Community Development departments of Building, Planning, and Engineering (BPE) for Park City Municipal Corporation. This was not a fee study, but rather an examination of how BPE services cost. In some cases fees were looked at if there was a direct correlation between a specific service and fee; in other cases services were observed in general terms where multiple fees may or may not have been associated with that service. Revenues associated with the different services (and/or fees) were *never* taken into consideration.

However, after the study it could be determined, in some cases, that the cost for services (that had an associated fee) were more than the individual fee—costs were outpacing revenues. At that time, Planning fees were increased after the study came out, since the study demonstrated the need for this.

It must be noted that the State Code is not specific in the best way for determining BPE fees, but it does state (in reference to Plan Check Fees) that municipalities may impose a "nominal fee." The definitions section of the State Code notes that a nominal fee is meant to reimburse expenses for and time spent in administering the fee.[1] This is the general rule of thumb for most fees administered at Park City Municipal Corporation.

Thus, this study determines costs for administering BPE fees and recommends fee adjustments in conjunction with these cost estimates.

Building Fees

Building Valuation Data Table

One of the biggest fees that the City administers is the Building Permit Fee as well as the Plan Check Fee associated with it (the Plan Check fee is 65% of Building Permit Fee per State Code). Building Permit Fees are determined by using the International Code Council's (ICC) recommendations for construction values as well as multipliers or pricing tables.[2] The Building Valuation Data (BVD) table provides "average" square foot estimates of cost for different types of buildings (i.e., single-family, commercial, industrial, etc.) and "presents factors that reflect relative value of one construction classification/occupancy group to another so that more expensive construction is assessed greater permit fees than less expensive construction."[3]

It is a customary practice amongst taxing entities and encouraged by the state to use the BVD table, which is updated on a semi-annual basis. In conjunction with providing the BVD table, ICC also gives advice stating that "the data is a national average and does not take into account any regional cost differences. "[4] The ICC wants to make it clear that it has developed this data as an aid *only* in assisting

[1] Utah State Code, 10-9a-103 Definitions.
[2] Park City Municipal Code, 11-3-1 and Utah Administrative Code, R156-56.
[3] "International Code Council", Building Valuation Data – February 2010.
[4] "International Code Council", Building Valuation Data – February 2010.

jurisdictions to determine their building permit fees. Thus, the City uses a fairly similar valuation table that is slightly modified for our uniquely complex, high-end residential housing here in Park City.

Recommendation:

The Budget and Building Departments recommend that the BVD table be updated starting July 1, 2010.

Building Permit/Plan Check Fees

Once the construction value of the building has been determined a building permit and plan check fee is then issued. The building permit fee is paid at the time the building permit for any building is issued. The Municipal Code states: "It shall be unlawful for any person, firm or corporation to erect, construct, enlarge, later, repair, move, improve, remove, convert, or demolish any building or structure, or cause or permit the same to be done, without first obtaining a separate building permit for each such building or structure from the Building Official in the manner and according to the applicable conditions prescribed in the Housing Code."[5] The plan check fee is issued for the review and approval of building construction plans.[6]

It's appropriate to look at these fees at the same time, since plan check fees are contingent upon building permit fees, and the associated costs are inherently linked. Again, the plan check fee is 65% of the building permit fee. Still, it's generally considered that the plan check fee takes into account all the plan reviews done before a project goes to permit—while the building permit would be covering costs associated with all the inspections of the building. All the administrative and overhead costs usually get combined. The two fees are paid together, but the work associated with them is done before the project (plan review) and after (building permit), while the calculations for the fees is done in reverse order.

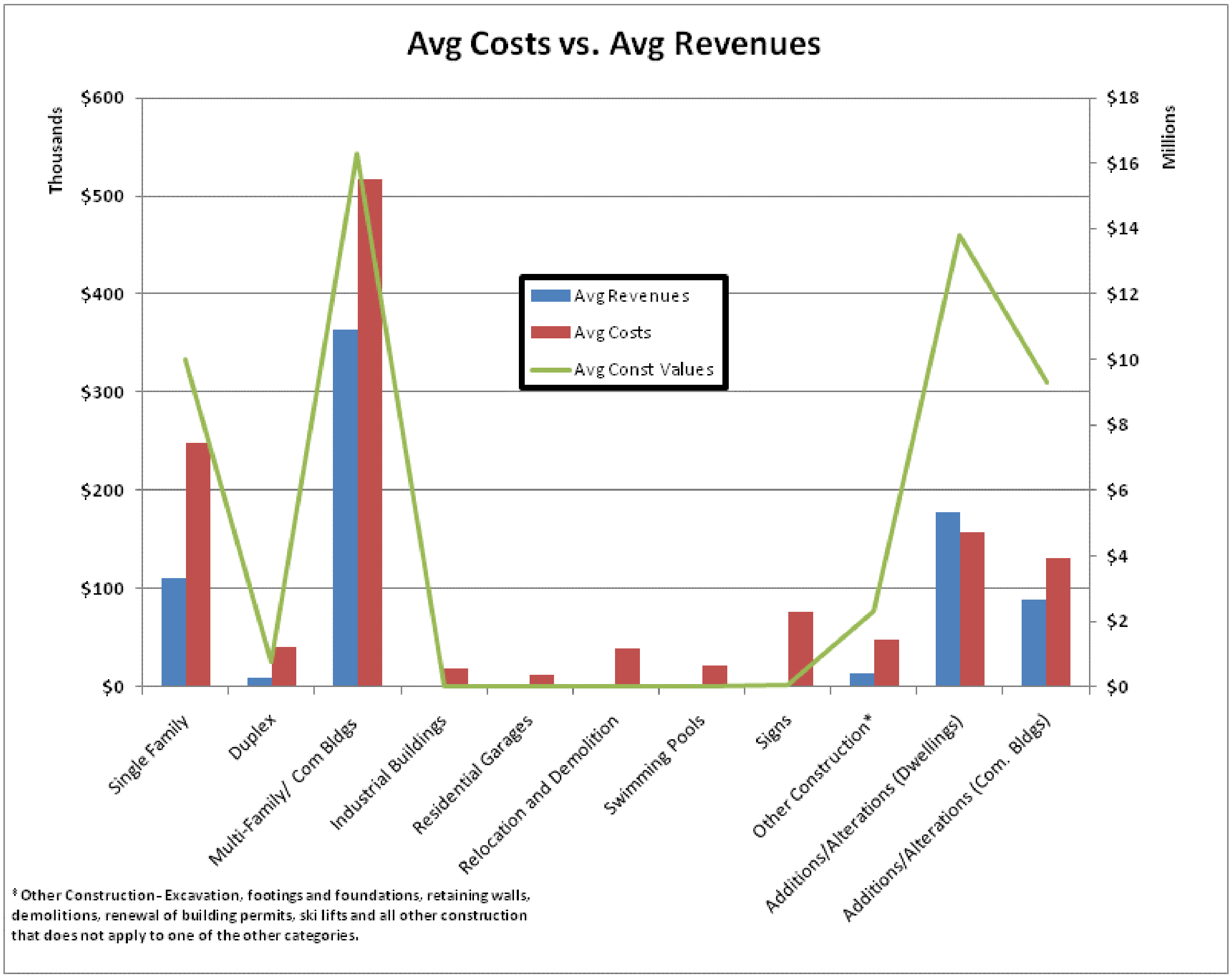
To calculate the building permit fee, ICC has two different methods based upon the construction values of the building. One is by using a fee table with only two columns—one column has construction values in ascending levels with corresponding and predetermined rates for each level in the second column. The other is to use a permit fee multiplier (i.e., a set percentage rate used in conjunction with the construction value of any given building).

[5] Park City Municipal Code, 11-5-1 (c).
[6] Park City Municipal Code, 11-12-3.

ICC Fee Table

Total Valuation	Fee
$1.00 to $500.00	$23.50
$500.00 to $2000.00	$23.50 for the first $500.00 plus $3.05 for each additional $100.00, or fraction thereof, to and including $2,000.00
$2,001.00 to $25,000.00	$69.25 for the first $2,000.00 plus $14.00 for each additional $1,000.00, or fraction thereof, to and including $25,000.00
$25,001.00 to $50,000.00	$391.75 for the first $25,000.00 plus $10.10 for each additional $1,000.00, or fraction thereof, to and including $50,000.00
$50,001.0 to $100,000.00	$643.75 for the first $50,000.00 plus $7.00 for each additional $1,000.00, or fraction thereof, to and including $100,000.00
$100,001.00 to $500,000.00	$993.75 for the first $100,000.00 plus $5.60 for each additional $1,000.00, or fraction thereof, to and including $500,000.00
$500,001.00 to$1,000,000.00	$3,233.75 for the first $500,000.00 lus $4.75 for each additional $1,000.00, or fraction thereof, to and including $1,000,000.00
$1,000,001.00 and up	$5,608.75 for the fist $1,000,000.00 plus $3.65 for each additional $1,000.00, or fraction thereof

The ICC fee table would be a good fit if Park City were a typical community. The reason for this is that the fee table uses logic similar to the law of diminishing marginal cost or economies of scale; i.e, as construction value increases on any given building it takes less time to inspect per square foot. On the other hand, the multiplier increases the revenues at a consistent rate in conjunction with the square footage. Many times, increases in square footage would be something akin to larger industrial complexes or warehouses, but for Park City larger square footage means 5-star hotels, luxurious lodges, a hospital, and the US ski headquarters. In other words, as square footage increases so does the time associated with inspecting the building per square foot. The table below demonstrates average construction values compared with the average costs and revenues associated with administering the building permit/plan check fees for the last two fiscal years. The largest percentage of time for Building Department is spent on multi-family and commercial buildings, which is exactly where the average construction values are the highest for which the BP fee is determined.



Still, an argument could be made that using the fee table the City would make the BP/PC fees less volatile over an extended period of time. More revenues would be collected from smaller additions and alterations, which are usually comprised of local home owners, during the slow construction years. When the housing and construction market flat lines homeowners tend to improve their existing homes in anticipation of a housing market turnaround. Park City has seen a notable increase to addition and alteration permits for dwellings over the last couple of fiscal years. In fact, had the City used the fee tables instead of the multiplier in FY2009, it's estimated the City may have increased BP/PC fees by $100k.

Conversely, fiscal years 07 and 08 would have seen a decrease in revenues by roughly $350k per year, with a switch to the fee table. Thus, in the years when the Building Department is receiving fee revenues from large multi-family and commercial buildings, the total revenues for that fiscal year may be larger than the costs (associated with the BP/PC fee) during that same year. However, it's important to note that a lot of the work surrounding these large and complex buildings is taking place over multiple fiscal years. For example, the Montage BP/PC fee revenue came in during FY09, but the majority of the inspections (i.e., the costs) are taking place this fiscal year. For these reasons it appears that, for now, the use of the building permit fee multiplier is justified, but should continue to be scrutinized in future years.

In the example provided by ICC the building permit fee multiplier is determined by taking the entire building department budget and multiplying that amount by a percentage for which the department wishes to recover its costs. For example, the building department budget is around $1.5M. If the building department wanted to recover 75% of its costs with the Building Permit Fee then it would multiply the department total budget of $1.5M by 75%. Then ICC encourages that the taxing entity use the "total annual construction value which occurred within the jurisdiction in the previous year."[7] (The total construction value for Park City in the previous fiscal year was $81.5M.) One would then take the product of the $1.5M and 75% and divide it by $81.5M. This results in a multiplier of 0.0138. The idea, as suggested in State Code, is to bring in enough revenues to recoup the cost of administering the fee. However, as previously mentioned: "because of fluctuations in service demands and permit activity, there may be a surplus of revenues in one year and a revenue shortfall the following year."[8] The City has seen this to be the case over the last several years—the current fiscal year has been particular slow for building activity.

Example:

$$\text{Permit Fee Multiplier} = \frac{\$1.5\text{M} \times 75\%}{\$81.5\text{M}} = 0.0138$$

As a result, instead of trying to come up with a ballpark percentage of how much the Building Permit fee *could* recover, the current study's in-depth analysis lets us analyze more accurately a true administrative cost recovery. Of course, this is still fairly difficult to do, since much of the services surrounding building permits are tied up in plan reviews and other administrative costs. However, this study has determined that over the last year costs (including personnel, materials, and overhead) associated with administering the building permit and plan check fees come to around $1.17M. Rougher estimates place costs associated with just the BP fee at $600k. Thus, if we wanted to recover $600k from just the BP fee, we would take that amount and divide it by the $81.5M. This results in a building permit fee multiplier of 0.00736, which is just a tick lower than the City's current multiplier of 0.0075. This would suggest that the current building permit fee multiplier is pretty close and should continue to be used in the short-term. Again, it must be recommended that in future years this multiplier is looked at further, considering the major fluctuations in construction values over time. ICC suggests updating the multiplier every year by first determining the previous year's total annual construction value.

Current Calculation:

$$\text{Permit Fee Multiplier} = \frac{\$600\text{k} \times 100\%}{\$81.5\text{M}} = 0.00736$$

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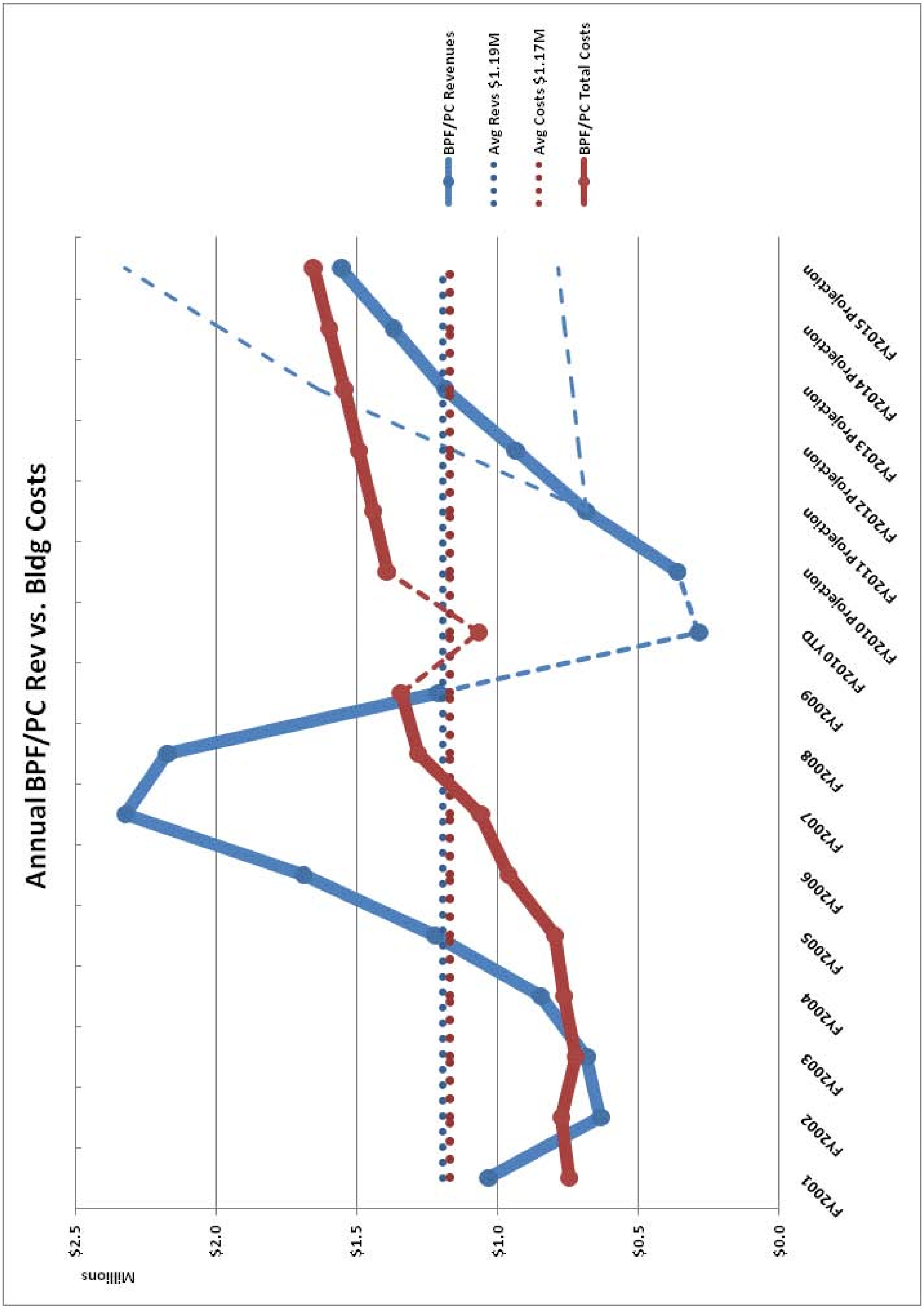
[7] "International Code Council", Building Valuation Data – February 2010.
[8] "Establishing Building Permit Fees: 2nd Edition", Michael W. Bouse, 2005, p. 7-2.

In addition, in order to further justify the use of this multiplier it's necessary to determine if the revenues brought in from building permit fees are equal to the costs in administering it. This is a complex process due to the amount of work associated with administering the building permit fee that could span multiple fiscal years. The fee itself, in most cases, is paid upfront after the plan review. At the beginning of construction the BP fee is issued before any of the over 35 types of inspections have even taken place. In extreme cases it could be years between the time that a BP fee is issued and the completion of the project. As mentioned before, last fiscal year the City received a considerable amount of BPE fee money from the Montage Hotel project; however, the City still has three inspectors putting in a considerable amount of time on the 1,000,000 sq ft. project this fiscal year. The time associated with this type of work includes inspections, research, and meetings. This fiscal year the City will only receive a small amount of BPE fee money for re-inspection costs (a separate fee and service). Due to the cost of the building permit service lapsing (in some cases) into multiple fiscal years, it's even more important to look at the associated revenues over a larger period of time.

Another example of receiving fees in one year and having the work completed in multiple years is the St. Regis hotel—it's estimated that the plan reviews for this project took almost 10 years before the City received the bulk of the BP/PC fee revenue. Therefore, it has been suggested to use an average of revenues over expenses for a certain number of years in order to determine the appropriate fee level. Some taxing entities have used a 3 to 5-year average in order to determine costs over revenues. However, due to the housing bubble (which increased construction values and building activity dramatically during the last decade), as well as the disproportionately large amount of high-end, condo-hotels being built in the city limits, it would show that BP fee revenues far outpace BP expenditures.

One way to mitigate this imbalance would be to compare projected revenues over projected BP/PC activity expenses. The budget department has projected out expenses over revenues for the next five years with regards to building permits and plan checks. Once this has been done it shows average annual revenue of $1.19M and an average annual expenditure of $1.17M. This would suggest an annual average surplus of about $20k, which would be considered a fairly appropriate margin of error, since the projections are just that—projections, not actuals.


Annual BPF/PC Rev vs. Bldg Costs
Millions
$2.5
$2.0
$1.5
$1.0
$0.5
$0.0
FY2001
FY2002
FY2003
FY2004
FY2005
FY2006
FY2007
FY2008
FY2009
FY2010 YTD
FY2010 Projection
FY2011 Projection
FY2012 Projection
FY2013 Projection
FY2014 Projection
FY2015 Projection
BPF/PC Revenues
Avg Revs $1.19M
Avg Costs $1.17M
BPF/PC Total Costs

Projections for expenditures are fairly easy, considering inflationary increases as well as other typical increases to materials and supplies over time. Revenue projections are based on past historical data—taking a high and low projection and average that out over the next five years. It can't be determined with exact certainty what BP revenues are going to look like due to the volatility of the housing construction and credit markets, which is why an average of high and low projections is necessary. The average revenue projection increases over the next five years, but it takes awhile for it to equal the same amount as the expenditures. BP/PC fee revenues are not expected to bounce back to the levels seen during the middle to early part of the decade, due to the lack of large condo-hotel and commercial building construction activity in the foreseeable future. As Park City marches closer and closer to build out, fee-based construction activity will plateau in the coming years and its associated revenues will eventually become fairly modest. As construction activity dwindles in the future it will also be important to examine service levels provided by the City with regards to BP/PC fees.

With this data it could be assumed that the BP/PC fee revenue roughly equates to the same amount of BP fee expenditures over a fairly large swath of time. One might point to the large surpluses during the middle part of the decade and come to a different conclusion, while others may point to the huge deficit now and be inclined to increase BP/PC fees dramatically in order to recover costs. However, it's encouraged to look at these fees and services over a broader period in order to come to more common sense understanding. Furthermore, it is suggested that the City examine these fees more frequently in order to determine in the near future if the revenues/expenses are at appropriate levels. Currently, it would appear that the BP/PC fee is at an appropriate level, while taking into account future year's construction activity.

Recommendation:

The Budget and Building Departments recommend that Permit Fee Multiplier stay at 0.0075 and not use the ICC Fee Table. The Budget Department also recommends that the multiplier be scrutinized every few years in order to ensure that the percentage rate is appropriate. The Budget and Building Departments recommend that the Plan Check Fee stay at 65% of the Building Permit Fee per State Code.

Plan Check Deposits

Currently, there's no recommendation to increase the plan check fee beyond 65% of the building permit fee (state-recommended). However, one thing that needs to be increased is the deposit amounts for the plan reviews—the deposit amounts haven't increased in quite some time. "On buildings requiring plan checks at the time of building permit application, the applicant shall pay a deposit, which is established by resolution. This deposit shall be credited against the plan check fee when the permit is issued. This deposit is non-refundable in the event permits are not issued."[9] The deposit amounts are required in case a plan review doesn't go to permit. In rare, but costly cases, some plan reviews have never gone to permit, after the entire plan review was done. This isn't a very common occurrence, but if it does happen it can cause a serious burden on the plan checkers without any sufficient compensation to show for it. A fairly large building can bring in between $10-$20k in plan check fees, but if it never goes to

[9] Park City Municipal Code, 11-12-3.

permit the City only recovers a fraction of the cost—at the most $1,000. Staff recommends that the fees be increased. Again, the deposit is credited against the plan check fee when the permit is issued.

Recommendation:

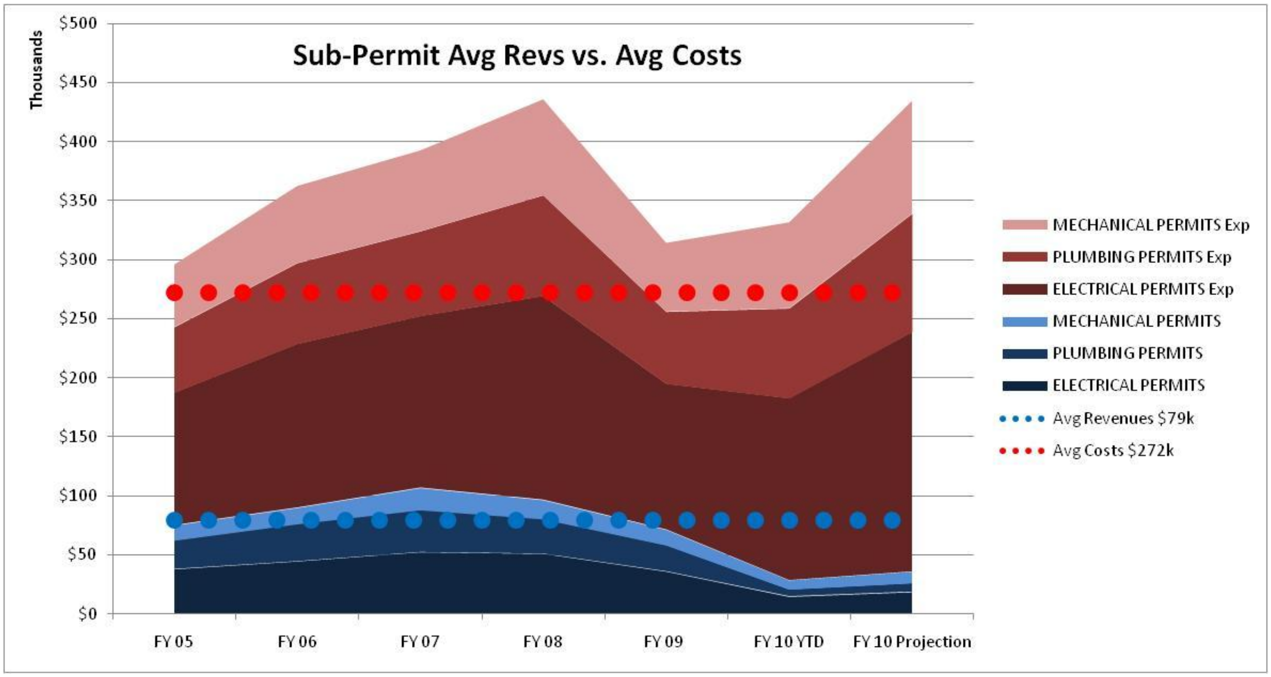
The Budget and Building Departments recommend that the Plan Check Fee Deposit amounts increase as follows:

Plan Check Fee Deposit	Current Fee	New Fee
less than 3 units/3,000 sq ft	$200	$500
up to 6 units/6,000 sq ft	$500	$1,000
in excess of 6 units/6,000 sq ft	$1,000	$2,000

Sub-Pemit Fees

Sub-Permit fees are those associated with electrical, plumbing, and mechanical inspections. There are over 40 different kinds of sub-permits and are considered separately from the Building Permit Fee. Electrical inspections include, among other things, the inspection of the "construction, installation, and repair of all electrical light or power wiring, fixtures, appliances or apparatus installed."[10] Plumbing inspections include, among other things, the inspection of the "construction, installation and repair of all plumbing fixtures and appliances and apparatus connected with a plumbing system."[11] Mechanical inspections include, among other things, the inspection of the "design, use and occupancy, location and maintenance of building and structures."[12] There are many different methodologies for calculating each sub-permit such as square footage or number of BTUs, amps, and fixtures, etc. Making it nearly impossible to determine exact costs associated with each fee. However, it is possible to determine costs associated with the different category of sub-permits. Overall, sub-permits revenues are on average basis equal to around $79k annually, whereas average annual costs are around $272k.

[10] Park City Municipal Code, 11-8-1 (B).
[11] Park City Municipal Code, 11-7-1 (B).
[12] Park City Municipal Code, 11-4-1.



Below is a table demonstrating average annual costs vs. average annual revenues by category:

Permit Type	Avg Rev	Avg Cost
ELECTRICAL PERMITS	$39,909.77	$138,578.50
PLUMBING PERMITS	$25,163.86	$68,446.27
MECHANICAL PERMITS	$14,223.30	$65,430.82

Recommendation:

The Budget and Building Departments recommend that the Sub-Permit fees are increased. Below is the average increase per permit type. (For all sub-permit increases see the appendix.)

Permit Type	Avg Rev per Permit	Avg Cost per Permit	Avg New Rev
ELECTRICAL PERMITS	$45.15	$178.94	$74.88
ELECTRICAL ISSUANCE FEE	$10.00	$38.25	$20.00
PLUMBING PERMITS	$39.01	$294.14	$62.73
PLUMBING ISSUANCE FEE	$10.00	$76.42	$20.00
MECHANICAL PERMITS	$25.70	$220.71	$43.26
MECHANICAL ISSUANCE FEE	$10.00	$85.88	$20.00

Staff's fee increase recommendation for each permit is in the appendix.

Other Inspection Fees

Sometimes inspectors have to go above and beyond the regular permit fee process in order to inspect a building, for just a case there are hourly fees associated with different kinds of other inspections:

Other Inspection Fees	Amounts/hour
Inspections outside normal business hours*	$75
Re-inspection	$75
Additional inspection services*	$75
For us of outside consultants for plan reviews, inspections or both	Actual Cost**

*Or the total hourly cost to the City, whichever is greatest. This cost shall include supervision, overhead, equipment, hourly wages and fringe benefits of the employee involved. These services will be offered based on inspector availability.

**Actual cost includes administrative and overhead costs.

Recommendation:

Calculations have determined that the hourly cost associated with other inspections is fairly close to the fee. Thus, the Budget and Building Departments recommend to keep this fee the same. The Budget Department also recommends that inspectors charge this fee more frequently in order to recoup costs in this area. Many times this fee is administered based on an inspector's discretion. At times, the hassle in administering the fee is viewed as inconvenient and not bothered with.

Fire Permit Fees

Fire permits deal with anything associated with fire or something combustible. The permit fees associated with Uniform Fire Code Fee are mostly set at appropriate levels. The two exceptions to this are the Explosive or Blasting Agent and Fireworks fees. The work (costs) associated with these fees takes considerable more time due to the sites having to be prepared, notifications to the fire and police departments, length of inspections as well as the review of site plans.

Recommendation:

The Budget and Building Departments recommend increasing the Explosive or Blasting Agents fee from $45 per permit to $150. It is also recommended to increase the Fireworks Fire Permit fee from $30 to $120. Finally, it's recommended that the Issuance Fee be increased from $10 to $20, just like all the other sub-permit fees.

Administrative Code Enforcement (ACE) Fees

The ACE fees were established about four years ago based upon comparisons with other taxing entities. ACE Fees are considered fees, but act as fines. "Whenever any enforcement official determines that a violation of the City Code or applicable state code has occurred or continues to exist, the enforcement official may choose to proceed under the ACE program."[13] Park City's ACE fees are still at appropriate levels after comparison with other taxing entities. Since the overall intent is not to recover costs, but to dissuade code violations, the recommendation is not to change the violation fee amounts. However, it's recommended to change the Hearing Request (Appeal) Fee from $365 to 30% of the violation. The line of reasoning here is that the City should not be dissuading individuals from appealing by having a higher set fee. For example, if a fee was issued for $100 and the violator wanted to appeal, than it would only cost them $30 in order to do so. Under the current system $100 fine would add $365 just to appeal the fee. Also, taxing entities that issue traffic violations usually don't charge for a fee to appeal.

In addition, the City reserves the right to seek reimbursement for the cost of the appeal if it is denied. This practice has happened before at the City. In fact, the Municipal Code allows the Administrative Law Judge to "increase or decrease the total amount of civil fees and costs that are due pursuant to the City Fee Schedule."[14] The Municipal Code goes on to say that, "Whenever actual costs are incurred by the City to enforce the City Code and applicable state codes, such costs may be assessed against the responsible person."[15]The total cost would then be calculated and determined by the Administration Law Judge. Also, the fee associated with reimbursing for appeals that are denied must be added to the notice.

Recommendation: The Building, Budget, and Legal Departments recommend keeping the ACE violation fees as are for now. However, the Budget and Legal Departments recommend changing the Hearing Request (Appeal) Fee from $365 per appeal to 30% of the violation as well as reserving the right to recover costs associated with the appeal if it is denied.

Planning Fees

It's a lot easier to calculate expenditures per application for planning fees. Because of this we can get an average cost per application and compare it with the actual fee. There are occasions, however, where it becomes difficult to get an average cost per application due to the varying levels of per unit equivalents tied to different applications. For example, a conditional uses permit costs $720 no matter the square footage of the project, which means we can get an average cost per application. However, a subdivision application starts at $180 and then increases depending on how many units there are in the project. This means that we need to calculate the average revenue per application based on past historical data. In the case of a subdivision application the fee is $180, but the average revenue is $990.

In conjunction with the Planning Department the study was able to determine the average cost per service. In most cases the average cost per service was higher than the current fee (or average fee amount). There were a few cases where the cost was higher than the fee. Recommendations were made

[13] Park City Municipal Code, 11-19-2, (B), (1).
[14] Park City Municipal Code, 11-19-2, (V), (2).
[15] Park City Municipal Code, 11-19-4, (B), (1).

by the Planning Department that were done in accordance with the average costs determined by the Budget Department. Planning fees haven't been updated for about 10 years and the Planning department would like to recover costs associated with those fees quickly. The City is not trying to recover 100% of the costs, but only about half. The Budget Department recommends a phased approach over 3 years that would increase the fees in smaller increments over time, during a down economy.

Staff's fee increase recommendation for each application is in the appendix.

Engineering Fees

Construction Inspection Fee

Prior to receiving a building permit, a notice to proceed or plat approval, developers pay a fee equal to 6% of the estimated construction cost as determined by the City Engineer.[16] In projects with private street systems that limit city inspection requirements to water, drainage, and other improvements (not streets), the inspection fee is 4% of the estimated construction cost of the improvements to be inspected by the City Engineer. The city, upon notice to the developer, may charge the developer a fee of $25 per man-hour to recoup costs to the city above the fee charged. The city may also charge $25 per man-hour for re-inspections of work previously charged.

It was fairly difficult to research this fee out due to the few occurrences of the service over the last several years as well as the lack of electronic copies available. Also, in the past, the Engineering Department contracted out the inspection services, whereas this fiscal year the Building Department did the inspections. After considerable research it was determined that over the last several years expenses associated with the Construction Engineering Fee equate to an average about 8.8% of the total construction value. This percentage is fairly in line with the 4% to 6% charged by the City. However, it must be noted again that these expenses are based on contracted out inspection services, which is no longer practiced. After researching other municipalities it appears that the City's fees are in line with national rates, however, since the City has decided to do more of the inspections in-house it is recommended to look at these fees again in a few years once more. Again, the data will be largely available through electronic means, which isn't the case currently.

Recommendation: The Budget and Engineering Departments are recommending to keep the fee as is for now with plans to look at in the next few years, due to the change in inspections methods as well as increased digital information in the future.

It is also recommended to increase the cost of the re-inspections from $25 to $75 per hour in accordance with the associated costs.

[16] Park City Municipal Code, 11-12-11.

Permit to Work in Public Right-of-Way

The City requires a permit for anyone to perform work within the public right-of-way so that it can ensure its roads, sidewalks, etc., are being used appropriately, and to maintain the rights-of-way in proper condition, and free from unnecessary encumbrances. City staff and the City Engineer also document the all utility work being installed, maintained or repaired so that there is a record of the City's infrastructure. The fee is set at $100; the cost associated with the fee has determined to be $205 per permit. The recommendation is to increase the fee to $200.

Recommendation: The Budget and Engineering Departments recommend increasing the Permit to Work in Public Right-of-Way from $100 to $200.

Street Cut Guarantee

The Street Cut Guarantee is essentially a reimbursable deposit that goes into a trust and agency balance account. It's not considered revenue because the City must pay back the guarantees if there aren't any construction issues after the development. The guarantee pays for right-of-way disturbances due to construction after one year. These could include pot holes, road bubbling, etc. The costs associated with having to repair a street for just such a disturbance would likely cost more than $2,000, which would include materials, supplies, and labor. It would still probably be on the conservative end compared to other taxing entities, but it would be closer to a better cost recovery ratio. The guarantee is set at $1,000 per permit. It is recommended that the Street Cut Guarantee move from $1,000 to $2,000.

Also, it must be noted that there appears to be over $300k is the trust and agency fund that is unaccounted for. In other words, the City isn't quite sure who to pay the guarantees back to. It's been suggested by the Finance Department to include in the ordinance a provision that would allow for the City to claim these liabilities after a certain number of years (maybe 3 to 5). The Finance Department has said that this is how it's done in other cities (that were from outside the state). It's unclear at this time what taxing entities have done in Utah, and more importantly what State Code mandates. Also, more research needs to be done in regards these individual unclaimed liabilities.

Recommendation: The Budget and Engineering Departments recommend increasing the Street Cut Guarantee from $1,000 to $2,000. The Budget and Finance Department recommend researching further the unclaimed liabilities from all financial guarantees in order to figure out whether or not the City can claim these after a certain number of years.

Appendix

Building & Engineering Recommended Fee Increases

BPE Services	Current Fee	Avg Fee Amt	Proposed Fee	Avg Annual Rev (Projection)	Avg Annual Rev Increase	% Fee Increase
Building Permit	0.75%	$5,637	0.75%	$246,343	$253,733	3.0%
Plan Check Fee	65%	$3,671	65%	$160,123	$164,926	3.0%
Electrical Sub Permits						
Electrical Issuance Fee	$10	$10	$20	$7,701	$15,403	100.0%
New and Addition	$0.03	$116	$0.04	$5,570	$7,426	33.3%
Remodel or Service Change	$20	$20	$30	$12,213	$18,320	50.0%
Temporary Power: on pole or underground	$20	$20	$30	$437	$656	50.0%
Total Commercial Service	$20	$54	$30	$1,343	$2,336	73.9%
Amps Sub or Branch Circuits 0-30	$1	$59	$2	$3,708	$7,415	100.0%
Amps Sub or Branch Circuits 31-60	$2	$10	$3	$279	$419	50.0%
Amps Sub or Branch Circuits 61-100	$3	$26	$4	$275	$367	33.3%
Plumbing Sub Permits						
Plumbing Issuance Fee	$10	$10	$20	$6,224	$12,448	100.0%
Plumbing Fixtures	$4	$48	$7	$15,543	$27,201	75.0%
Water Heater and/or Vent	$7	$10	$10	$2,882	$4,117	42.9%
Industrial Water Pretreatment Interceptor	$7	$8	$10	$105	$149	42.9%
Water Piping	$7	$7	$10	$414	$592	42.9%
Alteration of Drainage	$7	$7	$10	$157	$224	42.9%
Lawn Sprinkler	$7	$7	$15	$75	$160	114.3%
Vacuum Breakers	$5	$0	$7	$0	$0	0.0%
Mechanical Sub Permits						
Mechanical Issuance Fee	$10	$10	$20	$4,992	$9,984	100.0%
Furnace	$10	$16	$15	$2,709	$4,064	50.0%
Suspended Heater & Vent	$10	$30	$15	$411	$616	50.0%
Wall Heater & Vent	$10	$18	$15	$128	$192	50.0%
Floor-Mounted Heater & Vent	$10	$80	$15	$213	$320	50.0%
Cooling, Absorption	$8	$12	$15	$623	$1,168	87.5%
Boiler or Compressor up to 3 HP/up 36k BTU	$10	$14	$15	$400	$600	50.0%
Boiler or Compressor 3-15 HP/36k-180k BTU	$15	$21	$20	$1,216	$1,621	33.3%
Boiler or Compressor 15-30 HP/180k-360k BTU	$20	$30	$25	$384	$480	25.0%
Boiler or Compressor 30-50 HP/360k-600k BTU	$30	$54	$40	$144	$192	33.3%
Boiler or Compressor 50 HP & up/600k BTU & up	$50	$100	$70	$427	$597	40.0%
Air Handling Unit	$5	$29	$15	$1,067	$3,200	200.0%
Evaporate Cooler	$7.50	$20	$15	$64	$128	100.0%
Vent Fan	$3	$18	$5	$832	$1,387	66.7%
Vent System	$4.50	$8	$10	$286	$635	122.2%
Hood Exhaust	$4.50	$10	$25	$235	$1,307	455.6%
Incinerator	$10	$0	$25	$0	$0	0.0%
Comm. Incinerator	$30	$0	$50	$0	$0	0.0%
Others not listed	$5	$0	$15	$0	$0	0.0%
Fire Permits						
Fire Issuance Fee	$10	$10	$20	$1,813	$3,627	100.0%
Aircraft Refueling Vehicles	$30	$30	$30	$0	$0	0.0%
Bonfires or Rubbish Fires	$10	$10	$10	$27	$27	0.0%
Burning in Public Places	$10	$10	$10	$37	$37	0.0%
Excavations Near Flammable	$15	$15	$15	$0	$0	0.0%
Explosives or Blasting Agents	$30	$0	$150	$0	$0	0.0%
Fireworks	$30	$30	$120	$272	$1,088	300.0%
Flammable Liquids	$15	$15	$15	$24	$24	0.0%
Flammable or Combustible Liquid Tanks	$15	$15	$15	$648	$648	0.0%
Garages	$15	$15	$15	$8	$8	0.0%
Liquefied Petroleum Gases	$15	$15	$15	$448	$448	0.0%
Places of Assembly	$15	$15	$15	$0	$0	0.0%
Others not listed	$15	$15	$15	$1,208	$1,208	0.0%
Tent/Air Structure Sq Ft	$0.13	$269	$0	$16,650	$16,650	0.0%
Trailers Total Sq Ft	$0.13	$70	$0	$186	$186	0.0%
				$498,845	**$566,335**	**13.5%**
ACE Fees						
Code Enforcement Fine	$25	$129	$25	$11,515	$11,515	0.0%
Reinspections	$75	$75	$75	$120	$120	0.0%
Re-occurance	$250	$250	$250	$3,467	$3,467	0.0%
Ace Hearing	$365	$145	$365	$155	$155	0.0%
Late Payment Fee	$100	$0	$100	$0	$0	0.0%
				$15,256	**$15,256**	**0.0%**
Engineering Fees						
Construction Inspection Fees	4%-6%	$45,891	4%-6%	$91,782	$91,782	0.0%
Permit to Work in Public Right-of-Way	$100	$100	$200	$2,293	$4,587	100.0%
				$94,075	**$96,368**	**2.4%**

Planning Recommended Fee Increases

Application Type	Current Fee	Avg Fee Amt	Avg Cost of Service	Plan Dept Rec	1st Year Increase	2nd Year Increase	3rd Year Increase	Avg Annual Rev	New Avg Rev 1st Year	New Avg Rev 2nd Year	New Avg Rev 3rd Year
Administrative Permit	$100	$100	$308	$200	**$150**	**$200**	**$250**	$150	$225	$300	$375
Conditional Use Permit Review	$720	$720	$1,753	$1,000	**$860**	**$1,000**	**$1,140**	$15,408	$18,404	$21,400	$24,396
Conditional Use Permit - Steep Slope	$350	$350	$2,426	$1,000	**$680**	**$1,000**	**$1,330**	$5,740	$11,152	$16,400	$21,812
Conditional Use Permit - Administrative	$100	$100	$462	$250	**$180**	**$250**	**$330**	$3,860	$6,948	$9,650	$12,738
Appeal - to Board of Adjustment	$365	$365	$1,073	$500	**$430**	**$500**	**$570**	$1,095	$1,290	$1,500	$1,710
Appeal - to City Council	$365	$365	$2,012	$500	**$430**	**$500**	**$570**	$1,338	$1,577	$1,833	$2,090
Appeal - to Planning Commission	$100	$263	$1,484	$500	**$300**	**$500**	**$700**	$526	$789	$1,052	$1,315
Appeal - to Historic Preservation Board	$100	$100	$2,148	$500	**$300**	**$500**	**$700**	$200	$600	$1,000	$1,400
Certificate of Appropriateness of Demolition	$400	$400	$36	$300	**$300**	**$300**	**$300**	$400	$300	$300	$300
Determination of Significance	$200	$200	$1,149	$300	**$250**	**$300**	**$350**	$1,680	$2,100	$2,520	$2,940
Grant Application		$0	$708	$0	**$0**	**$0**	**$0**	$0	$0	$0	$0
Historic Design Review - up to 1,000 sq ft	$185	$185	$259	$200	**$190**	**$200**	**$210**	$1,110	$4,275	$4,500	$4,725
Historic Design Review - excess of 1,000 sq ft	$200	$200	$1,360	$750	**$480**	**$750**	**$1,030**	$7,400	$10,800	$16,875	$23,175
Architectural Review - Historic Commercial	$200	$200	$192	$200	**$200**	**$200**	**$200**	$1,409	$1,451	$1,494	$1,539
Architectural Review - New Residential	$200	$200	$152	$200	**$200**	**$200**	**$200**	$1,387	$1,429	$1,471	$1,516
Architectural Review - Mutli-Family/Commercial	$550	$550	$211	$100	**$100**	**$100**	**$100**	$4,172	$6,258	$8,344	$10,430
Architectural Review - Residential Additions	$100	$100	$122	$100	**$100**	**$100**	**$100**	$585	$603	$621	$639
Architectural Review - Commercial Additions	$440	$440	$167	$100	**$100**	**$100**	**$100**	$3,337	$5,006	$6,675	$8,344
Lot Line Adjustment - Administrative	$290	$290	$981	$300	**$300**	**$300**	**$310**	$653	$675	$675	$698
Plat Amendment	$450	$441	$1,194	$750	**$600**	**$750**	**$900**	$16,418	$24,627	$32,836	$41,045
Subdivision	$180	$990	$1,307	$250	**$220**	**$250**	**$290**	$2,310	$3,465	$4,620	$5,775
Condominium Conversion	$450	$12,900	$1,225	$450	**$450**	**$450**	**$450**	$98,040	$100,981	$104,011	$107,131
Record of Survey	$450	$1,350	$1,575	$450	**$450**	**$450**	**$450**	$6,075	$6,257	$6,445	$6,638
Amendment to Record of Survey	$100	$3,075	$1,452	$100	**$100**	**$100**	**$100**	$15,375	$15,836	$16,311	$16,801
Modification/Extension of Approval	$250	$250	$680	$300	**$280**	**$300**	**$330**	$2,250	$2,520	$2,700	$2,970
Annexation Petition	$3,300	$3,300	$8,316	$5,000	**$4,150**	**$5,000**	**$5,850**	$5,500	$6,917	$8,333	$9,750
General Plan Amendment	$3,475	$3,475	$0	$2,000	**$2,000**	**$2,000**	**$2,000**	$0	$0	$0	$0
Land Management Code Review	$2,000	$2,000	$1,726	$2,000	**$2,000**	**$2,000**	**$2,000**	$4,667	$4,667	$4,667	$4,667
Zone Change	$1,250	$1,250	$1,632	$1,500	**$1,380**	**$1,500**	**$1,630**	$1,250	$1,380	$1,500	$1,630
Master Planned Development	$390	$17,663	$4,617	$500	**$450**	**$500**	**$560**	$77,718	$116,576	$155,435	$194,294
Pre-Master Planned Development	$610	$610	$1,809	$1,000	**$810**	**$1,000**	**$1,200**	$2,440	$3,240	$4,000	$4,800
Sign Permit - Individual	$56	$65	$228	$99	**$80**	**$100**	**$120**	$1,150	$1,408	$1,760	$2,112
Sign Permit - w/ Master Sign Plan	$35	$35	$228	$99	**$70**	**$100**	**$130**	$1,513	$2,996	$4,280	$5,564
Sign Permit - Temporary	$20	$20	$216	$50	**$30**	**$50**	**$60**	$582	$864	$1,440	$1,728
Master Sign Plan	$110	$110	$548	$250	**$180**	**$250**	**$320**	$264	$432	$600	$768
Amendment to Master Sign Plan	$56	$56	$184	$100	**$80**	**$100**	**$120**	$167	$240	$300	$360
Special Exception	$365	$365	$1,265	$750	**$560**	**$750**	**$940**	$1,898	$2,912	$3,900	$4,888
Variance	$365	$365	$1,937	$750	**$560**	**$750**	**$940**	$1,898	$2,800	$3,750	$4,700
	$18,876.65		**$47,142.58**	**$23,397.52**				**$289,964.07**	**$372,000**	**$453,499**	**$535,762**
	$510.18			**49.63%**					**28.29%**	**21.91%**	**18.14%**

Costs Associated with Building Services (no overhead, materials, and supplies)

Application Type	Plan Checkers	Inspectors	Administration
Plan Review/Inspections			
Single Family	$67,841	$76,390	$14,773
Duplex	$8,651	$11,822	$4,454
Multi-Family	$48,326	$66,484	$10,683
Commercial Buildings	$101,357	$162,856	$19,499
Industrial Buildings	$7,693	$12,737	$4,365
Residential Garages	$6,792	$5,456	$3,762
Relocation and Demolition	$2,513	$9,104	$3,709
Swimming Pools	$3,984	$20,926	$4,741
Signs	$5,123	$30,020	$5,602
Other*	$2,247	$15,533	$4,142
Alterations and Additions to Dwellings	$45,215	$25,463	$12,304
Alterations and Additions to Commercial Buildings	$27,182	$28,240	$9,211
Alterations and Additions to Industrial Buildings	$12,378	$11,827	$4,767
Sub Permits			
Mechanical	$4,221	$6,366	$12,209
Plumbing	$5,272	$6,366	$12,209
Electrical			
Up to 1,000 sq ft	$2,003	$1,819	$6,539
Between 1,000 and 3,000 sq ft	$3,044	$10,913	$6,539
Between 3,000 and 10,000 sq ft	$1,996	$3,647	$4,649
Between 10,000 and 20,000 sq ft	$209	$1,829	$0
In excess of 20,000 sq ft	$523	$4,572	$0
Insepctions outside normal business hours	$207	$1,819	$0
Re-inspections	$2,403	$20,990	$0
Fire Permits	$3,277	$7,290	$12,209
Special Event Inspections	$4,619	$28,191	$12,209
Business License Inspections	$5,728	$29,125	$20,428
Other:	$7,706	$26,373	$0
Other:	$5,311	$5,456	$0
Other:	$23,916	$5,456	$0
	$84,172	$91,430	$50,897

*Other Construction - Excavations, footings and foundations, retaining walls, demolitions, renewal of building permits, ski lifts and all other construction that does not apply to one of the other categories.

Average Costs Associated with ACE Fees

ACE Fee	Avg Fee	Avg Rev	Avg Cost
Avg ACE Fee	$140	$172	$750

Average Percentage Costs Associated with the Construction Engineering Fee vs. Average Percentage Revenues

	Expenditures	Revenues	
Project	**%**	**%**	**Est. Const Costs**
Project 1	22.6%	6.0%	$196,450.00
Project 2	8.7%	6.0%	$60,980.00
Project 3	2.6%	6.0%	$387,466.67
Project 4	3.0%	6.0%	$2,473,500.00
Project 5	26.4%	6.0%	$124,508.00
Project 6	2.8%	6.0%	$125,720.00
Project 7	3.7%	6.0%	$2,654,376.00
Project 8	0.6%	4.0%	$143,675.00
Average	8.8%	5.8%	$6,166,675.67

Average Costs Associated with the Engineering Inspection Fee

Application Type	Current Fee	Avg Fee Amt	Avg Cost of Service
ENGINEERING INSPECTION FEE	$100	$100	**$205**

Costs per Hour Associated with Planning Fees (some overhead, no materials/supplies)

	Planning/hr		Bldg/hr				
Application Type	Adm	Avg PD hr	Adm	Insp	Avg Bldg hr	Legal	Eng
Administrative Permit	$14	$240.06					
Conditional Use Permit Review	$28	$1,303.29				$30.48	$32.78
Conditional Use Permit - Steep Slope	$28	$1,813.16				$45.72	$32.78
Conditional Use Permit - Administrative	$14	$360.60					
Appeal - to Board of Adjustment	$70	$742.97				$60.96	$32.78
Appeal - to City Council	$28	$1,474.92				$60.96	$32.78
Appeal - to Planning Commission	$28	$1,063.68				$60.96	$32.78
Appeal - to Historic Preservation Board	$56	$1,613.75				$60.96	
Certificate of Appropriateness of Demolition	$28						
Determination of Significance	$42	$865.43				$30.48	
Grant Application	$140	$552.38					
Historic Design Review - up to 1,000 sq ft	$11	$202.02					
Historic Design Review - excess of 1,000 sq ft	$59	$1,061					
Architectural Review - Historic Commercial	$14	$149.66					
Architectural Review - New Residential	$14	$118.87					
Architectural Review - Mutli-Family/Commercial	$14	$164.64					
Architectural Review - Residential Additions	$14	$95.22					
Architectural Review - Commercial Additions	$14	$129.95					
Lot Line Adjustment - Administrative	$42	$749.45				$15.24	
Plat Amendment	$28	$818.20				$30.48	$81.94
Subdivision	$28	$890.55				$30.48	$98.33
Condominium Conversion	$28	$842.62				$30.48	$81.94
Record of Survey	$28	$1,099.11				$30.48	$98.33
Amendment to Record of Survey	$28	$1,036.30				$30.48	$65.55
Modification/Extension of Approval	$28	$483.08				$30.48	$16.39
Annexation Petition	$42	$6,422.65				$60.96	
General Plan Amendment	$28						
Land Management Code Review	$84	$1,297.91				$15.24	$32.78
Zone Change	$42	$1,226.36				$45.72	
Master Planned Development	$28	$3,440.25				$60.96	$98.33
Pre-Master Planned Development	$28	$1,314.55				$30.48	$65.55
Sign Permit - Individual	$14	$140.52	$15.14	$21.99	$37.14		
Sign Permit - w/ Master Sign Plan	$14	$141.02	$15.14	$21.99	$37.14		
Sign Permit - Temporary	$14	$131.00	$15.14	$21.99	$37.14		
Master Sign Plan	$14	$427.63					
Amendment to Master Sign Plan	$14	$143.39					
Special Exception	$84	$939.23				$30.48	$16.39
Variance	$84	$1,463.76				$30.48	$16.39

Park City Municipal Corporation

2010

Fleet Assessment Study

Prepared by the Budget, Debt, & Grants Department

Executive Summary

In light of recent concerns about the health of the CIP Rolling Stock Fund (RSF) and in efforts to reduce overall city costs, a comprehensive analysis was conducted of the City fleet. This included analysis of the fleet replacement schedule, fleet policy, utilization data (including take-home usage), and City department vehicle needs.

Summary Findings *(the following findings represent the three largest problems facing the fleet fund & RSF):*

1. The RSF currently receives an annual budget of $550,000. It is anticipated that with no changes in the fleet schedule this transfer will need to grow by $1.5 million over the next 10 years in order to maintain an adequate fund balance to cover costs.
2. Of the 97 passenger fleet vehicles (all vehicles excluding heavy equipment) 34 percent are considered underutilized (less than 12,000 miles per year) and 22 percent are considered severely underutilized (less than 4,800 miles per year).This equates to a total of 56 percent of the City's passenger fleet as underutilized.
3. Take-home miles represent a large proportion of total City fleet expenditures. Fifty–four percent of Public Safety vehicle miles (from the housing allowance boundary to vehicle destination) can be attributed to take-home travel (Seventy-two percent from the police station to vehicle destination). This represents an annual amount in FY2009 of approximately $166,000 in gas, maintenance, and vehicle replacement cost ($229,000 from station to destination). In addition, the City's take-home policy for non-public safety vehicles is unclear on use and mileage restrictions.

Fiscal Year 2011 Recommendations *(The following items are recommended to correct inefficacy in the current City fleet in FY 2011):*

1. Building Department Vehicles (severe underutilization)
   - FY2011 - Remove all but 2 vehicles, move to mileage reimbursement plan and Marsac Pool Option
2. Engineering Department Vehicle (severe underutilization)
   - FY2011- Remove underutilized vehicle
3. Streets Department (over-spec'd vehicle – Ford F450)
   - FY2011- Down grade vehicle to lower size requirement (Ford F250)
4. Marsac Executive Vehicle (underutilization)
   - FY2011- Remove Vehicle - move to mileage reimbursement plan and Marsac Pool Option
5. Racquet Club Vehicle (severe underutilization)
   - FY2011- Remove Vehicle - better utilize remaining recreation vehicles

Future Issues *(The following recommendations require additional research and planning. These recommendations will be evaluated during FY2011 and addressed in the FY2012 budget.) The following are some possible preliminary recommendations:*

1. Public Safety Vehicles* - (high gas, maintenance, and replacement costs associated with take-home miles – 53 % (53% from district boundaries, 72% from Police Station) of Public Safety miles occur in take-home travel)
   - Create Public Safety Pool (15 Chevy Tahoes, 2 Chevy Trail Blazers) (FY2012)
   - Liquidate remaining public safety vehicles (16 Chevy Tahoes, 1 Chevy Trail Blazer) (FY2012)

- Trade down of public safety vehicles is not recommended because this will lead to an over-spec'd fleet (vehicles which are too big for job requirements)
- No new vehicle replacement in FY2011
- Because take-home vehicle use may significantly affect police officer recruitment efforts, it will be necessary to reevaluate Police Officer compensation and recruitment needs as part of pay plan process in FY2012. This would possibly include a car allowance option as part of Police Officer compensation.

*As outlined in the Fleet Assessment Report moving from a take home system to a pool system represents a major shift in the police fleet organization. While it appears that a pool system would represent significant long-term savings, it would also result in losing external benefits typically associated with police take home vehicles.

It is recognized that creating a Public Safety Pool will require additional planning and coordination. Items that will need to be discussed include such things as schedule and shift evaluation, disposal of excess vehicles, potential pass-down vehicle issues, take home policy adjustment and adoption, potential parking issues, car allowance negotiation and pay-plan budget adjustments. Details and community impacts of this recommendation will be evaluated during FY2011 and addressed in the FY2012 budget.

2. Take-Home Policy (current policy on take-home vehicles is vague - no cost restrictions*)
   - Adopt and implement new take home policy for FY2012
   - Policy should limit take-home radius for all non on-call personnel (on-call personnel refers to City staff who are being paid an additional wage for on-call time). Take-home vehicles should be allowed only while employee is currently on-call
   - Public Safety and Public Works managers will be provided take-home vehicles as necessary to respond to emergency situations
   - On-call take-home vehicles should be limited to distances which facilitate reasonable on-call response times.

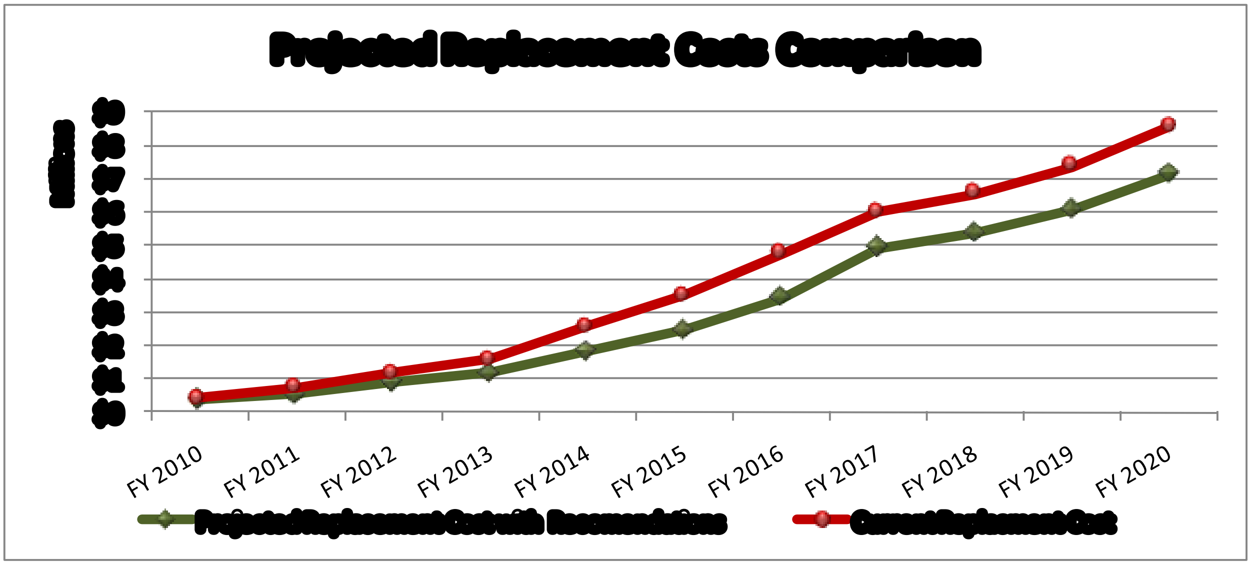
*The Public Safety departments take-home policy allows unlimited use of take-home vehicles within the housing allowance boundaries. The take-home policy specifies that take-home use beyond the boundaries are limited to a 35-mile radius. Officers beyond the boundaries, but within the 35-mile radius, are also charged a take-home fee of $50 per month. Take-home use beyond the 35-mile radius is not allowed except by permission of the City Manager. Officers beyond the allowed 35-mile radius are required to park their vehicles at a police station with in the 35-mile radius.

Additional Recommendations (may negatively affect service levels):

3. Building Maintenance (underutilization)
   - Remove one Building Maintenance vehicle (This may limit Building Maintenance's ability to independently work on separate job sites. Option will require reimbursement cost of personal vehicle use when necessary)

If both the FY 2011 recommendations and the future FY 2012 recommendations are implemented, the City will see an approximate savings of $1.36 million to the Rolling Stock CIP Fund (RSF) and $1.66

million in gas and maintenance costs reductions over the next ten years. Mileage reimbursement and car allowance offset costs will be an approximate $990,000 over ten years. This equates to a total potential ten-year savings to the General Fund of approximately $2.04 million while maintaining similar levels of service to the community.

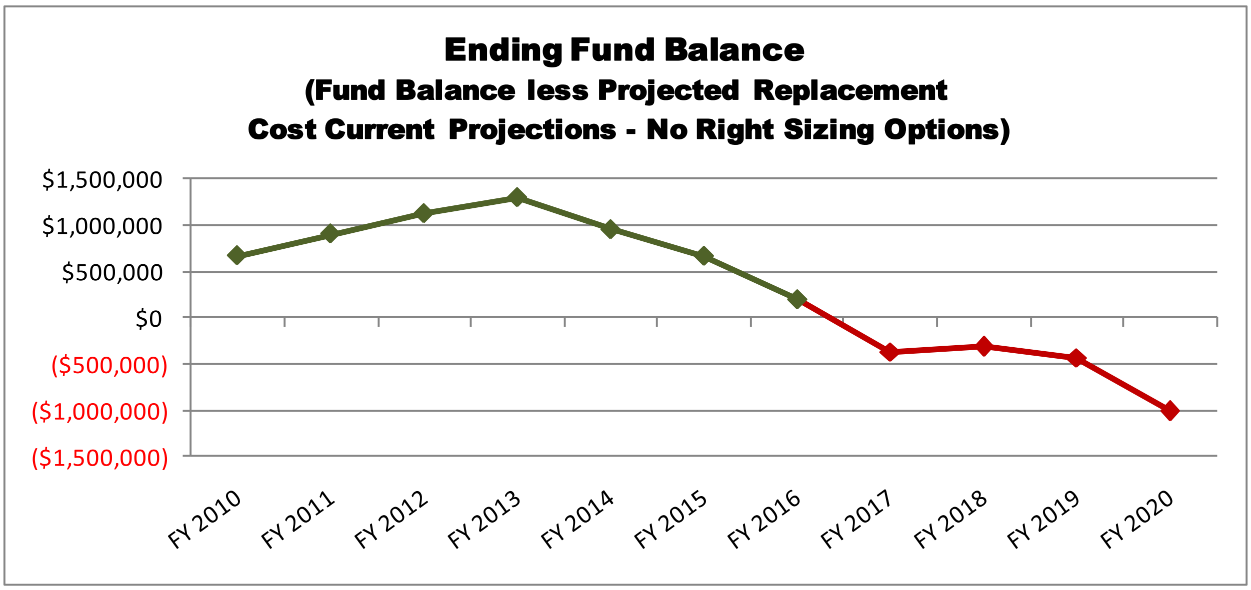


These recommendations will result in maintaining a $550,000 yearly transfer from the General Fund into the RSF CIP through FY 2020 (See Appendix A - Chart 3). These options will allow the RSF CIP to sustain a healthy fund balance with dedicated resources to cover emergency and other unanticipated vehicle replacement needs.

Introduction to the Fleet Study

Park City Municipal Corporation currently operates a fleet which consists of 227 motorized vehicles. This includes vehicles that provide operational function to the Transit, Water, Golf, and General Fund. Vehicles, which provide support to the General Fund, consist of public safety, street and park maintenance (including snow removal), building inspection, recreation department, building maintenance and various administrative support vehicles.

All City vehicles are included in the fleet replacement schedule. Vehicles operating in the General Fund are currently replaced with funds from the Capital Improvement Rolling Stock Fund (RSF). Like many CIP funds in the City, the RSF maintains a carry forward balance and an annual budget allotment. In previous years, the annual allotment was set at $550,000. When the transfer was originally determined, it was felt that this was a sufficient amount to maintain a healthy fund balance, which would allow flexibility and a fully operational fleet. In 2008, a review of the fleet replacement schedule revealed that due to a growing fleet and rising replacement costs, the fund would quickly become depleted and would likely show a deficit as early as FY 2016. The review also showed that due to high replacement costs in FY 2014 through FY 2017, deficits in FY 2020 would likely amount to over $1 million.



The fleet assessment study was conducted at the request of the City Manager in order to identify and address problems which may be driving up fleet replacement costs. This included analyzing city department needs, current fleet policy, vehicle utilization, and replacement projections. The goal of the fleet study is to identify possible fleet efficiencies, which will reduce increasing transfers from the General Fund while maintaining same or minimal reduction in levels of service.

Projected Replacement Costs and Rolling Stock Fund Balance

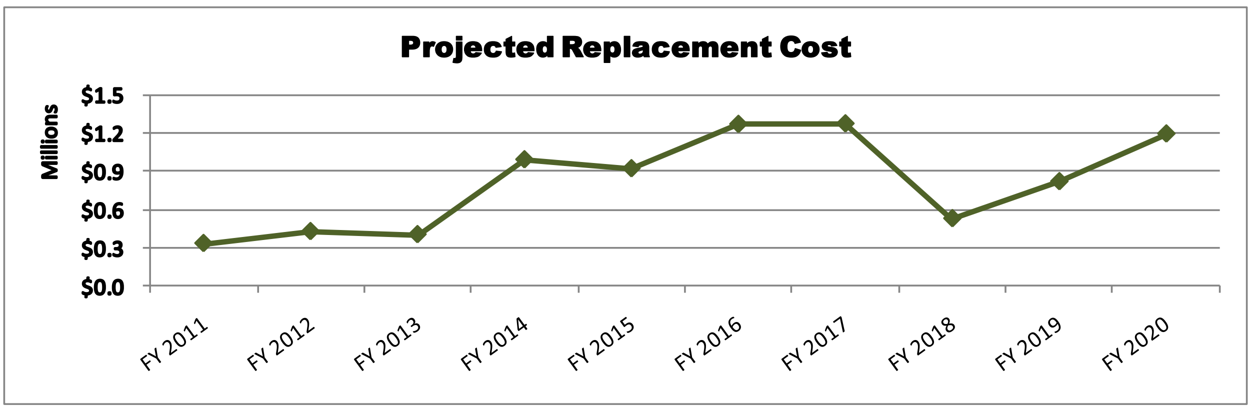
Projected replacement costs are determined in the fleet replacement schedule. The schedule is updated and maintained by the Fleet Operations Team Leader. The schedule consists of a listing of all city vehicles organized by department and fund. All vehicle listings include a make, year, and model number;

a class type (Passenger Class (L), Medium (M), Heavy (H), Construction Equipment (C), Bus (B), Turf (T), Police (P)); a service life number (in years); salvage value; and a projected replacement cost. The replacement cost is determined using the service life number, the current vehicle cost, vehicle class, and the year in which the vehicle is scheduled to be replaced. All future replacement costs are inflated at a rate consistent with their class type and replacement year. Passenger vehicles are inflated at 2.5 percent.

As an example: a police vehicle purchased in FY 2008, which has a service life of 6 years inflated at 2.5% annually, would cost approximately $37,000 to replace in FY 2014. This cost would also include a police vehicle class equipping cost of $5,500, which would also be covered by the RSF.

Vehicles are added to the replacement schedule when a new vehicle request is approved during the budget process. All new and vehicle change requests are reviewed and recommended by the Fleet Procurement Review Committee, as outlined in the Vehicle Procurement and Replacement Policy and Guidelines (appendix B).

Because fleet replacement costs are not evenly distributed from year to year, rather than determining an annual yearly contribution amount, an actual yearly projected cost is used in determining yearly fleet replacement needs (projected replacement cost in FY 2013 equals $400,000 while FY 2016 equals over $1.2 million). Heavy equipment replacements, such as snow removal vehicles, create particularly large replacement figures in FY 2016 and FY 2017.



The current yearly budget contribution ($550,000) falls short in two major ways; first, the budget amount does not have any inflationary factor (which naturally leads to underfunding) and second, the amount does not consider an ever increasing fleet size as new and higher class/duty vehicles are added over time.

Chart one (Appendix A) shows the current replacement schedule including RSF fund balance at the existing projected replacement costs and $550,000 annual budget contribution. Chart two shows the RSF fund balance with the required increased transfer. Chart three shows the fund projected with the recommended fleet reductions and no increased fund transfer.

Methodology

The primary goal of this study is to identify inefficiency and potential cost savings over time. The study focused on the following area:

- Updating and analyzing the fleet replacement schedule
- Evaluating current vehicle use – Utilization
- Evaluating ongoing department needs and service levels
- Evaluating the current City fleet policy

Updating and analyzing the fleet replacement schedule

As outlined above, the fleet replacement schedule shows individual vehicle detail of the entire City fleet including vehicle replacement cycles and projected costs. The Projected Replacement Cost to the RSF (as shown in Appendix A) is determined by adding all projected General Fund vehicle costs for a given year. As such, maintaining accuracy in the replacement schedule is essential. The first step in the fleet study was to update and adjust the schedule according to recent replacement trends. This includes such adjustments as lengthening yearly life span on police vehicles, entering the proper pass down vehicle moves, and correcting any common data entry errors.

While the fleet replacement schedule is a good indicator of future replacement needs, like all long-term expenditure projections, it cannot predict unanticipated circumstances. Drastic shifts in vehicle inflation rates, unanticipated vehicle replacement needs due to accident or engine failure, increased level of service, and other factors which may potentially drive up replacement costs, are not included in the schedule. In order to prepare for unanticipated replacement needs it has been the practice to retain a sufficient fund balance to cover any necessary costs.

Evaluating Current Vehicle Use – Utilization

> Oversight of vehicle utilization is a critically important best practice in managing a vehicle fleet. It represents a significant opportunity for cost avoidance: Disposal of late model vehicles due to accumulation of excessive mileage while, at the same time, operating aged vehicles receiving little usage is both inefficient and uneconomical in terms of fleet size required, high maintenance costs, and low disposal proceeds when the vehicle is sold.(Federal Fleet Guidelines)

Mileage, maintenance, and fuel records are tracked on each transportation and light equipment vehicle (referred to as passenger vehicles) in order to monitor vehicle use. Heavy equipment is tracked by hours of operation rather that total miles. Heavy equipment includes items such as snow removal equipment, backhoes, street maintenance and other like vehicles; transportation and light equipment (passenger vehicles) include police, building inspection, light and medium pickup trucks, and other like vehicles. This study uses mileage records to determine fleet utilization of transportation and light equipment vehicles.

The number of total miles a vehicle travels in a given year determines proper utilization mileage. This study adopted the common practices outlined in the Federal Fleet Guidelines manual, which states that a fleet vehicle that travels 12,000 miles in a year is properly utilized. It further states that vehicles, which travel less than 4,800 a year, are severely underutilized and should be subject to pooling options, department sharing, or removal from the fleet. The federal guidelines suggest that removing underutilized vehicles from the fleet and replacing them with mileage reimbursement of employees' personal vehicles could provide significant cost savings.

Evaluating Ongoing Department Needs and Service Levels

As part of the study, department heads in departments with large vehicle counts, were consulted regarding current vehicle usage and needs. Department vehicles, which received low utilization scores, were discussed in detail as well as service level impacts from pooling or removing vehicles. Each department head was asked to present any potential cost saving efforts, which they knew of, that could help promote fleet efficiencies and replacement costs. As mentioned in previous sections the goal of the study was to find cost reductions without sacrificing significant service levels.

Evaluating the Current City Fleet Policy

The City's fleet replacement and use policies, as found in the Practices and Policies Manual, was reviewed in order to evaluate whether fleet polices should be updated to reflect best practices. This will be discussed in detail in the "significant findings" section of this report.

Significant Findings and Recommendations

Utilization

After a careful analysis of the fleet's mileage and use records, it becomes apparent that Park City's passenger fleet suffers from extreme underutilization. Of the 97 passenger vehicles in the fleet (including enterprise funds) 34 percent are considered underutilized (less than 12,000 miles per year) and 22 percent are considered severely underutilized (less than 4,800 miles per year).This equates to a total of 56 percent of the City's passenger fleet as underutilized.

Looking at General Fund vehicles alone reveals that of the 24 non-public safety vehicles, all but four are considered underutilized. All nine Building Department vehicles are extremely underutilized with eight out of nine considered severely underutilized. The Building Department average yearly mileage total per vehicle is under 2,000, with several traveling less than 500 miles per year. The Engineering Department vehicle is also severely underutilized at less than 500 miles per year. The Marsac administrative vehicle and technical services vehicle both hover around the 5,000 mile mark, identifying them as used but still quite underutilized.

Public Safety vehicles appear to be properly utilized at first glance, but if take-home usage is removed from the equation, total miles spent on actual patrol and responses are relatively low. Removing take-home miles from police vehicles would place most if not all police vehicles in the underutilized or severely underutilized categories in terms of actual miles. A full analysis regarding take-home vehicles and the possible creation of a public safety motor pool will be discussed later in this report.

Department Needs

In meetings held with department heads of departments with large vehicle use, ongoing vehicle needs and vehicle utilization were discussed.

A utilization analysis showed that the majority of vehicles in the Public Works departments are adequately utilized. It has been determined that the replacement schedule is accurate for most equipment and passenger vehicles in order to maintain the same service level in regards to street maintenance and snow removal. If citizen and City Council expectations for snow removal is lowered (such as sidewalk snow removal or snow removal time goals) equipment costs will go down accordingly.

The Streets and Parks Department identified a medium duty truck which is over classed for its required job duty. This vehicle will be replaced with a lighter duty truck at its scheduled replacement date. The Public Works team has made and will continue to make efforts to work with all city departments including departments in other funds, such as Golf Maintenance and the Water Department, to share specialized equipment. Sharing equipment is especially important to reach utilization targets on heavy equipment. Multiple vehicles have been purchased recently that provide duel use in the summer and winter seasons.

In meetings with the Building Department, the department recognized the underutilization of its vehicles. The problem discussed was that by removing vehicles, utilization would go up but the department's ability to get inspectors to the right job site would be limited. If two or three vehicles are removed from the department, inspectors would be required to coordinate inspection schedules in order to share vehicles or car pool to common inspection sites. Removing more than three vehicles will limit inspectors' ability to have a fleet vehicle during inspections.

A second option discussed was to remove fleet vehicles from the Building Department and switch to a mileage reimbursement or car allowance system. Due to the low utilization rates of building inspection vehicles, this type of system would equate to significant savings to both the RSF and the General Fund. While switching to a mileage reimbursement system does increase the potential for mileage reporting abuse, the savings the switch would provide would outweigh any potential loss. A mileage reimbursement system is preferable to a car allowance because it is more proportionate to actual miles spent on job travel. In addition, reimbursement amounts are not considered additional benefits to employees, and therefore not taxed as income.

Vehicles in the Recreation Department, Engineering Department, and internal services departments were found to be severely underutilized. It is recommended that the engineering vehicle, Marsac (internal services) vehicle, and one recreation vehicle be removed from the fleet. This will be discussed in the utilization solution section of this report.

Take-Home Vehicles

The City's current fleet policy does not include any guidance regarding take-home vehicles (as discussed previously the Police Department operates under the police take-home policy). A fleet that includes take-home vehicles can be beneficial in many circumstances. The benefits of take-home vehicles needs to be carefully weighed against the cost in order to determine if a take-home fleet or a pool fleet is a more appropriate use of City funds. Take-home vehicles are often a cost effective way to provide transportation to on-call employees, result in better vehicle care, prevent vehicle vandalism, limit gas reimbursement abuse and reduce vehicle parking needs. Public Safety take-home vehicles provide additional benefits such as increased perception of police presence, faster response times, and requires officers to be on-call while off duty.

Park City currently provides take-home vehicles to Public Works managers and all Public Safety full-time officers. Take home vehicles costs vary by type of vehicle, distance traveled, and vehicle funding source. Due to the size, replacement cost, and number of vehicles, Public Safety vehicles amount to the biggest single fleet cost in terms of take-home vehicles. Take-home miles represent 72 percent of the total annual miles traveled by the public safety portion of the City's fleet (from station to destination – 53 percent form school district boundaries to destination) (see appendix C for calculation methodology). When applied to fuel, maintenance, and replacement costs, this represents a total annual take-home cost of approximately $230,000 ($165,000 from district boundary). If applied evenly, this would equate to an average annual benefit of approximately $7,400 per full-time officer. Table 1 shows the 2009 breakdown costs of police take-home vehicles.

The Public Safety departments take-home policy (Appendix D) allows unlimited use of take-home vehicles within the housing allowance boundaries. The take-home policy specifies that take-home use beyond the boundaries are limited to a 35-mile radius. Officers beyond the boundaries but within the 35-mile radius are also charged a take home fee of $50 per month. Take-home use beyond the 35 mile radius is not allowed except by permission of the City Manager. Officers beyond the allowed use are required to park their vehicles at a local police station with in the 35-mile radius.

As mentioned above police take-home vehicles provide many benefits to the community. Like most secondary externalities, benefits such as increased visibility in the community, faster response time, emergency callout capability, and greater recruitment and retention ability are difficult to quantify. The question the City must ask then is how much are the positive external benefits worth. Rather than assign subjective best guess figures to take-home benefits, What the City can do is answer the question of how much the benefits actually cost the City. Once the cost to the City is established, the policy makers can then ask a very similar yet better question: Are we as a City willing to pay this amount for these benefits? If the answer is yes, the City should not change the current take-home system; if the answer is no, the City must look at making changes.

Because the benefits associated with the police take-home policy includes all miles traveled by officers in their vehicles while not on an active duty, this study considers the total cost figure of 72 percent or approximately $229,320 in 2009 as the figure which should be weighed against the take-home policy's external benefits. (See table 1 below)

Total Estimated Annual Cost of Police Take-home Vehicles		
		2009
Gas	$	95,000
Maintenance	$	50,000
Vehicle Replacement	$	173,500
Total Annual Cost	$	318,500
Total Cost of Take Home Miles from Police Facility (72%)	**$**	**229,320**
Total Cost of Take Home Miles from Boundary (52%)	**$**	**165,620**

Table 1

The Take Home Dilemma

One of the keys to fleet management is the proper utilization of fleet vehicles, however, proper utilization figures, which rely too heavily on take-home usage, end up costing the City much more. Eliminating the high cost associated with excessive take-home miles will most likely result in a fleet that is once again severely underutilized. For example simply creating a take-home policy which eliminates take-home miles would result in an average annual Public Safety vehicle utilization of around 4,500 miles per vehicle. In this situation, the Public Safety fleet size would need to be drastically reduced. Reducing the public safety fleet size is not a simple proposal. As discussed below reductions in fleet size would have significant impacts on the Police Departments ability to recruit quality officers. Reductions in fleet size may also have direct and indirect impacts on the current level of service.

Utilization Solutions

One option that appears might work well for Park City's situation is the creation of specific motor pools. The recommendation would first include the creation of a small Marsac pool which would benefit vehicle utilization and provide transportation options for building inspection, I.T. services, and other administration purposes when larger capacity or 4-wheel drive vehicles are required. This pool would consist of three full-sized 4-wheel drive SUVs. Vehicles would be offered with higher priority for building inspection and I.T. use. Personal vehicles and mileage reimbursements would be used for things such as routine inspections and between building transportation for Marsac employees.

A second recommendation, which will be explored over the next year, would entail the creation of a Public Safety Motor Pool. Because assigning each officer an individual vehicle to use is a contentious, disputed, oft- argued and emotionally charged issue. Information—both scientific and anecdotal—relative to the subject matter abounds. It is important to consider both the positives and negative impacts that both a take home fleet and a motor pool option provide. The following section briefly outlines the arguments and costs associated with each system. As stated above this issue will be explored in depth in FY2011 with the purpose of making recommendations for the FY2012 budget.

Public Safety Take-home Fleet vs. Public Safety Motor Pool

In light of the high costs associated with take-home miles, the City Manager has recommended exploring the possibilities of shifting the Police Department from a Take-home fleet to a Public Safety Motor Pool. Moving from a take home system to a pool system represents a major shift in the police fleet organization. While it appears that a pool system would represent significant long-term savings, it would also result in losing external benefits typically associated with police take home vehicles.

The Police Department take-home system provides many quantifiable and unquantifiable benefits to the community. Benefits include increased policing presents in neighborhoods, faster emergency response times, increased between shift capability, 24/7 “on-call” capability, greater special events capability, and greater on patrol ratio to preparation time.

Take-home vehicle privileges are also an important tool for recruiting and retaining high quality officers. In a recent study, Summit County was identified as having a median household income of nearly $90,000 per year. That places Summit County in the top fifty (50) most affluent counties in the country. The City’s public safety recruitment needs are different, and the City must to acknowledge that fact. Utah has long struggled to attract and retain quality public safety personnel. One of the state’s major issues has been low salaries, especially when compared to surrounding states.

Over the years, Utah counties and municipalities have attempted to counterbalance lower salaries by initiating assigned vehicle programs (among other things). The Police Department acknowledges that Park City Municipal Corporation is a leader in the state when it comes to competitive compensation packages. However, in order to maintain our competitive edge in the marketplace, we must unceasingly re-evaluate our appeal to potential employees.

According to the U.S. Department of Labor Statistics, there will be an increased need (15 to 20 percent) for law enforcement personnel over the next 10 to 15 years. If Utah is to remain even marginally competitive in the marketplace, because of our comparatively low salaries, we should consider the recruiting and retention benefits of the assigned take-home vehicle program. Utah’s local governments have already made the initial capital outlays required to begin costly assigned vehicle programs; therefore, over an extended period, it is cost-effective to continue such programs.

Currently only one law enforcement agency (serving a population of more than 10,000) in Utah is operating a pool system, and it continually has significant recruiting issues. If Park City becomes the second to operate a pool system, it is reasonable to assume recruiting efforts—already complicated by the distance from affordable housing—will become increasingly difficult.

Over the years, many studies have argued the benefits of a take-home fleet over a motor pool. One such study in Tacoma, WA which compared an officer assigned take-home system to a motor pool found that while the initial setup and replacement cost were greater with a take-home system, the fuel and repair savings combined with the community benefit, over time was more cost effective than a pool system (See appendix E for Tacoma study details). In the Tacoma study, a take-home system worked better for the city’s situation. It should be noted that in Tacoma the percentages associated with patrol miles and take home miles was 81% to 19% respectively. Because Park City's take-home percentage is between 70%-74% (50%-54% from district boundaries) directly applying the Tacoma study to Park City's situation is difficult and may be met with vastly different results.

One option that appears might work well for Park City's situation is the creation of Public Safety Motor Pool. A hypothetical Public Safety Motor Pool would include a total of 17 full size four-wheel drive vehicles. This would include 15 Chevy Tahoes and 2 Chevy Trailblazers. The Public Safety Pool would also include other personal vehicles such as ATVs, motorcycles and smaller support vehicles. Reducing the number of full-size police vehicles from 34 to 17 would allow the remaining vehicles to be utilized while still retaining a sufficient police vehicle fleet to handle patrol and most emergency response situations. There is, however, a big question if a 17-vehicle fleet could adequately handle large special events.

The creation of a 17-vehicle public safety pool would allow adequate vehicle rotation which would eliminate over engine use sometimes associated with small motor pools. A 17-vehicle pool would also allow routine maintenance without interfering with shift scheduling. There are many large potential problems associated with a public safety pool such as proper storage of unused vehicles (parking), the ability to cover special events, and as discussed above the loss of external benefits of a take home fleet. In addition, as discussed, removing take-home vehicle use will significantly affect police officer recruitment efforts, it would be necessary to reevaluate Police Officer compensation and recruitment needs as part of pay plan process FY2012. This would possible include a car allowance options as part of Police Officer compensation.

If on duty miles remain consistent, the average annual public safety vehicle utilization in a 17-vehicle pool would be around 9,000 miles per vehicle. It is anticipated that vehicle service life would be 7 to 8 years. The total projected 10 year cost savings to the Rolling Stock CIP are estimated at $954,000. Estimated 10 year saving in gas and maintenance expenses would be around $1,306,000. These savings do not include potential compensation increases. For example providing 28 officers with a $250 a month car allowance would cost approximately $840,000 over ten years (without inflationary increases). Therefore rather than focusing on total cost savings, a complete look at service level impacts, including officer compensation and community police impacts, must be examined. The details and community impacts of implementing such a recommendation will be evaluated during FY2011 and addressed in the FY2012 budget.

Projected cost savings and reimbursement-offset costs are located in the Fleet Right Sizing Option Matrix.

Policy Adjustments

After careful analysis of the current fleet needs and city fleet policy, it is the recommendation of this study that the City adopt and implement a new take-home policy regarding fleet vehicles. This policy should limit use of fleet vehicles to distances within reasonable travel times to facilitate on-call response. A natural boundary would be within the Park City school district boundaries, which would correlate with the City's current housing allowance policy (the current Police policy limits take home vehicles to 35 miles from the housing allowance boundary and no more than a 60 minutes response time. See appendix D). Take-home vehicles should be provided to managers and on-call staff in Public Works, Public Safety and other departments which involve emergency response responsibilities. On call staff should be defined as employees who are actively (at the time of vehicle use) providing on call service to the City.

The elimination of take-home vehicles could potentially hurt recruitment efforts. In order to offset potential recruitment and retention problems other recognized compensation tools such as car allowances or additional pay should be considered. Compensation issues arising due to take-home policy changes should be considered in the City's existing pay plan process.

The Fleet Procurement Review Committee Recommendation

The Fleet Procurement Review Committee met to discuss the findings and recommendations of this study. After reviewing the data, the committee recommended (with the approval of the City Manager) moving forward with the Marsac Motor Pool, Public Works, and Recreation Department recommendations.

The committee also recommended working with the public safety departments in determining the practicality of a Public Safety Motor Pool. As discussed above the committee recognizes that while a Public Safety Motor Pool represents significant savings the impacts on department recruitment, moral, level of community service, and other external factors could potentially outweigh the financial gains.

The committee is also recommending the creation of a citywide take home policy as discussed in the recommendation of this report. The impacts associated with the adoption of a take-home policy will be evaluated during FY2011 to be implemented in FY2012.

In order to determine where further reduction may occur in future years, the committee recommended that continued fleet assessment, regarding utilization and department needs, take place on a yearly basis.

The Savings Matrix

The Fleet Right Sizing Option Matrix shows potential recommendations and the equivalent breakdown of recommendation costs and savings to both the RSF and the General Fund. The total recommendation savings amount at the bottom of the matrix shows what the total savings will be based on what recommendations are approved (yes) on the far right hand column. The City Manager and the Fleet Procurement Review Committee have approved "Yes" recommendations.

Recommendation Summary

The following items are recommended:

1. Building Department Vehicles (severe underutilization)
    - Remove all but 2 vehicles and move to mileage reimbursement plan and Marsac Pool Option FY2011
2. Engineering Department Vehicle (severe underutilization)
    - Remove unused vehicle FY2011 –Utilize Marsac Pool
3. Streets Department (over-spec'd vehicle – Ford F450)
    - Down grade vehicle to lower size requirement (Ford F250) FY2011

4. Marsac Executive Vehicle (underutilization)
    - Remove Vehicle and move to mileage reimbursement plan and Marsac Pool Option FY2011
5. Racquet Club Vehicle (severe underutilization)
    - Remove Vehicle - better utilize remaining recreation vehicles FY2011
6. Public Safety Vehicles* - (high gas, maintenance, and replacement costs associated with take-home miles – 53 % (53% from district boundaries, 72% from Police Station) of Public Safety miles occur in take-home travel)
    - Create Public Safety Pool (15 Chevy Tahoes, 2 Chevy Trail Blazers) FY2012
    - Liquidate remaining public safety vehicles (16 Chevy Tahoes, 1 Chevy Trail Blazer) FY2012
    - Trade down of public safety vehicles is not recommended because this will lead to an over-spec'd fleet (vehicles which are too big for job requirements)
    - No new vehicle replacement in FY2011
    - Reevaluate Police Officer compensation and recruitment needs as part of pay plan process FY2012
    - Include car allowance options as part of Police Officer compensation
7. Take-Home Policy (current policy on take-home vehicles is vague - no cost restrictions)
    - Adopt and implement new take-home policy for FY2012
    - Policy should limit take-home radius for all non on-call personnel (on-call personnel refers to City staff who are being paid an additional wage for on-call time. Take home vehicles should be allowed only while personnel is currently on-call)

*It is recognized that creating a Public Safety Pool will require additional planning and coordination. Items that will need to be discussed including such things as schedule and shift evaluation, liquidation of excess vehicles, potential pass-down vehicle issues, potential parking issues, take-home policy adjustment and adoption, and car allowance negotiation and pay-plan budget adjustments. It is not recommended that this shift take place in FY 2011 but rather be planned for during FY 2011 to be carried out and budgeted for in FY 2012

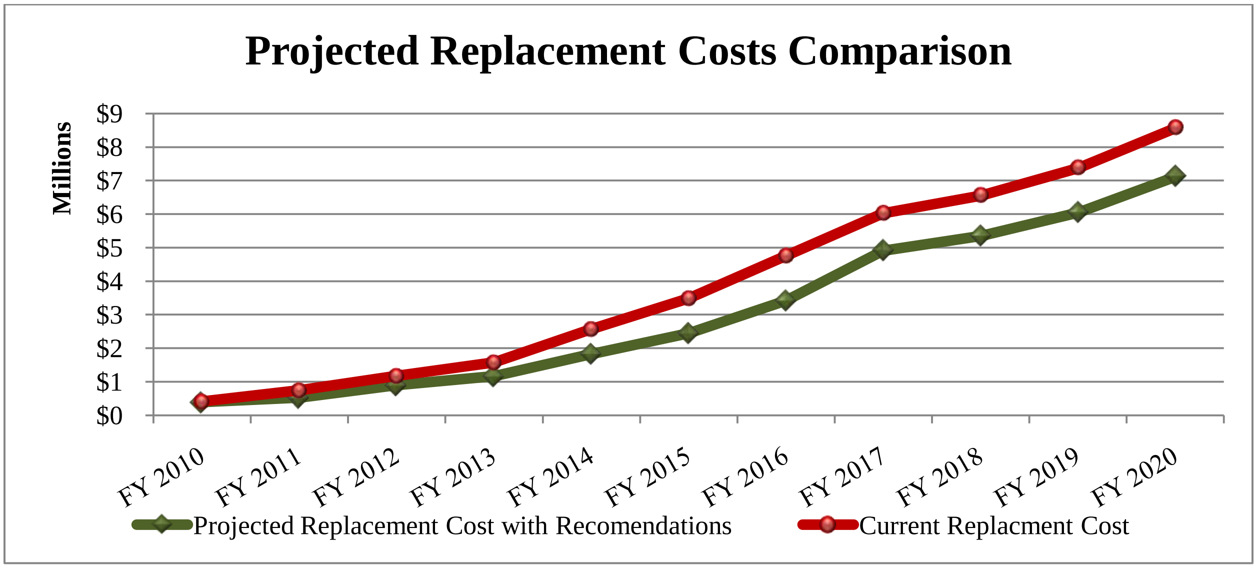
Additional Recommendations (may negatively affect service levels):

1. Building Maintenance (underutilization)
    - Remove one Building Maintenance vehicle (This may limit Building Maintenance's ability to independently work on separate job sites. Option will require reimbursement cost of personal vehicle use when necessary.

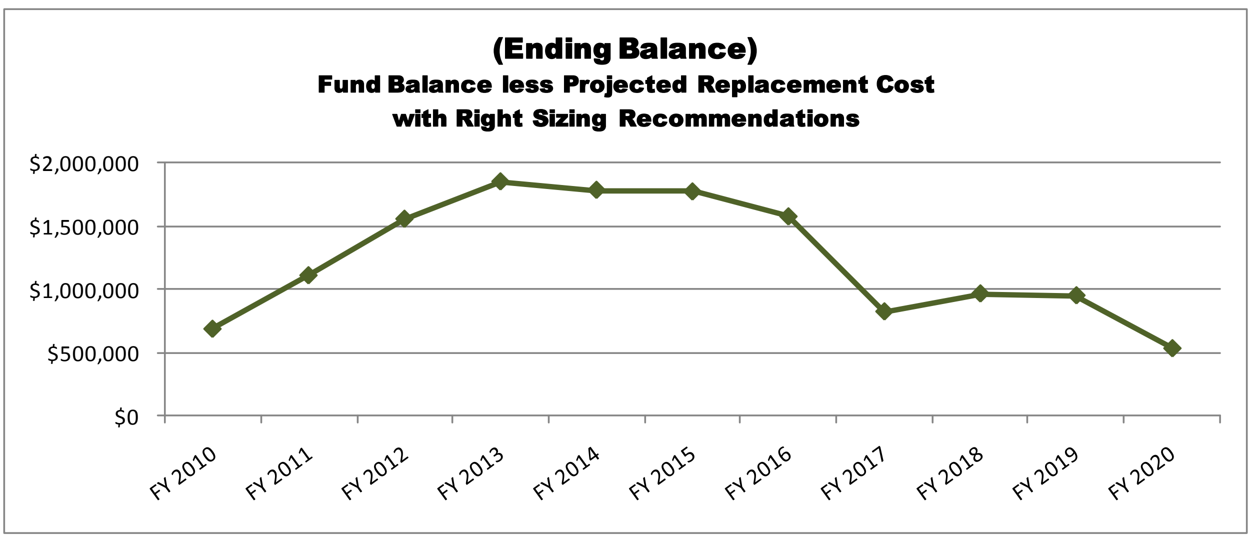
Alternative Recommendations:

1. Building Department Vehicles (severe underutilization)
    - Remove 3 vehicles from Building Department FY2011(May limit the Building Department's ability to inspect at independent locations – is not the most cost effective solution)

If these recommendations are approved, the City will see an approximate $1.36 million savings to the Rolling Stock CIP Fund (RSF) and $1.66 million in gas and maintenance cost reductions over the next ten years. Mileage reimbursement and car allowance offset cost will be an approximate $990,000 over ten years. This equates to a total ten-year savings to the General Fund of approximately $2.04 million while maintaining the same level of service to the community.



While implementing the recommended right sizing options will still result in large replacement costs in FY 2017, sufficient fund balance will have been saved in order for the RSF to cover the large projected expenditures as seen in the Ending Balance figure below. The recommendations will result in maintaining a $550,000 yearly transfer from the General Fund into the RSF CIP through FY 2020 (See Appendix A Chart 3).



Fleet Right Sizing Option Matrix:

	10 Year Savings to CIP	10 year Offset Cost	10 Year Saving GF (Gas & Maint.)	10 Year Saving Total	Service Impact	Recommended
• **Building Department**						
1. Scheduled removal of 3 building inspector vehicles	$ 126,000	$ -	$ 45,000	$ 171,000	Building department vehicles would still be underutilized; Building inspectors would need to better coordinate scheduled and carpool when necessary to job sites. Overall impact to the departments ability to perform inspections would be minimal.	No
2. Remove all but 2 vehicles and move to mileage reimbursement plan and 3 vehicle Marsac Pool	$ 280,000	$ (120,000)	$ 330,618	$ 490,618	This option would remove all but 2 Building department vehicles. All building department vehicles are underutilized; 7 are severely underutilized. Recommended in 2011 Budget. Building inspectors would use their own vehicles on inspection visits. Service level impact would be minimal. Two remaining 4-wheel drive vehicles would be available in adverse weather conditions as part of 3 vehicle Marsac Pool.	Yes
3. Remove all but 2 vehicles and move to car allowance plan ($200 per month X 7)	$ 280,000	$ (168,000)	$ 330,618	$ 442,618	This option would remove all but 2 Building department vehicles. All building department vehicles are under-utilized; 7 are severely under-utilized. Building inspectors would use their own vehicles on inspection visits. Service level impact would be minimal. Two remaining 4 wheel drive vehicles would be available in adverse weather conditions.	No
• **Engineering/Planning**						
1. Remove Engineering vehicle	$ 28,000	$ -	$ 35,423	$ 63,423	No service level impact	Yes
• **Streets/Parks**						
1. Downgrade F-450 to F250	$ 40,000	$ -	$ 15,000	$ 55,000	Minimal service level impact. Pace indicated that the Streets Department would be able to perform tasks with a lower duty class vehicle.	Yes
• **Marsac**						
1. Remove Marsac Executive Vehicle	$ 60,000	$ (28,500)	$ 59,039	$ 90,539	Employees would be required to use personal vehicles for city use. Minor level of impact when official City vehicle is required. 3 vehicles would remain at Marsac (Marsac Pool) which could be used in an official capacity when necessary (priority for I.T. and building inspection vehicles)	Yes
• **Racquet Club**						
1. Remove Racquet Club vehicle	$ -	$ -	$ 30,000	$ 30,000	This vehicle does not have a scheduled replacement year. It is anticipated that mileage from this vehicle will be put on Recreation Department's other Ford Explorer which is also underutilized. Removing it from the fleet will save maintenance cost.	Yes
• **Building Maintenance**						
1. Remove one Building Maintenance vehicle	$ 22,000	$ (10,000)	$ 35,423	$ 47,423	Building Maintenance would have 4 dedicated vehicles. This may limit Building maintenance ability to independently work on separate job sites. Reimbursement of personal vehicle use.	No
• **Take-Home Policy/Public Safety Pool**						
1. Create Public Safety Motor Pool System (eliminate-take home vehicle use)	$ 953,956	$ (840,000)	$ 1,192,587	$ 1,306,543	This option would remove a total of 16 Chevy Tahoes and 1 Chevy Trailblazer from the current public safety fleet (the remaining fleet would consist of a total of 17 full size 4-wheel drive patrol vehicles 15 Chevy Tahoes & 2 Chevy Trail Blazers) This option would likely result in an underutilization of the Police fleet in regards to total yearly miles. In order to have a fully utilized Public Safety fleet additional patrol vehicles could be removed.	Yes (recommended exploring in FY2011 for possible recommendation in FY2012)
Total (Recommended - Yes)	**$ 408,000**	**$ (148,500)**	**$ 470,081**	**$ 729,581**		

Equipment Replacement Schedule - Rolling Stock Fund (RSF) Current Projection

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Projected Replacement Costs	$333,394	$426,934	$402,959	$989,959	$919,725	$1,267,372	$1,271,784	$528,121	$818,256	$1,192,502
Projected Savage Contribution	$19,000	$95,200	$26,000	$93,500	$83,000	$247,800	$160,050	$31,750	$143,500	$65,500
Annual Budget	$550,000	$550,000	$550,000	$550,000	$550,000	$550,000	$550,000	$550,000	$550,000	$550,000
Beginning Balance & Budget	$1,218,837	$1,454,442	$1,672,708	$1,845,749	$1,499,290	$1,212,565	$742,994	$181,259	$234,889	$110,133
(Ending Balance) Fund Balance less Projected Replacement Cost	**$904,442**	**$1,122,708**	**$1,295,749**	**$949,290**	**$662,565**	**$192,994**	**($368,741)**	**($315,111)**	**($439,867)**	**($1,016,869)**

Chart 1 - Current Projection

Equipment Replacement Schedule Recommended Budget Increase with No Change to Replacement Schedule

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Projected Replacement Costs	$333,394	$426,934	$402,959	$989,959	$919,725	$1,267,372	$1,271,784	$528,121	$818,256	$1,192,502
Projected Savage Contribution	$19,000	$95,200	$26,000	$93,500	$83,000	$247,800	$160,050	$31,750	$143,500	$65,500
Annual Budget	$600,000	$600,000	$650,000	$650,000	$700,000	$700,000	$750,000	$750,000	$800,000	$850,000
Beginning Balance & Budget	$1,268,837	$1,554,442	$1,872,708	$2,145,749	$1,949,290	$1,812,565	$1,542,994	$1,181,259	$1,484,889	$1,660,133
(Ending Balance) Fund Balance less Projected Replacement Cost	**$954,442**	**$1,222,708**	**$1,495,749**	**$1,249,290**	**$1,112,565**	**$792,994**	**$431,259**	**$684,889**	**$810,133**	**$533,131**

Chart 2 -Recommended Budget Increase with No Change to Replacement Schedule

Equipment Replacement Schedule after Recommended Right Sizing Options - No Budget Contribution Increase

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Projected Replacement Costs	$137,713	$370,495	$267,107	$663,331	$616,106	$971,884	$1,491,600	$436,005	$696,695	$1,071,709
Projected Savage Contribution	$10,000	$266,200	$12,000	$46,500	$53,500	$225,300	$192,050	$27,750	$132,000	$54,000
Recommended Budget	$550,000	$550,000	$550,000	$550,000	$550,000	$550,000	$550,000	$550,000	$550,000	$550,000
Fund Balance (Carryforward)	$1,240,372	$1,662,658	$2,108,364	$2,403,257	$2,336,426	$2,323,820	$2,127,237	$1,377,686	$1,519,432	$1,504,737
(Ending Balance) Fund Balance less Projected Replacement Cost	**$1,112,658**	**$1,558,364**	**$1,853,257**	**$1,786,426**	**$1,773,820**	**$1,577,237**	**$827,686**	**$969,432**	**$954,737**	**$487,028**

Chart 3 - Recommended Right Sizing Options - No Budget Contribution Increase

Park City Municipal Corporation

VEHICLE PROCUREMENT AND REPLACEMENT POLICY AND GUIDELINES
January 2007

Vehicle Replacement Schedule – Fleet Services Department maintains a vehicle replacement schedule for all General Fund and Enterprise Fund motorized equipment and vehicles owned by Park City Municipal Corporation and maintained by Fleet Services. A Replacement Fund has been established by the City for replacement of the listed equipment and vehicles with like equipment and vehicles. This replacement schedule will be distributed to each department at the beginning of each year for the purpose of verifying its accuracy.

Department managers shall review the schedule and provide the following information to Fleet Services:

1. Whether replacement of the vehicles listed is warranted as scheduled or should be accelerated or postponed.
2. Recommend changes in timing of replacement of vehicles listed in the schedule and rationale for such changes.
3. Request for additional department vehicles or changes in type of vehicle listed (i.e. change from 2-wheel drive to 4-wheel drive, larger or smaller vehicle, regular cab to extended cab, etc.)
4. Notice that a vehicle scheduled for replacement is obsolete for department's current requirements and should be removed from the replacement schedule.

Budget Requests for Equipment and Vehicles –

- General Fund Vehicle Replacement – If no changes to the replacement schedule are requested by a department manager, a request for budget adjustment is not required. Vehicles will be purchased or exchanged with like vehicles as indicated on the replacement schedule providing that the Fleet Services Manager determines replacement is warranted and whether exchange vehicles are available.

- General Fund Vehicle Additions or Changes – If a department manager determines that their department requires an additional vehicle(s) or changes in the type or timing of a vehicle scheduled for replacement, a request must be made as part of the two year department budget or as a budget adjustment request. Following is the process for such request:
    1. Written request on form provided for changes and/or additions, including rational for such request, provided to Fleet Services Manager by end of January.

2. Fleet Services manager will provide cost estimate, including initial and life-cycle maintenance cost to department manager making the request and the Fleet Procurement Review Committee (1).
3. The Fleet Procurement Review Committee will review the request and provide a recommendation regarding the department manager's request to the City Manager as part of the budget process.

- Enterprise Fund Vehicles Additions or Changes – Department Managers shall provide written direction of a requested purchase to the Fleet Services Manager including account code to be utilized with copies provided to the City Manger and Finance Manager.

Note:
(1) Fleet Procurement Review Committee – Members will include Fleet Services Manager, Deputy Public Works Director, Finance Manager and Budget & Grants Manager or their designees. The Committee will review written requests made by department managers for additions or changes to the vehicle replacement schedule and provide a recommendation to the City Manager regarding the budget request.

Park City Municipal Corporation

GENERAL FUND VEHICLE ADDITION OR CHANGE REQUEST FORM

Complete this form to request additions or changes to the Vehicle Replacement Schedule. Requests will be evaluated by the Fleet Procurement Review Committee which will make a recommendation to the City Manager regarding the budget request. The Fleet Services Department will not make changes or additions to the Vehicle Replacement Schedule without this written request and a recommendation by the Fleet Procurement Review Committee that is approved by the City Manager.

Department: ______________________________ Date: ____________________

Manager: ______________________________

Additional Vehicle Request:

Vehicle Description	Service Life in Years	Estimated Cost	Reason for Request

Change Request in Vehicle Replacement Schedule:

Vehicle No. & Description on Schedule	Scheduled Replacement Date	Scheduled Replacement Cost	Reason for Request
Vehicle Change Requested	Service Life	Estimated cost	Reason for Request

Public Safety Take-home Calculation

The Public Safety department's take-home policy allows unlimited use of take-home vehicles within the housing allowance boundaries. The take-home policy specifies that take-home use beyond the boundary is limited to a 35-mile radius. Officers beyond the boundary but within the 35-mile radius are also charged a take-home fee of $50 per month. Take-home use beyond the 35-mile radius, is not allowed except by permission of the City Manager. Officers beyond the allowed use are required to park their vehicles at a police station within the 35-mile radius.

The Public Safety take-home annual calculation is a simple assessment of actual take-home miles calculated from the one-way travel distance from the public safety facility to an individual officers' home. The table below shows the total mile breakdown and yearly estimated miles traveled. The table also shows the take-home mileage as calculated considering only miles traveled beyond the housing allowance boundaries.

Take-home Destination City	Miles - One Way	Round Trip	Yearly Est.	One Way Miles from Boundary	Round Trip from Boundary	Yearly Est. from Boundary
CENTERVILLE	43	86	16,856	33	65	12,740
BOUNTIFUL	41	82	16,072	31	61	11,956
WEST JORDAN	40	80	15,680	30	59	11,564
PARK CITY	8	16	3,136	-	0	-
SALT LAKE CITY	30	60	11,760	20	39	7,644
SANDY	33	66	12,936	23	45	8,820
HOOPER	35	70	13,720	35	70	13,720
PARK CITY	2	4	784	-	0	-
HEBER	14	28	5,488	11	22	4,312
TAYLORSVILLE	37	74	14,504	27	53	10,388
PARK CITY	12	24	4,704	-	0	-
HEBER CITY	17	34	6,664	10	20	3,920
SALT LAKE CITY	35	70	13,720	25	49	9,604
COALVILLE	24	47	9,212	13	26	5,096
HEBER CITY	18	36	7,056	13	26	5,096
S JORDAN	40	80	15,680	30	59	11,564
WEST JORDAN	35	70	13,720	25	49	9,604
PARK CITY	3	6	1,176	-	0	-
PARK CITY	2	4	784	-	0	-
SALT LAKE CITY	30	60	11,760	20	39	7,644
MORGAN	45	90	17,640	42	84	16,464
WEST JORDAN	37	74	14,504	27	53	10,388
HEBER CITY	17	34	6,664	14	28	5,488
WEST JORDAN	37	74	14,504	27	53	10,388
PROVO	46	92	18,032	43	86	16,856
WALLSBURG	26	52.6	10,310	21	42	8,232
FARMINGTON	49	98	19,208	39	77	15,092
BLUFFDALE	47	94	18,424	35	70	13,720
KAMAS	18	36.6	7,174	15	30.6	5,998
LEHI	47	94	18,424	42	84	16,464
PARK CITY	1	2	392	-	0	-
Total Miles	**869**	**1,738**	**340,687**	**645**	**1,290**	**252,762**

*All miles are estimated based on Google Maps and actual odometer readings. Mileage is listed to give approximate figures on take-home costs.

Estimated Yearly Shift is used as a trip multiplier. Average estimated shift is based on officers working four /10-hour shifts per week excluding 3 weeks of vacation time. A percentage is then calculated from the total miles traveled for all public safety vehicles. This percent is applied to the fuel costs, maintenance costs, and vehicle replacement costs to determine an approximate annual take-home cost. As with the mileage determination table, the total take-home percentage tables show total take-home mileage from the police facility and from the housing allowance boundaries.

Total Estimated Take-home Miles from Police Facility	
Total Round Trip Miles	1,738
Estimated Yearly Shifts	196
Total Annual Take-home Miles	340,687
Total Miles 2009	478,518
Total Take-home Miles	70% - 74%

Take-home Miles from School District Boundaries	
Total Round Trip Miles	1,290
Estimated Yearly Shifts	196
Total Annual Take-home Miles	252,762
Total Miles 2009	478,518
Total Take-home Miles	50% - 54%

Total Estimated Annual Cost of Police Take-home Vehicles	
	2009
Gas	$ 95,000
Maintenance	$ 50,000
Vehicle Replacement	$ 173,500
Total Annual Cost	$ 318,500
Total Cost of Take Home Miles from Police Facility (72%)	**$ 229,320**
Total Cost of Take Home Miles from Boundary (53%)	**$ 168,805**

CHAPTER 21
INDEX

VEHICLES

21.1 Vehicle Assignment and Use
21.2 Vehicle Maintenance
21.3 Emergency Equipment
21.4 Rules of Conduct for Vehicle Use

PARK CITY POLICE DEPARTMENT	POLICY AND PROCEDURES
Policy Title: Vehicle Assignment and Use	**Policy Number:** 21.1
Effective/Revision Date: 1 July 2004	**Distribution Date:** 6 July 2004
Review Date: July 2005	**SOP Ref:** N/A
Approved: **See Master File/Chief of Police	**Number of Pages:** 2

PURPOSE

This policy is established to outline and establish the process for assignment of police vehicles, take home/commuting use of police vehicles, and member conduct while operating a police vehicle.

POLICY

Vehicle assignments are made on an individual or can be made on a team basis within the realities of the annual budget and although the department currently has a car per officer program, members of the department should remember that having an individually assigned vehicle may not always be the case.

In addition to this policy, department members will adhere to the City's policy on using City owned vehicles as outlined in the Park City Municipal Employee Policies and Procedures manual, **Section 8.5**, Use of City Vehicles.

Take-home vehicle assignments are made for purposes of accountability, responsibility to the care and maintenance of the vehicle, and quick, equipped response to emergencies. Take-home cars are also viewed as a visible crime prevention tool.

This policy also governs the department's 'Take-Home Car' Program. 'Take home' use of assigned police vehicles is allowed under certain conditions which are as follow:

1. Full time sworn officers who have successfully completed probation and reside within the housing allowance boundaries, as established by city policy, or within a designated distance from the established boundaries, are allowed to use assigned police vehicles to commute to work and other off duty work related tasks such as; court appearances, training, higher education classes and meetings relating to duty assignments, special assignments or as directed by supervisory staff.

2. Personal use of assigned vehicles is restricted and/or limited based on place of residency.

3. Participation in this program is voluntary. Officers are not required to participate if they choose not to or do not wish to contribute financially to participate in this program.

4. Officers must reside within or no further than 35 miles outside of the housing allowance boundaries to receive the privilege of participating in this program.

5. Officers residing within the housing allowance boundaries are allowed personal use of assigned vehicles with limited restrictions and at no cost to the officer. Passengers may be carried only if the passenger is able to be removed from the vehicle when the officer is required to respond to an incident, a call or assist on-duty personnel. Officers residing within the housing allowance boundaries are encouraged to use assigned vehicles while off duty so long as use complies with this policy and other applicable sections of this policy manual.

6. Officers residing outside of the housing allowance boundaries are restricted from personal use of assigned vehicles. When using assigned vehicles outside of the housing allowance boundaries for approved purposes, officers may carry passengers only if the passenger is a city employee or is directly connected with a duty assignment, meeting or function. Those residing outside the boundary are expected to participate in 'cost sharing' of vehicle operation as follows:

    a. Approximately $50.00 per month. This 'cost sharing' amount is subject to increase as decided by the Chief of Police.
    b. Costs may be paid through authorized payroll deductions at the rate of $23.08 per pay period.

7. A change of residency by a member which affect participation and/or administration of this program will be reported to department administration and the Human Resources department without unnecessary delay.

8. The Chief of Police may trade vehicles between officers to help balance the accumulation of mileage, and/or vary the replacement of assigned vehicles outside the normal 4-year replacement schedule.

9. Vehicle assignments, use restrictions and 'cost sharing' requirements may be altered by the Chief of Police to meet 'on call' or 'call out' demands by supervisors, investigators, program managers or officers participating in special assignments.

10. All other policies concerning care, maintenance, use and operation of assigned vehicles remain in effect during operation of the vehicle, no matter the purpose.

11. Officers participating in the 'Take Home Car Program' program while off duty are expected to respond to all 'call out' requests within 60 minutes or less.

Participation in the 'Take Home Car Program and use of assigned police vehicles outside of on-duty time is considered a privilege for which the city and the employee receive benefit. However, budgetary constraints, political problems, policy violations, or abuse may nullify any or all of the privileges without warning.

Officers are cautioned not to become overly dependent on the department meeting individual transportation needs. Loss of assigned vehicle privileges through disciplinary action or changes in city/department policy is not a grievable action.

PARK CITY POLICE DEPARTMENT	POLICY AND PROCEDURES
Policy Title: Vehicle Maintenance	**Policy Number:** 21.2
Effective/Revision Date: 1 July 2004	**Distribution Date:** 6 July 2004
Review Date: July 2005	**SOP Ref:** N/A
Approved: **See Master File/Chief of Police	**Number of Pages:** 2

PURPOSE

This policy is established to provide direction to members of the department concerning the maintenance of police vehicles and to outline the responsibility of members concerning vehicle maintenance.

POLICY

It is the policy of this department that all members, whether assigned to a specific vehicle or not, shall comply with the following:

1. Officers assigned a specific vehicle are expected to keep the vehicle clean and orderly, and assure that the vehicle is properly maintained. Vehicles will be kept washed and vacuumed, and be kept free from unauthorized accessory equipment.

2. Assigned officers shall be aware of and adhere to preventive maintenance schedules. When scheduled maintenance is due, vehicles will generally be serviced at the municipal garage, unless directed otherwise by the City Shop mechanics or the department's fleet manager.

3. Officers operating a vehicle not assigned to them are expected to keep that vehicle clean and orderly and report to the department's fleet manager all mechanical problems encountered.

4. If a mechanical defect is noted by the driver, whether assigned to that vehicle or not, it is that individual's responsibility to assure that the service work is reported and completed. Intentionally overlooking a mechanically defect in a vehicle can be cause for disciplinary action, as well as creating an extremely unsafe situation for the officer and other officers who may operate or ride in that vehicle.

5. Flat tires should be changed by shop personnel during their working hours. In the event of flat tires during the night or other off duty hours, officers will be expected to change tires or do whatever work reasonably necessary to keep the police car in operation so long as the operation is safe and will not lead to further damage to the vehicle.

6. Gasoline is available through contract with a local vendor. Each vehicle is issued a gasoline procurement card and each driver is issued a PIN through which gasoline is purchased. Officers should insure that fuel levels stay at or above 1/4 tank at all times.

7. Vehicles will be inspected periodically by the assigned officer and a shift supervisor to ensure proper maintenance and operation of all equipment.

8. Mechanical problems to include paint and body work are to be initially examined by the mechanics at the municipal garage who may choose to make necessary repairs or recommend alternate shops.

The Department maintains an open account at the local suppliers of auto parts. Minor repairs such as lamps, fuse problems, or appearance items may be obtained without purchase order authorization from local supply houses at the convenience of the officer.

A complete record of service, gasoline usage and repair cost on each vehicle is maintained by the City's Fleet Manager in Public Works.

Semi-annual vehicle inventory and inspections on police vehicles will be made to ensure all maintenance schedules are met and vehicles are properly equipped and operational. These inspections shall be performed in conjunction with and by the supervisor assigned to complete the officer's semi-annual performance evaluation.

PARK CITY POLICE DEPARTMENT	POLICY AND PROCEDURES
Policy Title: Emergency Equipment	**Policy Number:** 21.3
Effective/Revision Date: 1 July 2004	**Distribution Date:** 6 July 2004
Review Date: July 2005	**SOP Ref:** N/A
Approved: **See Master File/Chief of Police	**Number of Pages:** 1

PURPOSE

This policy is established to provide members of the department with direction on emergency equipment related to police vehicles.

POLICY

Police vehicles are equipped with emergency lights, siren, and insignia indicating their law enforcement nature. Vehicles used by investigators or plain clothes officers for covert purposes may be equipped differently in response to the mission of the officer and vehicle.

Each marked vehicle will be equipped and marked as specified by the Chief of Police and administered through the department's fleet manager under the direction of the Administrative Lieutenant.

Each unmarked vehicle will be equipped as specified by the Chief of Police and administered through the department's fleet manager under the direction of the Administrative Lieutenant.

Police vehicles should be equipped with emergency flares, blanket, basic first aid supplies, personal protective equipment for bloodborne pathogens, chemicals and other hazardous materials handling or response and the tools necessary for basic crime and accident response and investigation.

The amount and type of equipment carried in the patrol vehicles may not meet the needs of a specific accident, but additional equipment may be obtained at the Department and brought to the scene by a second officer.

PARK CITY POLICE DEPARTMENT	POLICY AND PROCEDURES
Policy Title: Rules of Conduct for Vehicle Use	**Policy Number:** 21.4
Effective/Revision Date: 1 July 2004	**Distribution Date:** 6 July 2004
Review Date: July 2005	**SOP Ref:** N/A
Approved: **See Master File/Chief of Police	**Number of Pages:** 2

PURPOSE

This policy is established to provide members of the department with the rules of conduct to be followed in connection with the assignment and operations of department vehicles.

POLICY

These rules of conduct for vehicle use and operation govern on duty officers as well as off duty officers, whether in uniform or plain clothes.

1. Members may not customize or alter any police vehicle or department issued vehicle equipment without supervisory authorization.

2. Officers are responsible for the conduct of any passengers in the police vehicle. Civilian passengers may be carried upon the completion of a rider release form when a member of the public requests to ride with a police officer during a tour of duty. Passengers should be made aware of the information on the rider release form and the expected conduct while in a police vehicle. Should officers get into a hazardous situation with civilian passengers in the vehicle, they should be asked to get out of the car and await the officers return rather than be exposed to extreme danger.

3. Radios must be turned on and operational in the police vehicles whether the vehicle is being used in an on or off duty capacity. Though it is not necessary for off duty officers to check on the air with dispatch, dispatch should be advised immediately if off duty officers respond to or happen upon a law enforcement situation.

4. Members shall not consume alcohol and operate a department vehicle, on or off duty, unless that member has been granted an exception, by a command staff member, as being essential to completing the law enforcement task or assignment. Under this exception, no member shall consume alcohol to a level of impairment of 0.08 BAC.

5. Police vehicles will not be used to carry heavy or excessive loads, on or off duty. Trucks may be obtained from the city shops for uses involving extraordinary loads as part of a duty assignment.

6. All officers will operate police vehicles in a manner that will not bring discredit or unfavorable comment upon the Department. Good judgment and obedience to traffic laws shall always be exercised by persons operating police vehicles.

7. If an officer, while off duty and in a police vehicle, becomes involved in a law enforcement action, he should summon an on duty officer to take over the situation as soon as practical.

8. Any officer involved in an accident in a police vehicle, shall advise a department supervisor as soon as possible. The Utah Highway Patrol or the Summit County Sheriff's office should be

contacted to investigate the accident. Once the investigation is complete, a copy of the report as well as a report from the officer of the circumstances involved shall be forward to the city attorney's office without unnecessary delay.

9. Police officers violating traffic laws resulting in an accident are not exempt from legal action taken by the investigating department, civil action taken by either the victim or the city to recover damages, or from departmental discipline.

10. Driver and occupants in any police vehicle shall wear seatbelts at all times while the vehicle is in motion.

11. Officers using assigned vehicles to leave city jurisdiction for authorized purposes or officers who are outside of the authorized boundaries using assigned vehicles for authorized purposes, must notify dispatch of purpose, departure and return. This type of use will require supervisory approval.

12. When operating a marked or unmarked police vehicle off duty, officers will have a department authorized weapon, police identification and all other equipment necessary to respond to a call for assistance.

Take Home Cars

by: Bruce Mann & Douglas Goodman
Courtesy: Police Fleet Magazine

Assigning each officer an individual vehicle to use on and off shift is a contentious, disputed, oft-argued and emotionally charged issue. The real public policy issue should be: will the community be better off or not with an assigned vehicle program? While the issue can be stated quite simply, constructing an answer is difficult and problematic.

The answer depends on program finances, local political and community objectives, as well as the operational needs of the department. Many of the dollars involved can be measured with only moderate difficulty. However, calculating values of some benefits and costs is complex due to their indirect assessment or their subjective nature. <u>Citizen perceptions of safety, the deterrent effect of police visibility, morale effects, and the value of alternative uses of funds all need to be considered in any assigned vehicle program evaluation.</u>

An assigned vehicle program evaluation should start with a clear, comprehensive cost-benefit review. The review will provide an estimate of how large non-measurable benefits have to be, or how small the other costs can be, before the program would be justified. A cost-benefit study provides a benchmark around which the decision making process can proceed and alternative arguments can be framed.

This was the approach taken by the city of Tacoma, WA. Tacoma is a moderate sized urban area in a large metropolitan region. The city, at the time of the study, had a population of about 185,000. Some patrol officers lived in the city, many resided in the surrounding county (Pierce County has a population of about 500,000). The county is part of the three million people Puget Sound area where Seattle is the major urban center.

In part, the city felt we would bring objectivity, impose a rigorous professional approach, and provide an unbiased opinion. The city instructed us to design, implement and evaluate an assigned vehicle pilot project. At the time the study began in 1996, police services were delivered in a typical fashion— officers shared vehicles, the work schedule was four 10-hour shifts per week, with full time sectoral policing.

Only officers working in special programs (K-9 or on-call, for example) had assigned vehicles. The project ended in November of 1997. We reviewed the literature on assigned vehicles, developed cost and benefit estimating methods, collected data, and evaluated the outcome.

Our literature review included 15 previously published, assigned vehicle studies. These studies ranged from small, semi-urban jurisdictions to geographically dispersed county sheriff offices to large metropolitan police departments. <u>The arguments for take-home cars</u>

were consistent: improved morale, lower operating costs, higher capital expenditures, billboard effects, and better public perception of policing.

However, the empirical results (when reported) were often suspect. Controlled comparisons were not done, cost data focused on operating expenses, conclusions often used judgmental factors, and adjustments for geography, force size and local conditions were often absent. The studies were helpful in providing some comparative results, ideas for program design, and cautions about problems, but they did not offer conclusive evidence.

The pilot project used 30 newly purchased vehicles assigned to individual officers. All vehicles were 1996 Crown Victorias, outfitted with standard police equipment. The first assigned vehicle entered service in January of 1996 and the final one came online in November of that year. All entered service with minimal (delivery and test) mileage and no wear and tear. In addition, the city selected a sample of 46 fleet pool vehicles. Records for the pool and assigned vehicles were maintained by the city. Data included operating expenses, damage costs, mileage, capital outlays and financing. Our study compared the costs between the assigned and fleet pool vehicles.

Each officer with an assigned vehicle agreed to maintain a weekly log of activities. The log entries identified off-shift police related activities. We measured the amount, nature and origin of "off-duty" policing for the average officer with an assigned vehicle. The nature of the activities included responding to dispatch, stopping to assist citizens, and providing traffic control. Calls for off-duty assistance came from official radio communications, sightings by the off-duty officer, and direct citizen contact.

Officers with assigned vehicles also provided commuting information. We estimated the number of miles and amount of time vehicles were used for off-duty activities. We also obtained information from assigned vehicles and pool fleet officers about shift change time (paid patrol time lost to changeover) and preparation needs.

Since we knew the off-duty location of each assigned vehicle, we measured neighborhood perceptions of safety and policing. We selected four block areas around a sample of assigned vehicle locations and random locations elsewhere in the city. Pre- and post- program telephone surveys asked residents about neighborhood safety, personal concerns, police visibility, and how they felt the department was doing. We measured attitudinal changes, visibility effects and altered perceptions due to the presence of an off-duty police vehicle in the area.

Within the department, each officer with an assigned vehicle, and a sample of officers who did not get an assigned vehicle, completed pre- and post- program questionnaires. The questionnaire measured anticipated and actual problems and benefits from an assigned vehicle, lifestyle changes, interactions with neighbors, and the like. Thus, we tracked officer expectations versus the reality of "being on call" 24/7.

The final element was a statistical study relating crime rates, property values and vehicle assignment programs. We estimated the dollar benefit to homeowners and to local governments (through property tax collections) of crime rate changes due to having more vehicles on the streets more often. Our empirical model provided a link from vehicle programs to crime rates and property values.

Over our study period, assigned vehicles logged a total of 397 months of service. On average an assigned vehicle was on the road for 12,700 miles per year (2,500 miles for commuting and 10,200 on patrol service). The average pool fleet vehicle recorded an average of 22,400 miles per year (all for patrol).

City and department policy was to retire a vehicle after it accumulated 89,000 miles of use. Thus, an assigned car would be in service for 7.25 years while a pool vehicle would remain active for four years. For analytical convenience, we used an eight-year accounting period to compare costs and benefits for assigned and pool vehicles.

The total cost to purchase, equip and prepare a vehicle for patrol service was $33,875. Based on staffing levels in 1996, the department would require a 130-car assigned vehicle fleet compared to a 44-car pooled fleet. Over eight years, the assigned vehicle fleet capital and financing costs would total $6.5 million compared to $3.8 million for the pool fleet. Since more cars are needed for the assigned vehicle program, even though they are replaced less often, the total principal and interest expense was 71% more. However, on a per vehicle basis, the associated costs of an assigned vehicle averaged less ($44,600) than a pool vehicle ($47,800).

We compared operating costs for fuel, tires and routine maintenance. The annual per vehicle operating cost under the assigned vehicle program was $28,100 compared to a pool program average cost of $81,700, due to 62% fuel cost savings, 76% less for tire replacement, and a 66% reduction in routine maintenance. Over the eight-year period, then, the operating cost for a fully assigned vehicle fleet would total $4.1 million and the cost for a full pool fleet would be $5.2 million— an eight-year savings of 21% in total.

The most significant cost reduction for the assigned vehicles was due to lower accident and damage repair costs. A pool vehicle averaged $8,400 while an assigned vehicle required only $1,375 per year. Over an eight-year period, a full assigned vehicle fleet would generate a total of $179,000 in accident and damage repair work compared to $365,000 for a full fleet of pool cars.

In total, it costs less to operate an average assigned vehicle unit each year than it does to keep a pool vehicle on patrol; $29,500 versus $90,100. This per vehicle savings does not translate into an equivalent proportional total cost savings since there are almost three times as many assigned vehicles as pool vehicles in the fleet. Nonetheless, over eight years an assigned vehicle fleet will reduce operating costs by a total of $1.3 million dollars.

On a total cost basis over eight years the full assigned vehicle fleet will be more expensive than the pooled fleet. The $2.7 million in additional capital expenses exceeds the $1.3 million reduction in operational costs. As a result an assigned vehicle fleet will add $175,000 to the department's annual budget.

Further benefits the city would receive with a full assigned vehicle fleet were also examined. These benefits are the result of officers spending more effective time on patrol and a positive impact from increased property tax revenue.

To begin a shift, officers reported for roll call, then went to their cars and started patrol. Since officers with assigned vehicles already have their cars “ready-to-go,” they spent an average of four minutes preparing for patrol. Officers with pool vehicles after roll call required 25 minutes, on average, to get a vehicle, inspect it, put their equipment in the car, and stow personal effects.
Thus, officers with assigned vehicles averaged 20 more minutes per shift than officers who had to obtain and prepare pool vehicles. Assuming half as much change time saved when going off patrol and given regular shift scheduling, an officer with an assigned vehicle is on the street 58 more hours per year than an officer with a pool car.

Furthermore, officers with assigned vehicles were also on the street during their commutes. Although not on duty, their presence on the street served as a deterrent to criminal activity. Also, they sometimes responded to calls for assistance. Given the geographic location of the officers, the average commute time in the city was 90 hours per year, or about nine 10-hour shifts at no additional cost to the city.

Off-duty officers with assigned vehicles were visible, approached by citizens for aid, responded to dispatch calls, and voluntarily intervened when appropriate. That is, the officers provided police services at no additional cost. On average, an officer with an assigned vehicle was involved in 24 off-duty incident responses per year. The average amount of time devoted to an off-duty incident response was approximately 20 minutes.

Based on the average amount of departmental response activity and time, the off-duty activity is equivalent to each officer providing an additional one-half of a shift per year, at no cost. Given the total amount of extra time provided by officers with assigned vehicles and the city’s cost per officer, over eight years this amounts to $3.4 million worth of additional police services, or roughly $3,300 per car per year. **This additional benefit value more than offsets the negative budgetary impact for an assigned vehicle fleet structure.**

Converting from a pool fleet to a complete assigned vehicle configuration generates a positive net benefit to the department of $2 million over the eight-year budgetary cycle ($3.4 million of additional services less the $1.4 million additional departmental expenditure).

An increased and more visible police presence reduces crime through both deterrence and detection. Lower crime rates benefit citizens, not just with improved levels of safety and security, but also with increased property values. Any increased property value provides a benefit to the city; one not captured directly by the police department, through increased general fund revenues to fund additional programs. These estimated impacts are calculated using a standard statistical model.

It was estimated that with an assigned vehicle fleet nonviolent property crime fell by 1,305 incidents per 100,000 inhabitants using mid-sized urban areas as the sample base. We also estimated that for each one percent reduction in nonviolent crime, property value increases by about $1,100. This means for Tacoma using 1996 values, an assigned vehicle fleet would have reduced nonviolent crime by 3.1% annually. Based on the city's 1996 tax rate this would generate $530,000 of increased general fund revenues per year.

One surprising finding came from the neighborhood survey results. The use of assigned vehicles had virtually no impact on resident and citizen perceptions about policing, crime rates, size of the department, or feelings of safety. As expected, only in areas near the homes of officers with assigned vehicles did the percentage of neighbors who reported seeing police vehicles increase.
The reputed "billboard effect," an increased sense of safety and security when people see more police vehicles, was not reflected in our survey results. Nonetheless, most respondents reacted favorably to having cars on the street and in their neighborhoods.

<u>The survey results of officers clearly indicated a positive morale improvement for individuals with assigned vehicles.</u> These officers appreciated having their own "offices on wheels," the convenience of an individual car, the support from the department and city, and identified very few problems. A pre-program apprehension of being "hassled" about minor matters while off-duty proved to be unsupported. Similarly the pre-program fear of off-duty vehicle vandalism failed to materialize. Finally, most officers voluntarily provided some off-duty maintenance, care and attention to their vehicles.

In summary, shifting from a complete pool vehicle fleet program to a complete assigned vehicle one is costly. The additional net cost and budgetary impact on the public safety department results from the increased capital and financing cost of procuring (three times) more cars. This added cost is partially offset by reduced operating, maintenance and repair expenses. If the assigned vehicles are in service more than twice as long as pool vehicles, the operating savings could be large enough to offset the added costs.

The use of assigned vehicles does generate significant police service benefits; primarily by increasing the effective time officers are on patrol. The value of this extra time can be substantial enough to more than offset the net budgetary cost. More policing also leads to a reduction of crime, producing benefits to the citizens and the general government budget.

Although public perceptions about the effectiveness and visibility of officers were little changed and "billboard effects" were not observed, a longer time frame might change this outcome. <u>Initial concerns about off-duty inconvenience, vehicle vandalism, loss of overtime, and personal costs proved to be incorrect. Finally, an intangible, but positive, effect of the program was the boost to officer morale.</u>

A cautionary observation is worth noting. We found it was important to tailor our methods, procedures and analysis to the particular circumstances of Tacoma. We think our general results would be transferable to other medium sized urban places located within a larger metropolitan region. However, the specific results would not necessarily be the same in a different place at a different time.

Local geography, departmental regulations and policies, cost conditions, crime patterns, and housing market circumstances play important roles in this type of analysis. While caution must be exercised when applying our conclusions and results to other jurisdictions, we believe our comprehensive approach and methods offer guidance and shed new light in this highly debated policy area.

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CIP #	Project	CIP Score	Priority	General Fund 09 CF	10	10 Rmdr	11	12	13	14
CP0010	Water Department service equipme	NR	7	-	-	-	-	-	-	-
CP0026	Motor Change-out and Rebuild Prog	NR	7	-	-	-	-	-	-	-
CP0027	Water Recording Devices	NR	7	-	-	-	-	-	-	-
CP0029	Equipment Replacement - Film Equ	NR	7	-	-	-	-	-	-	-
CP0030	Public Safety Complex	NR	7	29,771	(17,000)	7,722	-	-	-	-
CP0040	Water Department Deficiency Corre	NR	7	-	-	-	-	-	-	-
CP0042	Gilmore Open Space Note	NR	7	-	100,000	-	100,000	100,000	100,000	100,000
CP0045	Building Replacement and Enhance	NR	7	-	-	-	-	-	-	-
CP0058	Olympic Preparation/Legacies	NR	7	-	-	-	-	-	-	-
CP0067	Recreation Complex	NR	7	-	-	-	-	-	-	-
CP0068	Spiro Treatment Plant	NR	7	-	-	-	-	-	-	-
CP0070	Meter Radio Read	NR	7	-	-	-	-	-	-	-
CP0071	JSSD Water Assessment	NR	D	-	-	-	-	-	-	-
CP0076	Boothill Tank.	NR	7	-	-	-	-	-	-	-
CP0077	Boothill Pumpstation	NR	7	-	-	-	-	-	-	-
CP0081	OTIS Water Pipeline Replacement I	NR	7	-	-	-	-	-	-	-
CP0086	Prospect Avenue	NR	7	-	-	-	-	-	-	-
CP0095	Tennis Bubble Replacement	NR	D	1,811	(211)	-	-	-	-	-
CP0105	Mountain Regional Water Connectic	NR	7	-	-	-	-	-	-	-
CP0114	Storm Drain & Flood Control Device	NR	7	-	-	-	-	-	-	-
CP0123	Replace Police Dispatch System	NR	7	7,360	-	7,360	-	-	-	-
CP0124	Kearns Boulevard Improvements	NR	7	-	-	-	-	-	-	-
CP0125	Quinn's Rec - Maintenance Equipm	NR	7	-	-	-	-	-	-	-
CP0139	Solamere Pump Station Upgrade	NR	7	-	-	-	-	-	-	-
CP0140	Water System Emergency Power M	NR	7	-	-	-	-	-	-	-
CP0141	Boothill Transmission Line	NR	7	-	-	-	-	-	-	-
CP0143	Intersection Realignment Monitor D	NR	7	-	-	-	-	-	-	-
CP0149	Update Recreation Needs & Facility	NR	7	-	-	-	-	-	-	-
CP0164	Park City Website Remodel	NR	D	22,125	(126)	-	-	-	-	-
CP0173	Detention Basin Feasibility Study	NR	7	-	-	-	-	-	-	-
CP0178	Rockport Water, Pipeline, and Stora	NR	7	-	-	-	-	-	-	-
CP0180	Corrosion Study of Water System	NR	7	-	-	-	-	-	-	-
CP0181	Spiro Building Maintenance	NR	7	-	-	-	-	-	-	-
CP0182	Park Meadows Golf Course Water F	NR	7	-	-	-	-	-	-	-
CP0184	Judge/Talisker/NPDES	NR	7	-	-	-	-	-	-	-
CP0188	Landfill Operations Master Plan anc	NR	7	-	-	-	-	-	-	-
CP0192	Walkability Contingency	NR	7	-	-	-	-	-	-	-
CP0207	LED Holiday Lighting	NR	7	-	-	-	-	-	-	-
CP0209	Snow Blade Implements	NR	7	-	-	-	-	-	-	-
CP0218	Emergency Management Program I	NR	D	6,000	(6,000)	-	-	-	-	-
CP0220	800 Mhz Radios	NR	D	-	-	-	-	-	-	-
CP0221	Racquet Club Renovation: Phase II	NR	D	-	-	-	-	-	-	-
CP0222	Snow Removal Equipment	NR	7	-	-	-	-	-	-	-
CP0224	JSSD Raw Water Line	NR	7	-	-	-	-	-	-	-
CP0225	Gap Water Supply	NR	7	-	-	-	-	-	-	-
CP0227	Park City Water Infrastructure Proje	NR	7	-	-	-	-	-	-	-
CP0228	Snow Creek Affordable Housing Pro	NR	7	-	-	-	-	-	-	-
CP0235	Gas Line Reimbursement to IHC	NR	7	137,359	-	68,680	-	-	-	-
CP0236	Triangle Property	NR	7	200,000	(50,000)	142,565	-	-	-	-
CP0237	Building Activity Stabilization Fund	NR	D	75,000	(75,000)	-	-	-	-	-
CP0238	Quinn's Junction Transmission Line	NR	7	-	-	-	-	-	-	-
CP0240	Quinn's Water Treatment Plant	NR	7	-	-	-	-	-	-	-
CP0241	Promontory Pipeline	NR	7	-	-	-	-	-	-	-
CP0242	Boyer Land Purchase	NR	7	-	2,320,748	2,320,748	-	-	-	-
CP0243	JSSD Water Rights Purchase	NR	7	-	-	-	-	-	-	-
CP0244	Transit Contribution to County	NR	7	-	-	-	-	-	-	-
CP0245	Osguthorpe Water Fee Credit Purch	NR	7	-	-	-	-	-	-	-
NEW19	#N/A	NR	7	-	-	-	-	-	-	-
			Total	479,426	2,272,411	2,547,075	100,000	100,000	100,000	100,000
CP0154	Sales Tax Bond Contingency	27.75	1	-	-	-	-	-	-	-
CP0069	Judge Water Treatment Plant.	26.44	1	-	-	-	-	-	-	-
CP0028	5 Year CIP Funding	26.33	1	5,000,000	-	5,000,000	-	-	-	-
CP0136	County Vehicle Replacment Fund	26.10	1	-	-	-	-	-	-	-
CP0108	Flagstaff Transit Transfer Fee	26.07	1	-	-	-	-	-	-	-
CP0131	Conservation Reserve Program	25.59	1	-	-	-	-	-	-	-
			Total Alt 1	5,000,000	-	5,000,000	-	-	-	-

CIP #	Flexible 09 CF	10	10 Rmdr	11	12	13	14
CP0010	219,056	75,000	294,056	75,000	75,000	75,000	-
CP0026	42,186	-	996	27,301	28,529	29,813	-
CP0027	-	6,738	-	-	-	-	-
CP0029	-	-	-	-	-	-	-
CP0030	-	-	-	-	-	-	-
CP0040	558,220	(1,738)	540,365	816,000	500,000	510,000	-
CP0042	-	-	-	-	-	-	-
CP0045	-	-	-	-	-	-	-
CP0058	-	-	-	-	-	-	-
CP0067	-	-	-	-	-	-	-
CP0068	-	-	-	-	-	-	-
CP0070	695,714	930,000	488,519	-	-	-	-
CP0071	-	-	-	-	-	-	-
CP0076	-	-	-	-	-	-	-
CP0077	-	-	-	-	-	-	-
CP0081	374,464	-	238,999	150,000	150,000	-	-
CP0086	-	-	-	-	-	-	-
CP0095	-	-	-	-	-	-	-
CP0105	-	-	-	-	-	-	-
CP0114	-	-	-	-	-	-	-
CP0123	-	-	-	-	-	-	-
CP0124	-	-	-	-	-	-	-
CP0125	-	-	-	-	-	-	-
CP0139	-	-	-	-	-	-	-
CP0140	26,483	100,000	126,483	-	-	-	-
CP0141	-	64,718	64,718	-	-	-	-
CP0143	-	-	-	-	-	-	-
CP0149	-	-	-	-	-	-	-
CP0164	-	-	-	-	-	-	-
CP0173	-	-	-	-	-	-	-
CP0178	78,222	294,560	131,032	294,560	294,560	294,560	-
CP0180	-	50,000	50,000	-	-	-	-
CP0181	69,266	-	68,782	-	-	-	-
CP0182	-	-	-	-	-	-	-
CP0184	1,464	-	1,464	-	-	-	-
CP0188	-	-	-	-	-	-	-
CP0192	-	-	-	-	-	-	-
CP0207	2,779	-	2,779	-	-	-	-
CP0209	-	-	-	-	-	-	-
CP0218	-	-	-	-	-	-	-
CP0220	184,136	(85,141)	0	-	-	-	-
CP0221	-	-	-	-	-	-	-
CP0222	-	-	-	-	-	-	-
CP0224	-	-	-	-	-	-	-
CP0225	22,531	-	(1,916)	-	-	-	-
CP0227	-	510,701	510,701	122,493	165,145	276,222	-
CP0228	-	3,000,000	664,206	-	-	-	-
CP0235	-	-	-	-	-	-	-
CP0236	-	-	-	-	-	-	-
CP0237	25,000	(25,000)	-	-	-	-	-
CP0238	24,960	62,100	87,060	52,643	-	-	-
CP0240	135,575	561,461	697,036	-	20,256	-	-
CP0241	-	-	(374,263)	-	-	-	-
CP0242	-	3,179,862	(2,320,748)	-	-	-	-
CP0243	-	-	-	-	-	-	-
CP0244	-	-	(724,892)	-	-	-	-
CP0245	-	375,000	-	-	-	-	-
NEW19	-	-	-	-	-	-	-
Total	2,460,056	9,098,261	545,377	1,537,997	1,233,490	1,185,595	-
CP0154	-	-	-	-	-	-	-
CP0069	30,000	-	(75,929)	750,000	700,000	-	-
CP0028	2,049,395	24,000	2,073,395	-	-	-	-
CP0136	-	-	-	-	-	-	-
CP0108	-	-	-	-	-	-	-
CP0131	-	-	-	-	-	-	-
Total Alt 1	2,079,395	24,000	1,997,466	750,000	700,000	-	-

CIP #	Inflexible 09 CF	10	10 Rmdr	11	12	13	14
CP0010	-	-	-	-	-	-	-
CP0026	-	-	-	-	-	-	-
CP0027	-	-	-	-	-	-	-
CP0029	-	-	-	-	-	-	-
CP0030	-	-	-	-	-	-	-
CP0040	51,865	-	36,594	-	-	-	-
CP0042	233	-	233	-	-	-	-
CP0045	-	-	-	-	-	-	-
CP0058	-	-	-	-	-	-	-
CP0067	-	-	-	-	-	-	-
CP0068	-	-	-	-	-	-	-
CP0070	-	507,750	123,666	-	-	-	-
CP0071	7,160	467,335	0	-	-	-	-
CP0076	-	-	-	-	-	-	-
CP0077	-	-	-	-	-	-	-
CP0081	-	-	-	-	-	-	-
CP0086	-	-	-	-	-	-	-
CP0095	-	-	-	-	-	-	-
CP0105	-	-	-	-	-	-	-
CP0114	-	-	-	-	-	-	-
CP0123	-	-	-	-	-	-	-
CP0124	-	-	-	-	-	-	-
CP0125	-	-	-	-	-	-	-
CP0139	-	-	-	-	-	-	-
CP0140	-	-	-	-	-	-	-
CP0141	221,264	1,194,907	773,008	-	-	-	-
CP0143	-	-	-	-	-	-	-
CP0149	-	-	-	-	-	-	-
CP0164	-	-	-	-	-	-	-
CP0173	-	-	-	-	-	-	-
CP0178	188,948	625,940	321,977	625,940	625,940	625,940	-
CP0180	-	-	-	-	-	-	-
CP0181	-	-	-	-	-	-	-
CP0182	-	-	-	-	-	-	-
CP0184	-	-	-	-	-	-	-
CP0188	-	-	-	-	-	-	-
CP0192	-	-	-	-	-	-	-
CP0207	-	-	-	-	-	-	-
CP0209	-	-	-	-	-	-	-
CP0218	-	-	-	-	-	-	-
CP0220	-	-	-	-	-	-	-
CP0221	-	-	-	-	-	-	-
CP0222	-	-	-	-	-	-	-
CP0224	-	-	-	-	-	-	-
CP0225	-	-	-	-	-	-	-
CP0227	-	11,515,734	7,743,185	1,691,682	2,280,728	3,814,741	-
CP0228	515,774	20,000	(238,969)	-	-	-	-
CP0235	-	-	-	-	-	-	-
CP0236	-	-	-	-	-	-	-
CP0237	-	-	-	-	-	-	-
CP0238	53,040	2,204,645	1,870,399	727,022	-	-	-
CP0240	515,237	7,754,016	7,716,944	-	219,744	-	-
CP0241	-	-	(950,732)	-	-	-	-
CP0242	-	-	-	-	-	-	-
CP0243	-	-	(12,830,335)	-	-	-	-
CP0244	-	-	-	-	-	-	-
CP0245	-	-	-	-	-	-	-
NEW19	-	-	-	-	-	-	-
Total	1,553,521	24,290,327	4,565,970	3,044,644	3,126,412	4,440,681	-
CP0154	68,729	(68,729)	-	-	-	-	-
CP0069	-	601,023	601,000	3,397,128	2,527,933	-	-
CP0028	-	-	-	-	-	-	-
CP0136	150,701	57,415	208,116	59,137	60,911	62,738	-
CP0108	1,562,304	250,222	1,812,526	-	-	-	-
CP0131	3,206	-	3,206	-	-	-	-
Total Alt 1	1,784,940	839,931	2,624,848	3,456,265	2,588,844	62,738	-

CIP #	Project	CIP Score	Priority	General Fund 09 CF	General Fund 10	General Fund 10 Rmdr	General Fund 11	General Fund 12	General Fund 13	General Fund 14	Flexible 09 CF	Flexible 10	Flexible 10 Rmdr	Flexible 11	Flexible 12	Flexible 13	Flexible 14	Inflexible 09 CF	Inflexible 10	Inflexible 10 Rmdr	Inflexible 11	Inflexible 12	Inflexible 13	Inflexible 14
CP0038	Open Space Bond Acquisitions	25.29	2	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,789,774	$ 7,808,582	$ 19,134	$ -	$ -	$ -	$ -
CP0009	Transit Coaches Replacement & Re	25.14	2	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 607,999	$ 107,594	$ 261,281	$ 131,892	$ 216,522	$ 330,532	$ -	$ 1,157,869	$ 1,348,000	$ 688,620	$ 884,071	$ 886,088	$ 1,322,128	$ -
CP0006	Pavement Management Impl.	24.85	2	$ -	$ 474,500	$ 429,488	$ 125,500	$ 300,000	$ 200,000	$ 200,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 65	$ 300,000	$ (109,326)	$ 300,000	$ 300,000	$ 300,000	$300,000
CP0216	Park & Ride (Access Road & Amen	24.83	2	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 945,352	$ -	$ 714,745	$ 473,591	$ -	$ -	$ -
CP0101	BioCell Remediation	24.83	2	$ 23,296	$ (23,188)	$ (14)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0134	Impact Fees	24.75	2	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,009,926	$ (1,000,000)	$ 9,926	$ -	$ -	$ -	$ -
CP0019	Library Development and Donations	24.57	2	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,179	$ 2,450	$ 967	$ -	$ -	$ -	$ -
CP0132	Museum Expansion	24.55	2	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 147,701	$ -	$ 55,019	$ -	$ -	$ -	$ -
CP0051	Bus Maintenance & Operations Fac	24.03	2	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,437,734	$ 10,000,000	$ 11,785,791	$ -	$ -	$ -	$ -
CP0152	Parking Meter Replacement	23.53	2	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 349,752	$ 10,000	$ 46,902	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0007	Tunnel Improvements	23.47	2	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (31,187)	$ 569,000	$ 258,809	$ 313,840	$ 251,057	$ 262,354	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0025	Bus Shelters	23.44	2	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 22,600	$ -	$ 22,600	$ 37,000	$ 12,490	$ 11,650	$ 12,380	$ 185,788	$ -	$ 128,425	$ 148,000	$ 49,961	$ 46,599	$ 49,520
CP0137	Transit Expansion	22.92	2	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 115,987	$ -	$ 108,669	$ 39,490	$ 25,187	$ 110,423	$ 26,195	$ 1,043,885	$ -	$ 1,043,885	$ 307,958	$ 133,749	$ 476,693	$141,779
CP0096	E-Government Software	22.92	2	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 84,400	$ -	$ 9,594	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0083	Lower Norfolk & Woodside (North o	22.79	2	$ 387	$ -	$ 387	$ -	$ -	$ -	$ -	$ 208,045	$ (100,000)	$ 113,671	$ -	$ -	$ -	$ -	$ 166,806	$ -	$ (39,194)	$ -	$ -	$ -	$ -
CP0232	Traffic Model	22.42	2	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 30,000	$ 30,000	$ -	$ -	$ -	$ -	$ -	$ 120,000	$ 120,000	$ -	$ -	$ -	$ -
CP0239	PC Heights Capacity Upgrade	22.18	2	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 968,012	$ (832,092)	$ 132,933	$ -	$ 500,000	$ -	$ -	$ (4,087)	$ 282,200	$ 278,113	$ -	$ -	$ -	$ -
CP0226	Walkability Implementation	22.13	2	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 7,528,583	$ 143,923	$ 6,424,922	$ -	$ -	$ 7,300,000	$ -
CP0001	Planning/Capital Analysis	22.12	2	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 45,655	$ 7,456	$ 53,111	$ 7,456	$ 7,456	$ 7,456	$ 7,456
CP0090	Friends of the Farm	21.95	2	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 16,926	$ 20,000	$ 8,956	$ -	$ -	$ -	$ -
CP0046	Golf Course Improvements	21.89	2	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,473	$ 32,000	$ 1,473	$ 32,000	$ 32,000	$ -	$ -	$ 84,003	$ -	$ 1,003	$ -	$ -	$ -	$ -
CP0033	Golf Pro Shop Acqusition	21.75	2	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,100,394	$ 32,428	$ 1	$ -	$ -	$ -	$ -
CP0066	Homeland Security Improvements	21.69	2	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 40,565	$ (40,565)	$ -	$ -	$ -	$ -	$ -
CP0169	Bus Stop Lights	21.57	2	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 14,400	$ -	$ 14,400	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0003	Old Town Stairs	21.54	2	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 208,859	$ -	$ 208,859	$ -	$ -	$ -	$ -
CP0156	OTIS Phase II(b)	21.54	2	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,678,875	$ -	$ -
CP0157	OTIS Phase III(a)	21.35	2	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0155	OTIS Phase II(a)	21.29	2	$ -	$ 735,000	$ 735,000	$ -	$ -	$ -	$ -	$ 1,750,000	$ -	$ 66,232	$ -	$ -	$ -	$ -	$ -	$ 365,277	$ 334,384	$ -	$ 3,296,000	$ -	$ -
CP0118	Transit GIS/AVL system	21.14	2	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,105,600	$ -	$ 1,105,600	$ 401,600	$ -	$ -	$ -
CP0091	Golf Maintenance Equipment Repla	21.01	2	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 122,004	$ 98,000	$ 56,634	$ 98,000	$ 98,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
			Total Alt 2	**$ 23,683**	**$ 1,186,312**	**$ 1,164,861**	**$ 125,500**	**$ 300,000**	**$ 200,000**	**$ 200,000**	**$ 4,216,485**	**$ (85,498)**	**$ 1,123,197**	**$ 652,222**	**$ 1,135,256**	**$ 714,959**	**$ 38,575**	**$20,015,577**	**$ 19,389,751**	**$ 22,832,943**	**$ 2,522,676**	**$11,352,129**	**$ 9,452,876**	**$498,755**
CP0158	OTIS Phase III(b)	20.98	3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0168	Bus Barn Sewer Connection	20.85	3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 25,000	$ -	$ 25,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0203	China Bridge Event Parking	20.75	3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 383,632	$ 1,186	$ 325,229	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0150	Ice Facility Capital Replacement	20.64	3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 40,494	$ 50,000	$ 41,014	$ 50,000	$ 50,000	$ 50,000	$ 50,000
CP0195	Ice Expansion Fund	20.36	3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 25,000	$ -	$ 25,000	$ -	$ -	$ -	$ -
CP0201	Shell Space	20.25	3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 39,905	$ (19,547)	$ 20,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0013	Affordable Housing Program	20.05	3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 687,735	$ 308,104	$ 675,912	$ -	$ -	$ -	$ -	$ 1,616,176	$ 444,677	$ 1,705,233	$ -	$ -	$ -	$ -
CP0159	Building Dept. Training Grant	20.00	3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0097	Bonanza Drive Reconstruction	19.90	3	$ 2,006,053	$ 600,000	$ 2,567,509	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (671,392)	$ -	$ -	$ -	$ -
CP0170	Bus Wash Rehab	19.66	3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 15,000	$ -	$ 13,418	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0005	City Park Improvements	19.63	3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 53,003	$ (31,818)	$ 19,956	$ -	$ -	$ -	$ -
CP0004	Hillside Avenue Design & Widening	19.60	3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 488,485	$ -	$ 426,610	$ -	$ -	$ -	$ -
CP0146	Asset Management/Replacement P	19.28	3	$ 3,596,328	$ (1,927,291)	$ 1,338,609	$ 382,709	$ 582,709	$ 582,709	$ 582,709	$ 161,130	$ -	$ 160,642	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0073	Marsac Seismic Renovation	19.09	3	$ (670)	$ -	$ (33,829)	$ -	$ -	$ -	$ -	$ 2,593,251	$ (300,000)	$ 508,387	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0174	Deer Valley Dr. Roundabout	19.08	3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0208	Snow Plow Blade Replacement	19.08	3	$ 20,000	$ -	$ 20,000	$ -	$ -	$ -	$ -	$ 179,245	$ (80,000)	$ 85,802	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0092	Open Space Improvements	19.03	3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 35,256	$ (32,898)	$ (0)	$ -	$ -	$ -	$ -	$ 1,588,246	$ 250,222	$ 582,566	$ -	$ -	$ -	$ -
CP0074	Equipment Replacement - Rolling S	19.01	3	$ 485,347	$ 550,000	$ 723,101	$ 600,000	$ 650,000	$ 700,000	$ 750,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0176	Deer Valley Drive Reconstruction	19.00	3	$ 75,270	$ (75,000)	$ 270	$ -	$ 75,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 26,907	$ -	$ 26,907	$ 1,000,000	$ -	$ -	$ -
CP0115	Public Works Complex Improvemer	18.95	3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 35,045	$ -	$ 35,045	$ -	$ -	$ -	$ -	$ 25,000	$ -	$ 19,562	$ -	$ -	$ -	$ -
CP0163	Quinn's Fields Phase III	18.93	3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,862,263	$ (1,835,715)	$ (1,600)	$ 300,000	$ -	$ -	$ -
CP0206	Golf Course Improvement	18.92	3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0185	Wind Power Grant	18.92	3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 99,468	$ -	$ 60,000	$ -	$ -	$ -	$ -
CP0021	Geographic Information Systems	18.83	3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 15,185	$ -	$ 6,884	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0171	Upgrade OH Door Rollers	18.72	3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,000	$ -	$ 9,000	$ 24,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0061	Economic Development	18.68	3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 31,587	$ -	$ 1,823	$ -	$ -	$ -	$ -
CP0075	Equipment Replacement - Compute	18.25	3	$ 359,169	$ 50,000	$ 80,107	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0047	Downtown Enhancements/Design	17.93	3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 38,327	$ (15,804)	$ (0)	$ -	$ -	$ -	$ -	$ 128,387	$ -	$ 128,387	$ -	$ -	$ -	$ -
CP0233	China Bridge Pocket Park	17.72	3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 600,000	$ -	$ 600,000	$ -	$ -	$ -	$ -
CP0043	Public Works Storage Parcel	17.57	3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,205,448	$ (784,098)	$ 421,350	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0008	Historical Incentive Grants	17.54	3	$ 91,769	$ -	$ 91,769	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 281,556	$ -	$ 253,457	$ -	$ -	$ -	$ -
CP0234	General Plan Update	17.36	3	$ 275,000	$ -	$ 262,790	$ 50,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0128	Quinn's Ice/Fields Phase II	17.29	3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 47,214	$ 5,502	$ 46,391	$ -	$ -	$ -	$ -	$ 54,957	$ -	$ 46,131	$ -	$ -	$ -	$ -
CP0039	Library Software	17.25	3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0022	Sandridge Parking Lot	17.11	3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 8,229	$ -	$ 8,229	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0231	Mortgage Assistance Program	17.11	3	$ 30,000	$ -	$ 30,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0186	Energy Efficiency Study on City Fac	17.11	3	$ 356,233	$ (100,000)	$ 196,728	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 47,505	$ -	$ 47,337	$ -	$ -	$ -	$ -
CP0002	Information System Enhancement/L	17.00	3	$ 51,368	$ -	$ 41,314	$ -	$ -	$ -	$ -	$ 212,015	$ -	$ 199,005	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0142	Racquet Club Program Equipment F	16.96	3	$ 26,089	$ 40,000	$ 66,089	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 13,776	$ -	$ 13,776	$ -	$ -	$ -	$ -
CP0160	Ice Facility Capital Improvements	16.94	3	$ 14,176	$ -	$ (1,886)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 12,049	$ 34,293	$ 46,342	$ -	$ -	$ -	$ -
CP0014	McPolin Farm	16.91	3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,747	$ -	$ 2,280	$ -	$ -	$ -	$ -	$ 104,052	$ -	$ 88,829	$ -	$ -	$ -	$ -
CP0210	Salt Cover	16.86	3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 20,350	$ -	$ 20,350	$ 65,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0145	Cross Country Snowmobile & Roller	16.75	3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0063	Historic Structure Abatement Fund	16.69	3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 691,490	$ (641,302)	$ 48,688	$ -	$ -	$ -	$ -	$ 132,580	$ -	$ 133,580	$ -	$ -	$ -	$ -
CP0167	Skate Park Repairs	16.69	3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 7,604	$ -	$ 6,754	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0191	Walkability Maintenance	16.52	3	$ 98,060	$ (58,060)	$ 3,530	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0187	Historic District Guidelines	16.51	3	$ 20,219	$ -	$ (4,497)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
			Total Alt 3	**$ 7,504,411**	**$ (920,351)**	**$ 5,381,604**	**$ 1,282,709**	**$ 1,557,709**	**$1,532,709**	**$1,582,709**	**$ 6,412,808**	**$ (1,558,857)**	**$ 2,618,364**	**$ 89,000**	**$ -**	**$ -**	**$ -**	**$ 7,231,491**	**$ (1,088,341)**	**$ 3,593,517**	**$ 1,350,000**	**$ 50,000**	**$ 50,000**	**$ 50,000**

CIP #	Project	CIP Score	Priority	General Func 09 CF	General Func 10	General Func 10 Rmdr	General Func 11	General Func 12	General Func 13	General Func 14	Flexible 09 CF	Flexible 10	Flexible 10 Rmdr	Flexible 11	Flexible 12	Flexible 13	Flexible 14	Inflexible 09 CF	Inflexible 10	Inflexible 10 Rmdr	Inflexible 11	Inflexible 12	Inflexible 13	Inflexible 14
CP0041	Trails Master Plan Implementation	16.45	4	$ 57,488	$ -	$ 57,488	$ 100,000	$ 100,000	$ 300,000	$ 200,000	$ 184,933	$ -	$ 146,118	$ -	$ -	$ -	$ -	$ -	$ 4,000	$ 4,000	$ -	$ -	$ -	$ -
NEW5	Irrigation Controller Replacement	16.38	4	$ -	$ -	$ -	$ 10,000	$ 25,000	$ 25,000	$ 25,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0153	Quinn's Public Improvements	16.25	4	$ 48,735	$ -	$ 48,735	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0017	ADA Implementation	16.24	4	$ 52,711	$ (40,000)	$ 12,711	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 1,955	$ -	$ 1,955	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0036	Traffic Calming	16.17	4	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 22,322	$ (9,927)	$ 6,262	$ 25,000	$ 25,000	$ 25,000	$ -	$ 41,804	$ -	$ 36,201	$ -	$ -	$ -	$ -
CP0102	Top Soil Assistance Program	16.10	4	$ 12,707	$ -	$ 11,807	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NEW17	#N/A	16.03	4	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0122	Police Wireless Network	16.01	4	$ 31,517	$ -	$ 21,676	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0060	Ice Facility	16.00	4	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0214	Racquet Club Renovation	15.78	4	$ 1,605,610	$ (150,000)	$ 1,455,610	$ -	$ -	$ -	$ -	$ 5,516,686	$ 150,000	$ 5,265,662	$ -	$ -	$ -	$ -	$ -	$ 100,000	$ 100,000	$ 4,300,000	$ -	$ -	$ -
CP0100	Neighborhood Parks	15.70	4	$ -	$ 46,400	$ 36,400	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 798,590	$ -	$ 378,978	$ -	$ -	$ -	$ -
CP0177	China Bridge Improvements & Equi	15.70	4	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0111	Prospector Ave Storm Drain	15.63	4	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0148	Walkable Community/Safe Pedestri	15.58	4	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0217	Emergency Management Program S	15.51	4	$ 144,435	$ (30,000)	$ 16,413	$ -	$ -	$ -	$ -	$ 150,000	$ (150,000)	$ -	$ -	$ -	$ -	$ -	$ 4,984	$ -	$ 4,978	$ -	$ -	$ -	$ -
CP0085	Town Plaza	15.32	4	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 131,840	$ (131,480)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 7,000,000	$ -	$ -
NEW9	Improved Website Mapping	14.85	4	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0229	Dredge Prospector Pond	14.78	4	$ 175,000	$ (173,724)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0133	Public Works Equipment	14.71	4	$ 34,901	$ (28,901)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NEW3	Monitor & Lucky John Drainage	14.44	4	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NEW8	Electronic Record Archiving	14.31	4	$ -	$ -	$ -	$ -	$ 85,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NEW14	City Council Technology Improveme	14.29	4	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0107	Retaining Wall at 41 Sampson Ave	14.15	4	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 55,000	$ -	$ 55,000	$ -	$ -	$ -	$ -
CP0020	City-Wide Signs Phase I	13.91	4	$ 16,266	$ (14,906)	$ 0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NEW4	Library Expansion - Design	13.56	4	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0089	Public Art	13.17	4	$ 71,191	$ (62,862)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,662	$ -	$ 1,662	$ -	$ -	$ -	$ -
CP0212	Park City Ice Arena Screens and Se	12.99	4	$ 2,781	$ (2,451)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NEW7	Decision Support System (DSS)	12.94	4	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0109	Deer Valley Drive Neighborhood	12.81	4	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0230	Mobile Command Post	12.71	4	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0162	Shop Computers	12.42	4	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
			Total Alt 4	**$ 2,253,342**	**$ (456,444)**	**$ 1,660,840**	**$ 120,000**	**$ 220,000**	**$ 335,000**	**$ 235,000**	**$ 6,007,736**	**$ (141,407)**	**$ 5,419,998**	**$ 25,000**	**$ 25,000**	**$ 25,000**	**-**	**$ 902,040**	**$ 104,000**	**$ 580,819**	**$ 4,300,000**	**$ 7,000,000**	**$ -**	**$ -**
NEW15	Rink Roof for Mechanical Equipmer	11.74	5	$ -	$ -	$ -	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0172	Public Works Site Cleanup	11.00	5	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NEW2	Recreation Center Logo	10.97	5	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0037	Office Space	10.93	5	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NEW18	Street Light @ Marsac & Guardsma	10.57	5	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0059	Cemetery Capital Replacement	9.63	5	$ 1,827	$ (1,216)	$ (0)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0119	Ice Rink - Cash Flow/Fundraising C	9.38	5	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CP0211	Back-up Ice resurfacer	9.25	5	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
			Total Alt 5	**$ 1,827**	**$ (1,216)**	**$ (0)**	**$ 25,000**	**$ 25,000**	**$ 25,000**	**$ 25,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**-**	**$ -**		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
			Grand Total	**$ 15,262,689**	**$ 2,080,712**	**$ 15,754,379**	**$ 1,653,209**	**$ 2,202,709**	**$2,192,709**	**$2,142,709**	**$ 21,176,480**	**$ 7,336,498**	**$ 11,704,403**	**$ 3,054,219**	**$ 3,093,746**	**$ 1,925,554**	**$ 38,575**	**$31,487,569**	**$ 43,535,668**	**$ 34,198,097**	**$14,673,585**	**$24,117,385**	**$ 14,006,295**	**$548,755**
			Original Budget		$ 2,898,209		$ 1,678,209	$ 1,878,209																
			Difference		$ (833,910)		$ (50,000)	$ 239,500																
			Target Cut		$ (650,000)		$ -	$ -																
			Deficit		**$ (183,910)**		**$ (50,000)**	**$ 239,500**																
NEW12	Ice Rink Floor Sealing/Painting	14.79	4	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -													
NEW11	Special Events Tables	13.83	4	$ -	$ -	$ -	$ -	$ -	$ -	$ -	Sundance Mitigation Pmt													
NEW10	Paper Records Conversion	12.89	4	$ -	$ -	$ -	$ -	$ -	$ -	$ -	Moved to Operating Budget													
NEW13	Locker Room and Party Room Repa	13.28	4	$ -	$ -	$ -	$ -	$ -	$ -	$ -	Asset Management													
NEW16	Ice Rink Elevator Pit Sump Pump	13.71	4	$ -	$ -	$ -	$ -	$ -	$ -	$ -	Asset Management													
CP0165	Time and Attendance Software	15.21	4	$ -	$ -	$ -	$ -	$ -	$ -	$ -	Moved to Operating Budget													
CP0205	GIS Development	15.31	4	$ 110,000	$ (57,441)	$ 7	$ -	$ -	$ -	$ -	Moved to Operating Budget													

WHW ENGINEERING INC.
CONSULTING
MECHANICAL
ENGINEERS

May 14, 2010

VCBO Architects
524 South 600 East
Salt Lake City, UT 84102

ATTN: Brent Tippets
RE: Park City Recreation Center

Dear Brent

Attached is the information from the energy cost model that we developed for the Park City Recreation Center Project. These models are typically used to compare energy performance of different construction scenarios, using the exact same conditions for each type of construction. They are reasonably accurate at determining a percentage better or worse between alternatives.

In order to make these comparisons, the model calculates approximate total energy use for the different alternatives. These are the total values that we have calculated. They are only approximations, based on our assumptions for occupancy, schedule, historical weather data, historic utility rates, operation and maintenance, auxiliary equipment, existing conditions in the existing gymnasium, etc. They are very rough approximations on auxiliary items that are plugged into wall outlets, such as exercise equipment, TVs, radios, computers, etc. Because there are so many assumptions about the actual building use, these are approximate numbers only, and could vary fairly significantly from actual energy use.

These models show an approximate annual energy cost of around $50,000 / year. The more reliable information from the economic model is the comparison between systems. The 2 alternatives shown in the bar graphs are 2 alternative models that were prepared for this building. The blue graph is the actual building design, which incorporates all of the energy savings measures that were applied, including evaporative cooling in the tennis court instead of refrigerated cooling. The orange graph is a baseline model for the building, using all of the minimum code compliant construction methods, as well as providing refrigerated cooling in the tennis court.

The comparison shows that the energy savings measures that have been implemented in the building design should reduce the annual energy cost by approximately 28% per year, compared to a standard minimum compliant building.

We appreciate this opportunity to work with you on this project. If you need additional information or have any questions, please do not hesitate to contact our office. Thank you.

Sincerely,

Win Packer, P.E.
Project Manager

WHW ENGINEERING INC.
8619 South Sandy Parkway, Suite 101 - Sandy, Utah - 84070
p. 801.466.4021 - f. 801-466-8536

Economic Summary

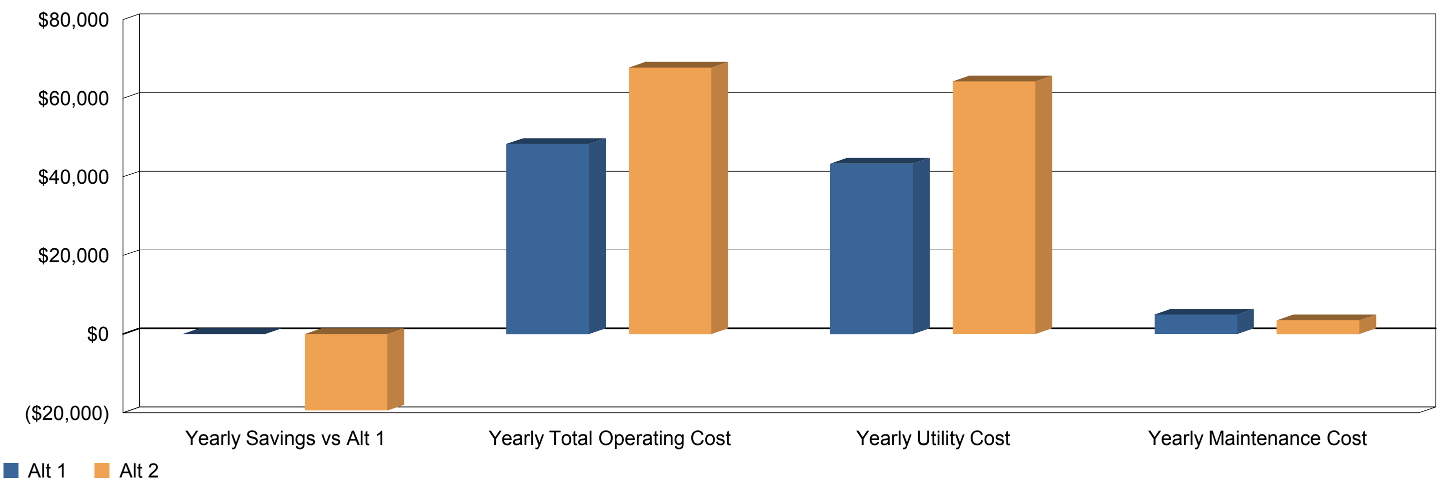
Project Information

Location	Park City, Utah	Study Life:	20 years
Project Name	Recreation Center	Cost of Capital:	10 %
User		Alternative 1:	R-23 Walls, R-30 Roof, Solar Ban 60 Wndw
Company	WHW Engineering	Alternative 2:	Minimum Code Compliance
Comments			

Economic Comparison of Alternatives

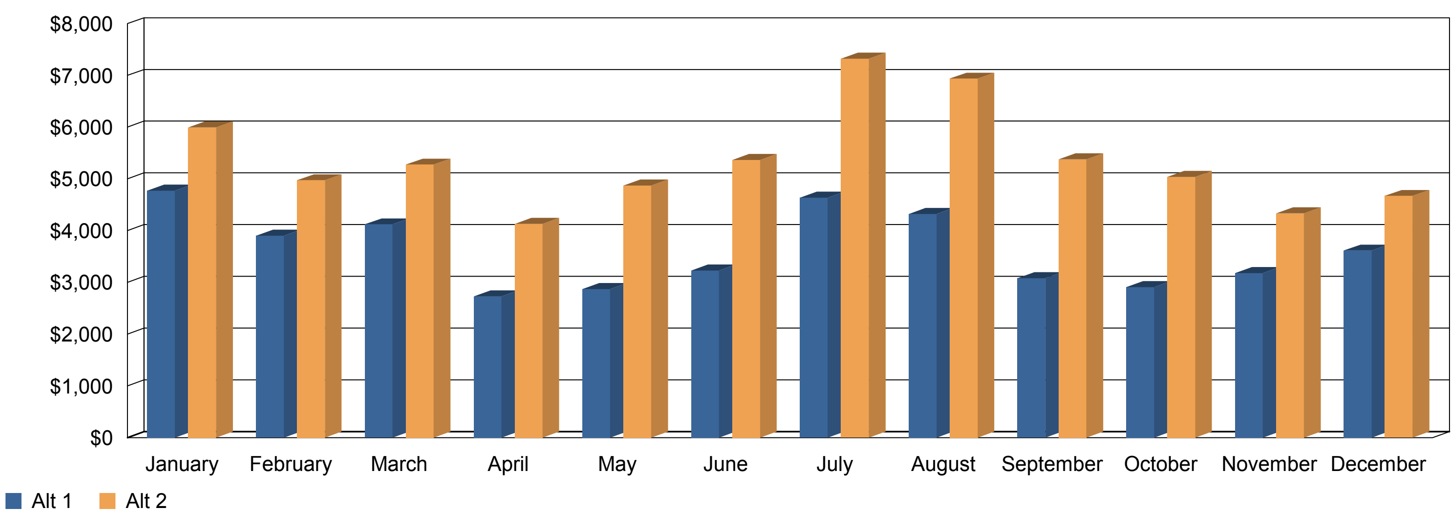
	Yearly Savings ($)	First Cost Difference ($)	Cumulative Cash Flow Difference ($)	Simple Payback (yrs.)	Net Present Value ($)	Life Cycle Payback (yrs.)	Internal Rate of Return (%)
Alt 1 vs Alt 2	0	110,000	278,600	5.7	55,419	8.8	16.9

Annual Operating Costs



	Yearly Savings vs Alt 1	Yearly Total Operating Cost ($)	Yearly Utility Cost ($)	Yearly Maintenance Cost ($)
Alt 1	0	48,373	43,373	5,000
Alt 2	-19,430	67,803	64,303	3,500

Monthly Utility Costs



MONTHLY UTILITY COSTS

By WHW

Utility	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
					-------	Monthly Utility Costs		-------					
Alternative 1													
Electric													
On-Pk Cons. ($)	1,999	1,793	2,109	1,818	2,014	2,163	2,873	2,747	1,940	1,988	1,919	1,877	25,238
On-Pk Demand ($)	1,117	1,111	1,111	1,117	1,337	1,540	2,244	2,072	1,628	1,410	1,143	1,130	16,961
Total ($):	3,116	2,904	3,220	2,935	3,351	3,703	5,117	4,820	3,567	3,397	3,062	3,007	42,199
Gas													
On-Pk Cons. ($)	2,024	1,460	1,424	362	75	0	0	0	10	107	809	1,107	7,377
Monthly Total ($):	5,140	4,364	4,644	3,296	3,426	3,703	5,117	4,820	3,577	3,504	3,871	4,114	49,576

Building Area = 65,000 ft^2

Utility Cost Per Area = 0.76 $\$/ft^2$

ENERGY CONSUMPTION SUMMARY

By WHW

	Elect Cons. (kWh)	Gas Cons. (kBtu)	% of Total Building Energy	Total Building Energy (kBtu/yr)	Total Source Energy* (kBtu/yr)
Alternative 1					
Primary heating					
Primary heating		1,881,788	55.5 %	1,881,788	1,980,829
Other Htg Accessories	9,173		0.9 %	31,307	93,930
Heating Subtotal	**9,173**	**1,881,788**	**56.4** %	**1,913,094**	**2,074,759**
Primary cooling					
Cooling Compressor	27,387		2.8 %	93,473	280,446
Tower/Cond Fans	3,324		0.3 %	11,343	34,033
Condenser Pump			0.0 %	0	0
Other Clg Accessories	127		0.0 %	433	1,300
Cooling Subtotal....	**30,838**		**3.1** %	**105,249**	**315,779**
Auxiliary					
Supply Fans	110,673		11.1 %	377,726	1,133,292
Pumps	1,464		0.2 %	4,996	14,991
Stand-alone Base Utilities			0.0 %	0	0
Aux Subtotal....	112,137		11.3 %	382,723	1,148,283
Lighting					
Lighting	288,253		29.0 %	983,808	2,951,720
Receptacle					
Receptacles	2,372		0.2 %	8,096	24,291
Cogeneration					
Cogeneration			0.0 %	0	0
Totals					
Totals**	**442,773**	**1,881,788**	**100.0** %	**3,392,971**	**6,514,832**

* Note: Resource Utilization factors are included in the Total Source Energy value.
** Note: This report can display a maximum of 7 utilities. If additional utilities are used, they will be included in the total.

Project Name: Recreation Center
Dataset Name: 2010-5-14 PC.TRC

TRACE® 700 v6.2.5 calculated at 02:31 PM on 05/14/2010
Alternative - 1 Energy Consumption Summary report page 1

Park City Recreation Center
Operational Assessment

Introduction

The following is a **very general assessment** of the operational impact of the new Park City Recreation Center.

Racquet Club Scheme Review

This operations assessment is based on the VCBO Architects concept plan for the new center. This plan keeps only the gymnasium of the existing structure, as well as the outdoor pools and tennis courts and builds a new center for the rest of the elements.

Physical Changes

- A much larger fitness/cardio area is added (6,600 sq.ft.).
- Two aerobics studios replace the smaller space (1,900 sq.ft.).
- A party room is included.
- The child care room is relocated.
- The front desk, lobby, pro shop, and administrative areas are relocated.
- The locker rooms are relocated and family locker rooms added.
- The four tennis courts are replaced.
- An indoor running track is added around the four tennis courts.
- A larger bouldering cave is included.
- The restaurant is eliminated.
- The day spa is eliminated.
- A game room is added.
- A soft arts studio is added.

Existing

- Outdoor lap and recreational pool.
- Outdoor tennis courts.
- Gymnasium.

Operational Opportunities and Changes

- The physical layout of the center is much better and there should be greater customer/user comfort and satisfaction.
- The entry, locker rooms and office space improves operational efficiency.
- The fitness area is greatly expanded which adds to the appeal of the center.
- Another aerobics studio is added for more fitness programming.
- The party room adds an additional program area.
- An indoor track will provide a new amenity to the center that will increase the overall appeal and use of the center.

- The bouldering cave will also add a new amenity to the center.
- The game room and soft arts studio will also add new amenities to the center.
- Overall center usage and programming should increase significantly.

Operational Budget Changes

Administrative space - improvements will not result in a significant change in operating expenses or revenues.

Front desk and lobby - improvements will not result in a significant change in operating expenses or revenues.

Locker rooms - improvements will result in a small addition in expenses from additional custodial staff needs ($3,000 to $7,000).

Fitness/cardio area – this addition will result in a substantial growth in center usage and revenues (passes). Expenses will increase with a larger space (utilities, contract work, area supervision, and program staff). It is estimated that expenses should increase by $25,000 to $40,000 per year. Revenues could increase by $75,000 to $100,000 per year (from user/pass fees and program fees).

Fitness rooms - the addition of a second space should provide an increase in program revenues. There will be a small increase in expenses from additional instructors ($8,000 to $13,000 or less) and revenues should increase by $15,000 to $20,000 (from program fees).

Child care – should increase usage of the area which will increase both expenses and revenues. Expenses are expected to increase by $5,000 to $10,000 a year (additional staff). Revenues should increase by $3,000 to $7,000 a year from user fees.

Party room – this space will allow birthday parties and other activities to take place in the center. Expenses will increase with birthday party staff and cleanup ($5,000 to $7,000). Program revenue from birthday parties should be in the range of $12,000 to $15,000).

Running track – this space will provide a new amenity for the center. Expenses are estimated to be between $7,000 and $11,000 per year. New revenue should be between $5,000 and $10,000 a year.

Bouldering cave – for this new amenity in the center expenses are estimated to be $6,000 to $8,000 a year (for minimal staff and equipment) while revenues are estimated to be $10,000 to $15,000 (from user fees and program fees).

Game room and soft arts studio – it is assumed that there will be an increase in staffing of approximately $5,000 to $7,000 a year with minimal revenue from the arts studio of approximately $3,000 to $5,000 a year.

Overall Budget Impact

Fees – a fee increase of approximately 15% for all user fees (daily, punch card, monthly and annual) is recommended with and enhanced and expanded facility. It is also recognized that a new facility should increase use and revenue in many existing areas (tennis, etc.) This increase could produce an additional $50,000 to $70,000.

Overall Expenses – overall operating expenses should increase by $62,000 to $103,000 a year in the Recreation and Tennis budget and another $50,000 to $75,000 in the Public Works budget.

Overall Revenues - overall operating revenues should increase by $173,000 to $242,000 a year.

Net Financial Change – net revenues should increase between $113,000 and $155,000 per year (recreation and tennis budget only).

Recreation & Tennis

	Actual FY 09*	Projected Change	New Total
Expenses	$1,864,853	$62,000 - $103,000	$1,926,853 - $1,967,853
Revenues	$1,373,419	$173,000 - $242,000	$1,546,419 - $1,615,419
Difference	($491,434)	$111,000 - $139,000	($380,434) ($352,434)

* Includes Recreation and Tennis budget categories.

Other Expenses*

	Actual FY 09	Projected Change	New Total
Expenses	N/A	$50,000 - $75,000	$50,000 - $75,000

* Includes utilities, building maintenance, and contract cleaning estimates which are shown in the Public Works budget.

This operational assessment was completed based on general project information only and a basic understanding of the project. There is no guarantee that the expense and revenue projections outlined above will be met as there are many variables that affect such estimates that either cannot be accurately measured or are not consistent in their influence on the budgetary process. <u>These figures should be used for general budget estimating only.</u>

Sportexe Field Snow Removal
Current Program
(Staff recommended)

Melting snow using crumb rubber

Currently, staff spreads crumb rubber on the Sportexe field to accelerate the melting process. This practice is already in place and has been used for the last 4 years. The crumb rubber is spread on the snow the end of February, first of March. The rubber attracts solar energy from the sun, speeding up the melting process. Our goal, weather permitting is to have the field open and ready for play the first of April.

Advantages:
- An environmental "green" means of snow removal.
- Use existing equipment.
- Use existing materials and is part of our maintenance program.
- Cost is covered within existing budget.
- We estimate the field can be opened 2 - 4 weeks earlier using this process, depending on weather conditions and snow depths.
- No risk of damaging the Sportexe field.

Disadvantages:
- Field won't be playable until April.

Concerns:
- No maintenance or environmental issues with this process.

Cost:
- No added cost. This process is part of our current maintenance program. This process replenishes the crumb rubber to the field.

Picture shows the application of crumb rubber to the field.

Sportexe Field Snow Removal
Option 1
Snow removal with no bubble

Remove snow from the artificial turf field after each storm.

This option would use mechanical equipment to remove snow from the field 7 days a week. This task would utilize existing equipment and manpower along with adding additional resources. We propose adding one person 7 days a week along with adding a dedicated piece of snow removal equipment.

Advantages:
- The field will be available for use during the winter months.

Disadvantages:
- Removing snow daily may create icing problems, resulting in field damage.
- Clearing the field 20+ times a year may decrease the life of the field.

Concerns -
- Limited snow storage– the snow around the perimeter of the Sportexe field may reach 10 -15 ft. in height.
- Mechanical snow removal equipment may damage the field.
- This cost below does not include trucking snow off site. Removing snow mixed with crumb rubber offsite could have environmental concerns.

Cost
- Labor – 7 day a week coverage, 2 seasonal Parks III …………......$35,545
- One skid steer track machine with plow, bucket, & snow blower …$75,000
- Annual repairs of turf field from snow removal damage………….. $10,000
- Annual equipment maintenance, fuel, future equip. replacement…$10,000
- Power cost to operate field lighting November – March……………$10,000

Total $140,545

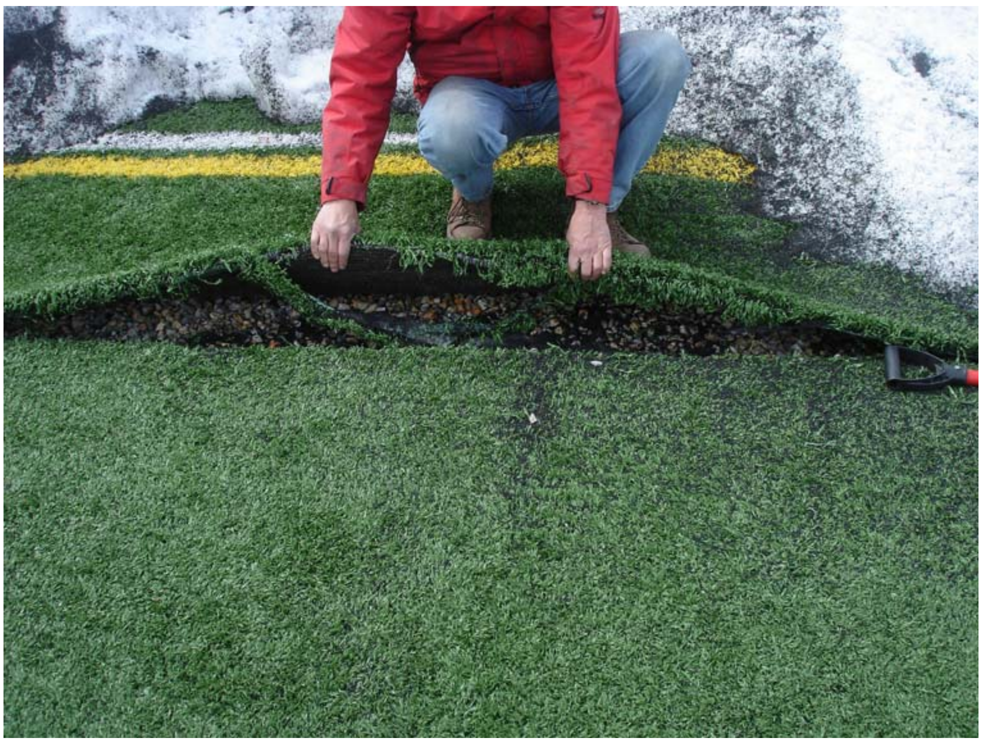
Potential Revenue

If the Sportexe field was open during the winter months, the City could consider renting the space to offset maintenance costs. Currently the Sportexe field rents for $100 per hour during the summer months. The Basin Recreation's Field House rents for $85 per hour during the winter months. Staff projects the Sportexe field would be used after school and on weekends.

- Monday through Friday 4-8 p.m.
- Saturday 8 hours
- Sunday – project minimal use

The anticipated use of this field will vary from month to month. For this estimate we assumed an average of 30 hours per week. This equates to $60,000, assuming 20 weeks of use. This figure is likely unachievable since local leagues will pay a reduced amount or have their fees waived. Without policing, groups will likely use the field without paying. Staff projects some revenue in November and March that would bring in a realistic figure of $3,000 to $5,000.

The following pictures show damage caused by snow removal equipment.



This picture shows crumb rubber mixed with snow.
This is a result of using snow removal equipment.

Removing snow all winter long on a field the size of the Sportexe will create a snow storage problem? Where to put the snow? Hauling snow offsite may be a problem as crumb rubber (recycled tires) will surely have dumping restrictions. Leaving the snow onsite will be a problem as well. Storing snow in the wetland is certainly prohibited and storing snow on the adjacent natural turf fields will likely impact spring programs.

Cost Summary

Option 1- *Snow removal all winter, no bubble*

- Capital investment. (equipment)…………..($75,000)
- Annual cost (lights, labor, maintenance)…($65,545)
- Potential revenue…………………………… $5,000

Total ($135,545)*

Note- *Snow removal equipment will likely shorten the life of the artificial field. The figure above does not reflect this accelerated deprecation.*

Sportexe Bubble
Option 2

Snow Removal

The field orientation and surrounds were designed and constructed with viewing spectators in mind. This design, great for games is not conducive for the installation of a bubble in Park City's winter climate. Currently, the hillside slopes to the outer edge of the artificial turf field. The following picture shows the edge of the field and the steep grade of the hillside.

This slope creates two problems, first there is not enough space to access with snow removal equipment, and second there is no snow storage. During and after each storm, snow will slide off the bubble and accumulate at the perimeter. If this snow is not removed promptly, the snow will begin to collapse the sides of the bubble. Thus, it's critical we have access with snow removal equipment so the snow can be removed as soon as possible.

After review, we propose excavating the hillside back and installing a retaining wall. We recommend excavating 12- 15 feet into the hillside to accommodate a large snow blower to blow snow over the retaining wall.

Advantages:

- Have a useable field during the winter months.

Disadvantages:

- The bubble will only cover the soccer field, meaning footings will be placed within the Sportexe field. These footings may interfere with softball games.
- Snow removal around a bubble of this size in our climate will be very labor intensive.

Concerns -

- Limited snow storage– the snow around the perimeter of the Sportexe field may reach 10 - 15 ft. in height.
- Mechanical equipment may damage the artificial field.
- This cost below does not include trucking snow off site.

Cost for Sportexe Bubble Snow Removal

- Loader mounted snow blower (use existing loader)…………….. $120,000
- Laborers to hand shovel snow off the bubble edge ………………..$50,000 (utilize existing staff as well as outsourced labor).
- Labor – 7 day a week coverage, 2 seasonal Parks III …………...$35,545
- One skid steer track machine with plow, bucket, & snow blower …$75,000
- Annual repairs of turf field from snow removal damage………….. $10,000
- Annual equipment maintenance, fuel, future equip. replacement…$22,000

Total - $312,545

Utilities

Below outlines direct costs associated in operating the Racquet Club bubble. The size of the tennis bubble is 20,400 sq. ft. The proposed bubble over the Sportexe field is 91,200 sq. ft. or 4 1/2 times bigger than the tennis bubble. Further comparison, the tennis bubble is 35 ft tall and the Sportexe bubble is 70 feet tall. The inside volume of the Sportexe bubble will be 8.9 times greater than the tennis bubble.

Park City Racquet Club Bubble Energy Use					
Year	Electricity kWh	Electricity Cost	Natural Gas Therms	Natural Gas Cost	Total Cost
2008	123,208	$8,108.19	34,301.60	$24,461.05	$32,569.24
2009	121,988	$8,202.65	34,217.76	$24,336.13	$32,538.78
Average	**122,598**	**$8,155.42**	**34,259.68**	**$24,398.59**	**$32,554.01**

Sourse- Tyler Poulson.
Park City Municipal Corporation

For estimating utilities costs of the proposed Sportexe Bubble the above information was used by factoring a multiplier of 3 to the utility cost of the tennis bubble. We believe this would be a conservative number as heating the bubble with electricity would likely be more costly than natural gas.

Cost of Utilities for the Sportexe bubble is estimated at $100,000 annually.

Retaining Wall

Retaining wall is estimated:

- A block wall would be about $100,000 (425'x 5' square foot face @$42/sq ft including; gravel base, drainage).
- Excavation $50,000.
- Irrigation/Landscape restoration: $25,000.
- Design: $10,000.
- Contingency $15,000.
- **Total $200,000.**

Estimate- Matt Twombly.
Park City Municipal Corporation

Bubble Installation & Takedown

The bubble is estimated at $60,000 to put up and takedown each year. This figure was derived by factoring the cost of the Tennis Bubble.

Storage Building

It's critical the new bubble is stored in a dry location when not in use. A bubble this size will require at least a 2,000 sq. ft. building, preferable located at Quinn's Sports Facility. Construction is estimate at $175 per square foot. Cost $350,000

Construction Estimate- Jonathan Weidenhamer
Park City Municipal Corporation

Cost Summary

Option 2- *Bubble over Sportexe Field*

1. *Retaining wall……………………….…. $200,000*
2. *Snow Removal………………………... $312,545*
3. *Utilities…………………………………. $100,000*
4. *Bubble purchase……………………..... $959,500*
5. *ADA access……………………………. $12,500*
6. *UV protection for bubble….……………….$90,000*
7. *Storage building for bubble.………...….$350,000*
8. *Future bubble replacement (15 years)… $70,000*
9. *Yearly installation/ take down……………$60,000*

Total = $2,154,545

Capital investment $1,807,000
Annual Costs $347,545

Tennis Bubble Snow Removal

This picture shows the amount of snow after one snow storm in 2008. The bubble is collapsing from the snow load. The edge of the bubble is near the green fence posts.

The snow load caved in the emergency door.

Snow removal for a bubble is very labor intensive.
The bubble receives snow removal service after every snow storm.

Snow removal completed

Sportexe Field
Snow Removal in early March

Remove snow from the artificial turf field in early spring.

This option would use mechanical equipment to remove snow from the field beginning March 1, weather permitting. This task would utilize existing equipment and manpower along with utilization of additional resources. These additional resources include two rental machines and hiring a contractor to provide skilled operators.

Advantages:
- The field will be available for some use during the month of March, weather permitting.

Disadvantages:
- Clearing the field 3+ times a year may decrease the life of the field.

Concerns -
- The snow around the perimeter of the Sportexe field may reach 10 -15 ft. in height. The snow will be stored on the east side of the Sportexe field.
- Mechanical snow removal equipment may damage the field.
- The itemized cost below does not include trucking snow off site. Removing snow mixed with crumb rubber offsite could have environmental concerns.

Cost
- Labor –hire 2 operators for two weeks, $28 per hour ………….....….$4,480
- Rent two skid steer track machines for two weeks…………………....$4,400
- Fuel, 2.5 gallon per hour = 400 gallons………………..………………$1,200
- Purchase two snow buckets and two snow blowers…...……………..$24,000
- Annual repairs to the field from snow removal damage…………... $10,000
- Power cost to operate field lighting March & April……………......…$3,000

Total $47,080

Cost Summary

Early Spring Snow removal,
- Capital investment. (equipment)………….$24,000
- Annual cost (lights, labor, maintenance)…$23,080

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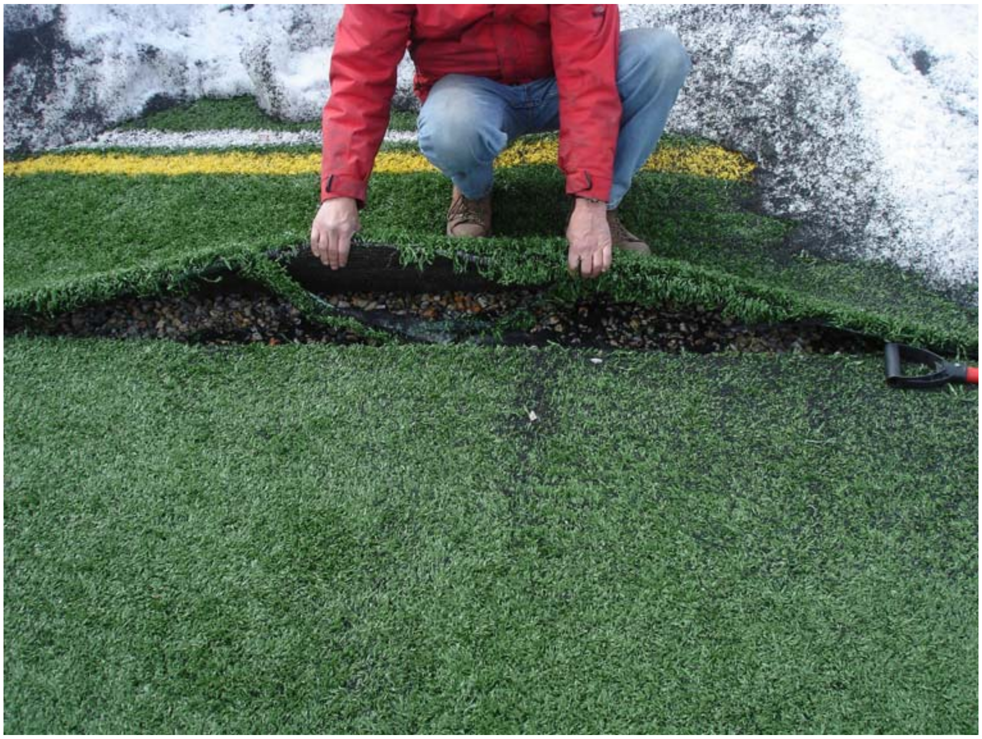
Total $47,080*

***Note-** Snow removal equipment will likely shorten the life of the artificial field. The figure above does not reflect this accelerated deprecation.*

The following pictures show damage caused by snow removal equipment.



Sportexe Field

Snow Removal in early March

OPTION 4

Remove snow from the artificial turf field in early spring.

This option would use mechanical equipment to remove snow from the field beginning March 1, weather permitting. This task would utilize existing equipment and manpower along with utilization of additional resources. These additional resources include two rental machines and hiring a contractor to provide skilled operators.

This option utilizes large snow buckets to remove snow from the artificial turf field. These snow buckets are believed to be safer then snow blowers, thus lowering the risk of field damage. Consequently, this process is projected to be more time consuming. Because the method is safer, staff recommends using the existing Public Works Snow Removal Contingency Fund to cover any repairs to the field caused by snow removal damage. (The City Manager's & Budget Offices would need to approve the use of this contingency fund in this manner).

Expectation

It's important to define the expectation as this option is budgetary scaled back. This option does not promise or imply that the Sportexe field will be cleared the whole month of March or April. Staff will first utilize the resources outlined in this document to clear the field beginning the first of March, weather permitting. Staff estimates snow removal could take more than a week to clear 3+ feet of snow. Thereafter, snow will be removed after each storm, as determined by the Park's staff. Once these funds are exhausted, snow will be removed by the Park Dept. on a last priority basis.

Advantages:

- The field will be available for some use during the month of March & April, weather permitting.

Disadvantages:

- Clearing the field 3+ times a year may decrease the life of the field.

Concerns -

- The snow around the perimeter of the Sportexe field may reach 10 -15 ft. in height. The snow will be stored on the east side of the Sportexe field.
- Mechanical snow removal equipment may damage the field.
- The itemized cost below does not include trucking snow off site. Removing snow mixed with crumb rubber offsite could have environmental concerns.

Cost

- Labor –hire 2 operators for two weeks, $28 per hour ………….…….$4,480
- Rent two skid steer track machines for two weeks ($1,100 per week, per machine)…………………………………………………………………...$4,400
- Fuel, 2.5 gallon per hour = 400 gallons………………..………………$1,200
- Purchase two large snow buckets (one time purchase).……………..$8,000
- Power cost to operate field lights March & April (approx. 150 hrs.)..$3,000

Total $21,080

Cost Summary

Early Spring Snow removal,

- Capital investment. (One time equipment purchase)..$8,000
- Annual cost (labor, rental, field lights, maintenance).$13,080

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Total $21,080*

***Note-** Snow removal equipment will likely shorten the life of the artificial field. The figure above does not reflect this accelerated deprecation.*

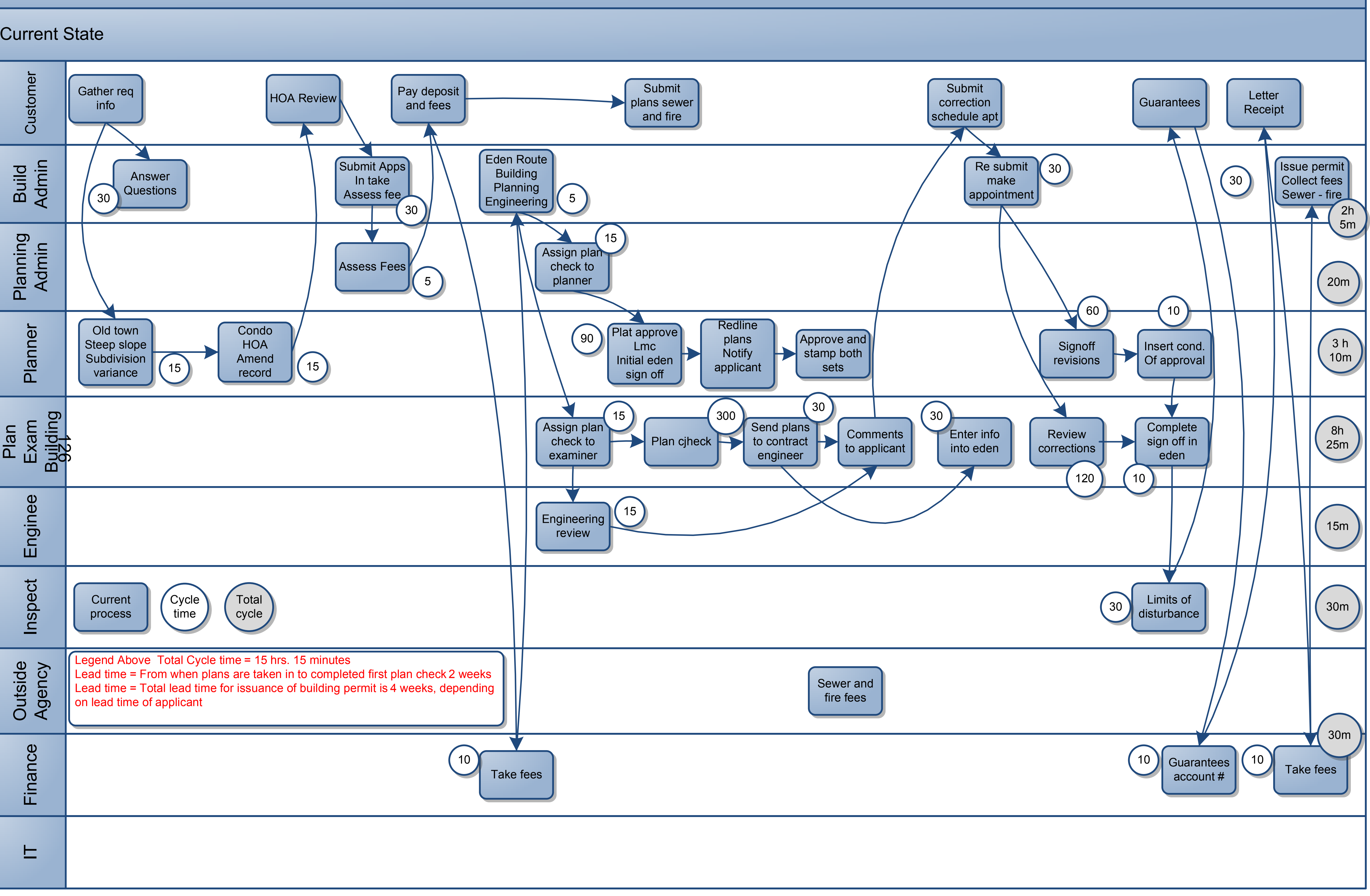
Carbon Footprint Analysis – Sportexe Field Bubble Concept

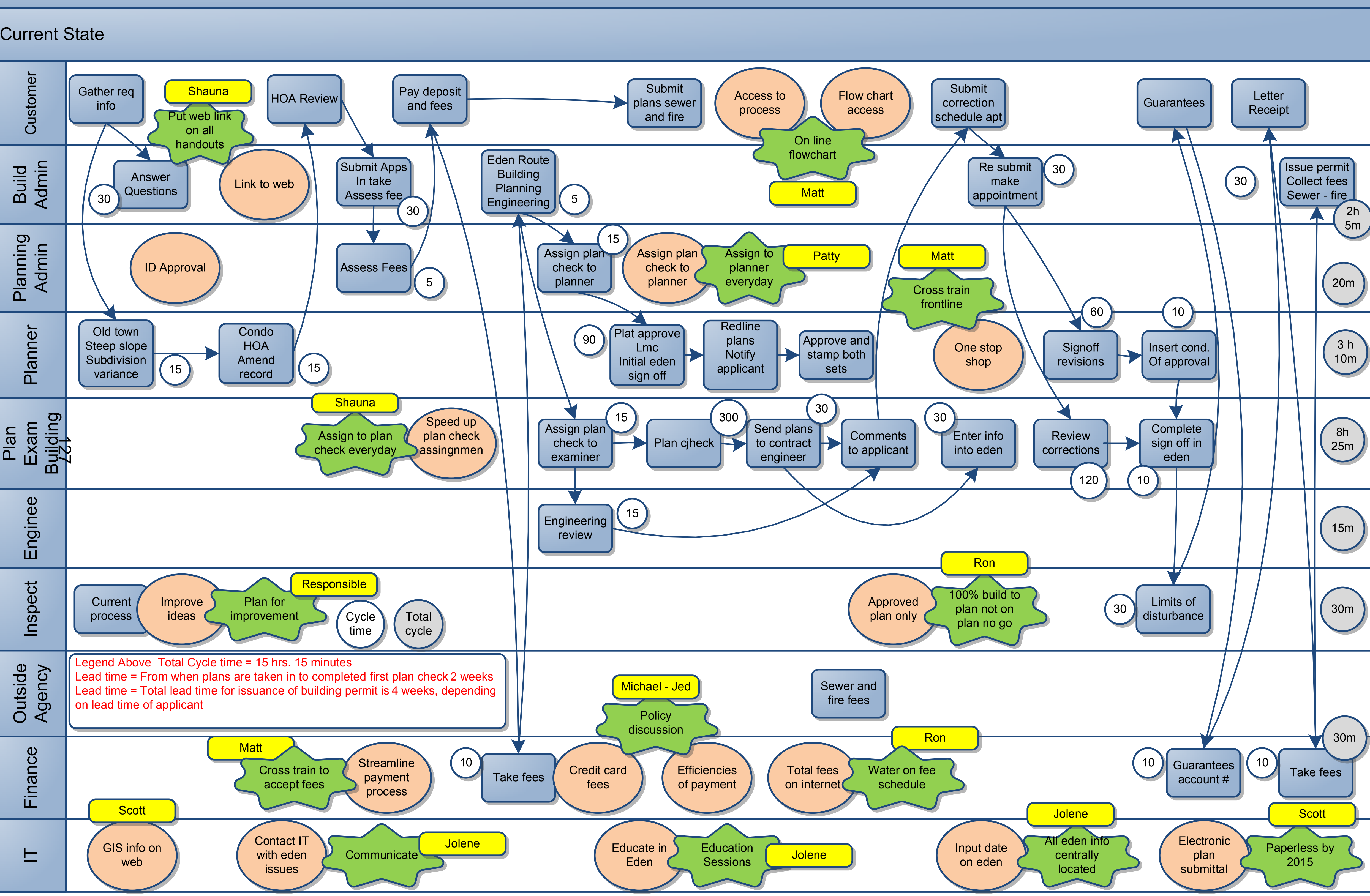
According to Matt Twombly, Project Manager, the volume of the bubble needed to cover the Sportexe field is 8.9 times the volume of the Tennis Bubble at the Racquet Club. The Quinn's Bubble would likely use more energy than 8.9 times the Racquet Club due to the lack of natural gas but using 8.9: **The carbon footprint of the Quinn's Bubble would be equivalent to 7,829,588 miles traveled by car. 1000 (players) trips, 3 times per week, for 6 months to salt lake (30 miles) would equal 2,340,000 miles traveled or approximately 1/3 the carbon footprint of the bubble.**

Below are some summary statistics on the Racquet Club Bubble. In terms of CO_2, the 341.3 short tons emitted annually in '08/'09 was equivalent to **879,729 vehicle miles travelled** (VMT). This VMT estimate assumes 25 MPG, which was roughly the average for a personal vehicle in Utah a few years ago.

Park City Racquet Club Bubble - Energy Use, Carbon Emissions, and Financial Cost							
Year(s)	Electricity kWh	Electricity Cost	Natural Gas Therms	Natural Gas Cost	Total Cost	Lbs CO_2 - Electricity	Lbs CO_2 - Natural Gas
2008	123,208	$8,108.19	34,301.60	$24,461.05	$32,569.24	260,510	423,968
2009	121,988	$8,202.65	34,217.76	$24,336.13	$32,538.78	257,930	422,932
2008 / 2009 Average	**122,598**	**$8,155.42**	**34,259.68**	**$24,398.59**	**$32,554.01**	**259,220**	**423,450**

The analysis above for the Tennis Bubble was performed by ***Tyler Poulson,*** Environmental Sustainability Coordinator.


Current State
Customer
Build Admin
Planning Admin
Planner
Plan Exam Building
Enginee
Inspect
Outside Agency
Finance
IT
Gather req info
Answer Questions
30
Old town Steep slope Subdivision variance
15
Condo HOA Amend record
15
HOA Review
Submit Apps In take Assess fee
30
Assess Fees
5
Pay deposit and fees
Submit plans sewer and fire
Eden Route Building Planning Engineering
5
Assign plan check to planner
15
90
Plat approve Lmc Initial eden sign off
Redline plans Notify applicant
Approve and stamp both sets
Assign plan check to examiner
15
Plan cjheck
300
Send plans to contract engineer
30
Comments to applicant
30
Enter info into eden
Engineering review
15
Submit correction schedule apt
Re submit make appointment
30
60
Signoff revisions
10
Insert cond. Of approval
Review corrections
120
Complete sign off in eden
10
Guarantees
30
Limits of disturbance
Letter Receipt
30
Issue permit Collect fees Sewer - fire
2h 5m
20m
3 h 10m
8h 25m
15m
30m
30m
Current process
Cycle time
Total cycle
Legend Above Total Cycle time = 15 hrs. 15 minutes
Lead time = From when plans are taken in to completed first plan check 2 weeks
Lead time = Total lead time for issuance of building permit is 4 weeks, depending on lead time of applicant
Sewer and fire fees
10
Take fees
10
Guarantees account #
10
Take fees


Current State
Customer
Build Admin
Planning Admin
Planner
Plan Exam Building
Enginee
Inspect
Outside Agency
Finance
IT
Gather req info
Shauna
Put web link on all handouts
HOA Review
Pay deposit and fees
Submit plans sewer and fire
Access to process
Flow chart access
On line flowchart
Matt
Submit correction schedule apt
Guarantees
Letter Receipt
Answer Questions
30
Link to web
Submit Apps In take Assess fee
30
Eden Route Building Planning Engineering
5
Re submit make appointment
30
30
Issue permit Collect fees Sewer - fire
2h 5m
ID Approval
Assess Fees
5
Assign plan check to planner
15
Assign plan check to planner
Assign to planner everyday
Patty
Matt
Cross train frontline
20m
Old town Steep slope Subdivision variance
15
Condo HOA Amend record
15
90
Plat approve Lmc Initial eden sign off
Redline plans Notify applicant
Approve and stamp both sets
One stop shop
60
Signoff revisions
10
Insert cond. Of approval
3 h 10m
Shauna
Assign to plan check everyday
Speed up plan check assingnmen
Assign plan check to examiner
15
Plan cjheck
300
Send plans to contract engineer
30
Comments to applicant
30
Enter info into eden
Review corrections
120
Complete sign off in eden
10
8h 25m
Engineering review
15
15m
Current process
Improve ideas
Plan for improvement
Responsible
Cycle time
Total cycle
Approved plan only
Ron
100% build to plan not on plan no go
30
Limits of disturbance
30m
Legend Above Total Cycle time = 15 hrs. 15 minutes
Lead time = From when plans are taken in to completed first plan check 2 weeks
Lead time = Total lead time for issuance of building permit is 4 weeks, depending on lead time of applicant
Michael - Jed
Policy discussion
Sewer and fire fees
Matt
Cross train to accept fees
Streamline payment process
10
Take fees
Credit card fees
Efficiencies of payment
Total fees on internet
Ron
Water on fee schedule
10
Guarantees account #
10
Take fees
30m
Scott
GIS info on web
Contact IT with eden issues
Communicate
Jolene
Educate in Eden
Education Sessions
Jolene
Input date on eden
Jolene
All eden info centrally located
Electronic plan submittal
Scott
Paperless by 2015

City Council
Staff Report

Subject: Tour of Utah- Park City Criterium
Author: Max J. Paap
Department: Sustainability
Date: May 27, 2010
Type of Item: Administrative – Master Festival License

Summary Recommendations:
Provide Staff with direction on the Tour of Utah Master Festival Application submitted by Breakawaypromotions for The Park City Criterium on Saturday, August 21, 2010. Staff seeks specific direction on fee waivers. If Council is supportive of the staff recommendation, Staff will return with findings for approval of the Master Festival License and fee waivers at a future date.

Description:

Topic:
Tour of Utah- Park City Criterium

Background:
Breakawaypromotions submitted an application requesting a Master Festival License to hold Stage 4 of the 2010 Tour of Utah- Park City Criterium in and around Main Street, Swede Alley, and Park Avenue. In 2009, a portion of the proposed course on Main Street was used in a neutral start format in which no real racing occurred. It consisted of three laps on Swede Alley and Main Street, and was well received with very few traffic impacts. This year the organizer looked to expand the scope of the race in the Main Street area (Exhibit A). They also wanted to expand the schedule of the races throughout the day to include a wide variety races leading up to the professional race (Exhibit B).

Additionally, in conjunction with that application a proposal to host this stage was submitted to Park City Municipal and the Park City Chamber/Bureau to sponsor this stage of the race. The sponsorship was valued at $30,000 by the race organizers. The initial response from Staff was to encourage the applicant to apply for fee waivers and the Event Camber Grant. The applicant has both of these applications.

The organizers have solicited and received local sponsorship dollars from Heiden/Davidsdon Orthopedic and PROBAR to provide financial support to host this stage. This is roughly 30% of the $30,000.

It should also be noted that a similar stage of the Tour was held in Downtown Salt Lake City in 2009 on Sunday, August 23rd and drew attendance of upwards of 8,000 spectators. There is the expectation that this event on a Saturday in Park City will draw spectator numbers of the same magnitude.

The Park City Criterium Stage was presented at the April 20, 2010 HMBA Board of Directors meeting at there were very few dissenting comments. A motion was made and a majority vote followed in support of the event.

Analysis:
This application is being reviewed as a Master Festival License due to the request for use of City property, full road closures, and attraction of crowds of over 500. The following comments have been specifically reviewed.

Race Course
Professional teams and their support vehicles and staff will begin to arrive in Park City at around 6:00 am and stage on the roof of China Bridge, Brew Pub lot, Flag Pole lot and the Swede Alley surface lot for the beginning of the street closures. It is very important that the course be able for operation by 9:30 AM for the first race and be set up quickly and methodically that morning by the race organizer. The course will include portions of Main Street, Swede Alley, Park Ave, Heber Ave, and 7th Street (Exhibit A). Staff has been working with the applicant to pre-stage any course materials the night prior to aid in the set up that morning. Staff has made sure to keep some timelines open to allow access for those merchants, deliveries, and guests.

The organizers have worked very closely with Staff to understand the unique challenges that come with closing Main Street. The course will be returned to vehicular traffic by 8:00 that evening.

Parking
Staff has indicated that parking will be an issue with the expectation of over 10,000 attendees. Staff finds that the inventory of public parking in Old Town will be insufficient as the crowd grows throughout the event. The applicant will be responsible for a parking transportation mitigation plan. Staff will assist by working with the local resorts and the Park City School District to secure off-site parking inventories. This model would be similar to the one used for the Kimball Arts Fest, utilizing Park City's public transit system. Additionally, Staff will implement both variable message, as well as static signage to direct spectators to parking.

Transit
Due to the fact that Swede Alley will be used as part of the racecourse, the Transit Center will need to be abandoned for the duration of the race. Events staff has met with Transit and has indicated that the use of 9th Street and Main Street will be able to replace the function of the Transit Center to get spectators from off-site parking to Old Town. A temporary bus stop will be created at the intersection of 9th and Main for that day. This stop had been created during the Arts Festival in previous years and has proved to be a viable stop for those wishing to visit Main Street. At this time, Staff has not determined if current routes will need to be enhanced for the event, but will have the ability 'on-the-fly' to enhance those routes should it be required. Should we have to encourage transit service, additional fees will be

incurred. Included in Exhibit C is an estimate of an enhanced transit model that would account for utilization of off-site parking, on existing routes that would carry the capacity to bring spectators to the proposed venue.

<u>Expo Area</u>
The race organizers have accommodated for a sponsor Expo area to the north of the racecourse from 7th Street down to 9th Street. This area will provide space for race sponsors to set up and display their products and services to race spectators and participants. This area will also create sort of a 'main entrance' as Transit operations are moved to the 9th Street temporary stop. .

<u>Merchant Opportunities</u>
Staff has been working with the HMBA, Restaurant Association, and the organizer to create opportunities for merchants to extend their business out to the racecourse. The organizers have made it a point to not bring any outside food or beverage vendors to the event, but rather rely on existing restaurants in town. There is a similar event held in Bend, Oregon that utilizes this outdoor dining model to allow unique experiences to the spectator while providing the business owners opportunities to increase their business. Staff has contacted the UDABC for any licensing issues that may come about, that Agency has likened this event to the Savor the Summit event that utilizes outdoor dining each June. By encouraging participation from local merchants, the event organizer has helped create excitement and buy-in from the HMBA.

<u>Fee Waiver Request:</u>
Section 4-8-9 of the Municipal Code provides applicants for Master Festival and Special Event Licenses with criteria to request a waiver for all or a portion of associated fees.

(A) The City Manager may waive the following Master Festival or Special Event licensing and associated fees upon a finding of eligibility pursuant to the criteria provided herein:

(1) Application Fee;

(2) Facility rentals;

(3) Field rentals; and

(4) Use of public parking spaces and bleachers

(B) All fee waiver requests should be submitted to the Special Events Manager at the time of application, but in no case later than the first day of the event. Fee waiver determinations made by the City Manager may be appealed to the City Council. Eligibility for a full or partial fee waiver shall be determined by the City Manager pursuant to the following criteria, none of which shall be individually controlling: Services such as Police and Transportation are direct costs and are rarely waived since departmental budgets are impacted in the form of overtime labor.

Breakawaypromotions requested a partial waiver of all fees associated with the Tour of Utah- Park City Criterium.

Please see text in italics for Breakawaypromotions response to the criteria.

1. For-profit or non-profit status of the Applicant;
   No the Utah Cycling Partnership is for profit.
2. Whether the event will charge admission fees;
   No, we are not charging spectators any fees to watch the event. The Utah Cycling Partnership is funding production of the race through sponsorship dollars mostly private Utah companies.
3. Whether the event is youth-oriented;
   There is a Kids Race that will be at 3 p.m. on August 21st as part of the events taking place throughout the day. The race is for ages 3- 12 and is sponsored by teamgive.org – a children's charity that funds research for rare neurological diseases.
4. The duration of the event;
   Different races will occur on Main Street throughout the day starting at 9:30 a.m. and ending approximately at 6:00 p.m. Different age category races for amateur man and women will be from 10:30 a.m.– 2:30 p.m. The Kids race is at 3 p.m. The pro's will race in Stage 4 of the Tour of Utah, which will start at 4:30 p.m. and end at 6 p.m. Clean up and move out should be concluded by 8 p.m.
5. Whether and to what extent the City is likely to receive positive tax benefits by virtue of the event;
   Yes. The Tour of Utah will bring approximately 10,000 - 15,000 spectators to the surrounding and downtown Park City area. Spectators and racers will be staying at local hotels, eating and frequenting local restaurants and bars. The Tour of Utah travels with a large Expo area that will go from 9th Street to 7th Street, and spectators will line both sides of 9th, 7th, Heber and Main Street. To encourage people to frequent the restaurants, bars and snack shops along the route, we are deliberately not allowing food vendors to sell food in the expo area. As spectators move through the expo area, we will actively promote and encourage them to frequent the local establishments.
6. The degree of City services involved and whether City costs are likely to be recovered by other revenue opportunities arising from the event;
   City Services will be required for the success of the event in the areas of Police and transit. City costs may not be directly recovered from this event through city fees, but as outlined in question #5, there wil be tax benefits to the city. Also, the Utah Cycling Partnership is actively promoting the Tour of Utah outside the state through event marketing at the Tour of California, advertising and an extended PR campaign with the goal of bring more tourism dollars to Utah and the race's participating cities.
7. The season of occurrence; and
   Summer 2010
8. Demonstration of hardship by the Applicant.

The Tour of Utah is in its early development years and funding is solely based on sponsorship dollars. Sponsors contribute funding to events that will provide them with consumer exposure that meets their marketing needs. The Tour of Utah is currently a relatively small race on the National Racing Calendar (NRC), and doesn't currently command the spectators and sponsor funding needed to be profitable.

Even though the Utah Cycling Partnership is a for profit organization, the majority of the staff and vendors providing marketing and event services are doing so on a breakeven or volunteer basis for the love of the sport and the hope that it will grow into a positive cashflow event. Currently, the event is almost breaking even; however, we feel as we continue to market the Tour of Utah correctly, form strong partnerships, and bring higher caliber race teams to the race, more spectators will come, sponsors will increase support, and the event will become profitable.

There are different types of fee waivers that can be granted to event organizers: those covered by the Festival Facilitation Fee assigned to Business Licenses, waivers that allowed are allowed administratively to Staff , those allowed by the City Manager, and those allowed by Council through the Municipal Code. In consideration of recent fee waiver requests that are not a part of a City Services agreement, the City Manager has typically waived ½ of the parking fees in those events that have requested use of public parking by budget policy. City Council, however, can choose to waive fees on a one-time basis. Exhibit C is the current fee estimate and amount of fee waivers for the 2010 event.

The applicant has been very transparent in their need to limit hard costs; PCMC does not typically "sponsor" events. Consistent with the Economic Development Strategic Plan and consistent with our goals for recreation based tourism and world-class athletics we believe this event has room for significant positive growth in the future.

Staff is very supportive of the event as we find it. Therefore, Staff has determined that costs for this event can all be waived except for ½ of the Paid Parking, Police and Transit costs of $8,069.92. Costs for Public Safety ($1,800) could be covered by the Festival Facilitation Fee. The Festival Facilitation Fee is a portion of the business license fee that is used to defray fixed cost of hosting special events and festivals. Staff is unsure at this time if there will be additional Transit costs incurred due to the size of the crowds.

In addition, Staff believes that there will be positive sales tax generated during the event because there will be spectators and participants in town for a good portion of the day, and the shear number of spectators expected. While we would not be a sponsor, Staff believes reducing direct costs to the organizer will be a significant and meaningful incentive allowing them to stage the race here.

The applicant has applied with the Chamber for the Special Event Grant program and in conversations with the Grant Event Review Board seems to be in line to get a grant in the $3000 - $5000 range. These grants are typically distributed in early June.

Staff would also contemplate use of the Joint Venture; which is a limited shared funding alternative the Chamber and the City share to promote events in Park City.

A. Department Review:

Transit, Parking, Budget, and Sustainability departments have reviewed the application for the Tour of Utah- Park City Criterium and their comments have been incorporated into this report.

Issues for Discussion:

- Does Council have any preliminary operational concerns regarding the proposed event?

- Does Council find the Applicant's responses to the code criteria demonstrate justification/hardship for a waiver? If so, what amount of a fee waiver does the Council consider reasonable?

Recommendation:

Provide Staff with policy direction on the Tour of Utah- Park City Criterium Master Festival License for August 21, 2010. If Council confirms the staff's recommended direction, Staff will return for approval of the Master Festival License at a future date.

Significant Impacts:

The Tour of Utah could chose to look for another race route within the Park City area if they cannot match the $30,000 price tag of hosting the stage in Old Town. Staff supports waiving of fees for this event because of the high profile nature of the race in the biking world and the notoriety that it will bring to the City.

<u>Exhibits</u>

Exhibit A – Race Route
Exhibit B – Schedule of Events
Exhibit C- Estimated Fees


Expo
Start/Finish
Tour of Utah
Stage #4
August 21, 2010
Butcher's
Marriott's Summit Watch
Bad Ass Coffee
Kimball Art Center
Zoom
Heber Ave
Jean Louis
Main St
Farrell Alley
Bangkok Thai On Main
Wahso Asian Grill
Woodside Ave
Park Ave
Riverhorse Cafe
Washington School Inn
5th St
No Name Saloon
Purple Sage
Harryos
Cafe Terigo
4th St
Swede Alley
350 Main Brasserie
Mary G. Steiner Egyptian Theatre
Eating Establishment
Cisero's Nightclub
Wasatch Brew Pub
Treasure Mountain Inn
Morning Ray Cafe
Grappa
Marsac Ave
Ontario Ave
Norfolk Ave
Cresent Tram
8th St
224

Exhibit B

Park City Criterium Schedule

Start Time	End Time	Event
9:30 AM	10:30 AM	Paracycling Race
10:30 AM	11:30 AM	CAT 4/5 Race
11:30 AM	12:30 PM	Masters Race
12:30 PM	1:30 PM	Women's Race
1:30 PM	2:30 PM	CAT 1-3 Race
3:00 PM	4:00 PM	Kid's Race
4:30 PM	6:00 PM	Pro Race
6:00 PM	8:00 PM	Tear Down

Fee Estimate
Tour of Utah
21-Aug-10
Exhibit C

Please remit payment within 30 days to:
Park City Municipal Corporation
Special Events and Facilities Dept.
P.O. Box 1480
Park City, UT 84060

SERVICE DESCRIPTION	COST	# OF ITEMS OR HOURS	# OF DAYS	FEES	Fees waived per Festival Fee Waiver Ordinance*	City Manager Waived Fees**	Request for Council waiver
Special Events and Facilities Department							
Application Fee - New Event	$100.00	1	1	$100.00		$100.00	
Streets Department							
Barricade Rental	$0.38	125	1	$47.50	$47.50		
Barricade Drop and Pick Up Fee	$150.00	1	1	$150.00	$150.00		
Personnel	$19.25	10	6	$1,155.00	$1,155.00		
Crowd Control Barricades	$2.23	100	1	$223.00	$223.00		
Street Mechanical Sweeper - PreEvent	$137.50	1	1	$137.50	$137.50		
Electronic Sign Rental	$150.00	2	1	$300.00	$300.00		
Police Department							
Base Officer Time	$45.00	10	8	$3,600.00			$3,600.00
Transit Department							
Bus Service	$57.68	6	4	$1,384.32			$1,384.32
Set Up and Take Down of Load Zones	$20.20	8	3	$484.80			$484.80
Ground Crew	$20.20	8	3	$484.80			$484.80
Parking Department							
Application Fee	$20.00	1	1	$20.00		$10.00	$10.00
Main Street Parking Space	$15.00	186	1	$2,790.00		$1,395.00	$1,395.00
Swede Alley Parking Space	$9.00	50	1	$450.00		$225.00	$225.00
Brew Pub Parking Space	$9.00	53	1	$477.00		$238.50	$238.50
Flag Pole Lot Parking Space	$9.00	55	1	$495.00		$247.50	$247.50
Parks Department							
Trash Removal	$19.50	8	2	$312.00	$312.00		
Extra Trash Cans	$4.00	15	1	$60.00	$60.00		
Bleacher Rental	$100.00	4	1	$400.00	$400.00		
Bleacher Delivery and Pick up	$25.00	4	1	$100.00	$100.00		
Building Maintance							
Restroom Cleaning	$15.00	8	2	$240.00	$240.00		
Building Department							
Permit Application Fee	$15.00	1	1	$15.00	$15.00		
Building Inspection	$15.00	4	1	$60.00	$60.00		

Tent >200 square feet	$0.20							
Trailer	$0.20							
WAIVERS:								
Police and Parking- $ 5716.00								
Estimated Transit Cost- $ 2353.92								
TOTAL $ 8069.92				**$13,485.92**	$3,200.00	$2,216.00	$8,069.92	

* Enhanced Business License Fee automatically waives fees for : Main St. cleaning; Electronic sign rental; Traffic control signs; Police time (directing traffic only); and bus service.

** Per Section 4-8-9 of the Municipal Code, the City Manager can administratively waive fees for: application costs; facility rental; field rentals; bleachers; and parking. The Manager has agreed to waive the fees indicated above.

*** Fee waiver determinations made by the City Manager may be appealed to the City Council. Per Section 4-8-9(C) of the Code, unless otherwise approved in a City services agreement by the Council, other requests for fee waivers are not eligible.

City Council
Staff Report

Subject:	**Appointment and Reconfirmation of terms of Members of the Board of Adjustment (BOA)**
Author:	**Michael Kovacs, Asst. City Manager**
Department:	**Executive**
Date:	**May 27, 2010**
Type of Item:	**Administrative**

Summary Recommendations:
Ratify the list of appointments to the Board of Adjustment as presented.

Topic/Description:
Council will need to confirm the Board of Adjustment appointments and reconfirm expiration of terms. Information on the placement of the individuals into the term slots was provided by Mayor Pro Tem Liza Simpson.

Background:
Over the years, the length of the terms on prior appointments was not consistent with the Land Management Code. Land Management Code 15-10-2 requires 5 members on the Board each of which to serve 5 year terms. The term of one member shall expire each year on June 1.

The Planning Commissioner Liaison had been acting as a voting member. The Commissioner has resigned as a voting member and the Planning Commission Liaison will now be a non-voting position.

Currently, there are two vacancies on the Board. City Council held interviews for the two vacant spots and are appointing Hans Fuegi to fill the term ending 2013 and Rod Ludlow to fill the term ending 2011. Because Mr. Fuegi is the current alternate, Council is appointing Stewart Gross as alternate. Mary Wintzer's term will be expiring on June 1, 2010. Reappointment or filling of that position will be addressed by Council in their normal process in July.

Analysis:
Current Board

Board Member	***Status***	***Date Appointed***	***Date to Expire***
Mary Wintzer	Board Member	08/2005	May, 2009*
Bill Thompson – Deceased	Vacancy	07/2006	July, 2010*
Richard Miller	Board Member	11/2007	July, 2011*
Ruth Gezelius	Board Member	08/2009	July, 2014
Hans Fuegi	Alternate	08/2009	July, 2014
Julia Pettit	Board Member/ Planning Commission	07/2006	July, 2010

* Appointed for 4 years but the LMC reflects that BOA members are appointed for 5 year terms.

New Board

Board Member	***Status***	***Date Appointed (term started)***	***Date to Expire***
Mary Wintzer	Board Member	08/2005 (2005)	June 1, 2010
Rod Ludlow	Board Member	05/2010 (2006)	June 1, 2011
Richard Miller	Board Member	11/2007 (2007)	June 1, 2012
Hans Fuegi	Board Member	05/2010	June 1, 2013
Ruth Gezelius	Board Member	08/2009 (2009)	June 1, 2014
Stewart Gross	Alternate	08/2009 (2009)	June 1, 2014
Julia Pettit	Planning Commission Liaison (non-voting)	Annually designated by PC	June 1, 2011

Rod Ludlow to fill term of Board Member Bill Thompson, expiring June 1, 2011
Hans Fuegi to fill term of Board Member Julia Pettit, with a new term expiring June 1, 2013
Stewart Gross to fill term of Alternate Hans Fuegi, expiring June 1, 2014

Department Review:
This report has been reviewed by the Legal and Executive departments.

Alternatives:

A. Approve:
Staff recommends that Council appoint the proposed "New Board" list of names and terms as shown above in the Analysis section.

B. Deny:
There would not be clarity as to when each term ends and a full Board would not exist

C. Modify: The terms or positions may be modified.

D. Continue the Item: Provide direction on what additional information is needed.

E. Do Nothing: Would be the same as Denial. .

Significant Impacts:
The City is required to establish a Board of Adjustment and to ensure that it functions as optimally as possible.

Consequences of not taking the recommended action:
There would not be clarity as to when each term ends and a full Board would not exist
.

Recommendation:
Ratify the list of appointments to the Board of Adjustment as presented.

City Council Staff Report

Subject:	**Questar Gas Pipeline Relocation Agreement for the Comstock Pedestrian Tunnel Project**
Author:	**Matthew Cassel, P.E., City Engineer**
Department:	**Engineering**
Date:	**May 27, 2010**
Type of Item:	**Administrative**

Summary Recommendations:
The Council should authorize the City Manager to execute the attached Pipeline Relocation Agreement with Questar Gas, in a form approved by the City Attorney, for high pressure gas line relocation related to the construction of the Comstock pedestrian tunnel in the amount of $40,130.

Topic/Description:
This contract with Questar Gas is for the relocation of the high pressure gas line where it conflicts with the SR-248 and Comstock Pedestrian Tunnel.

The pedestrian tunnel crossing SR-248 is anticipated to be located immediately east of Comstock Drive. The project includes the tunnel, stairways to the tunnel, social engineering to encourage pedestrians to use the tunnel, and lighting and ramps to meet ADA requirements. Improvements also include the relocation/modification of an existing sewer, modifications to the storm drain system, design of retaining walls to meet grades on the stairways, ADA ramps and the coordination with dry utility companies for protection, upgrade or replacement of their facilities. Heating of the stairs and video cameras will also be incorporated into the project. Because the pedestrian tunnel crosses UDOT right-of-way, coordination with UDOT and obtaining their approval was imperative.

UDOT has been involved with this project since its inception in the walkable/bikeable neighborhood study completed in 2007. UDOT has worked with our design team and is ready to issue a permit to allow the construction to occur.

The funding for this project will be provided from Walkability Improvement Bond funds. The total budget for the design and construction is $3,050,000 plus an additional $72,000 for the social engineering efforts for a total project budget of $3,122,000. After the cost of the design and construction management contract ($286,101) and the cost of the construction contract ($1,051,509), $1,784,390 still remains in the budget for this utility relocation.

Background:
A trail master plan update and walkable/bikeable neighborhood study was prepared by Landmark Design for Park City and completed in early 2007. The purpose of the study was to provide planning and design guidance to improve walking and biking in urban

Park City with the intent to establish a clear and detailed list of projects to improve safety, connectivity and efficiency. From the study, a safe passage across SR-248 was ranked as an essential project. A 15 million dollar "walkability bond" was passed by the public in 2007. City Council subsequently allocated funding during the 2008 budget to this project, based on recommendation of the public WALC committee.

Analysis:
Based on the current design, the high pressure gas line would pass through the middle of the pedestrian tunnel if left in its present location. At the start of construction, Questar will cut and remove the gas line to allow for the construction of the pedestrian tunnel. They will then "loop" the gas line over the tunnel and reconnect the ends of the gas line. Questar Gas is a sole source provider of gas to Park City. The high pressure gas line to be relocated is owned and operated by Questar Gas. The high pressure gas line is located within UDOT's Right-Of-Way. Since Park City is initiating the construction of the pedestrian tunnel, the cost for the high pressure gas line relocation is borne by Park City.

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

Alternatives:

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

B. Deny the Request:
If this request is denied, the construction of the pedestrian tunnel crossing SR 248 could not be accomplished because of the tunnels conflict with the existing high pressure gas line.

C. Continue the Item:
If the Council needs more information the item can be continued, but this would cause the same consequence as denying the request.

D. Do Nothing:
This option would not allow for the construction of the pedestrian tunnel crossing SR 248 until the existing high pressure gas line is relocated.

Significant Impacts:
The relocation of the high pressure gas line will be part of the overall construction for the tunnel. The tunnel construction will heavily impact the flow of traffic along State Route 248 and access into the school grounds. The State Route 248 impacts have been addressed during the design with UDOT and are addressed in the permit to be issued to Park City by UDOT. Staff has worked diligently with Park City School District in forming a Letter of Intent (LOI) to address impacts to access to the school campus throughout the project timeline. Park City School District approved this LOI during their May 6, 2010 Board meeting. It has been agreed to construct the portions of the tunnel located on school property and across State Route 248 while school kids are on summer vacation (middle of June to late August).

Consequences of not taking the recommended action:
The pedestrian tunnel across SR-248 is a high priority project as determined in the 2007 walkability/bikeable neighborhood study. Not commencing with this contract to relocate the high pressure gas line would delay the start of construction for these necessary facilities.

Recommendation:
The Council should authorize the City Manager to execute the attached Pipeline Relocation Agreement with Questar Gas, in a form approved by the City Attorney, for high pressure gas line relocation related to the construction of the Comstock pedestrian tunnel in the amount of $40,130.

Exhibit - Questar Gas Pipeline Relocation Agreement

PIPELINE RELOCATION AGREEMENT

This Agreement is entered into this ___th day of April 2010, between Questar Gas Company, a Utah corporation (Questar Gas) and Park City. Questar Gas and Park City may be referred to collectively as the Parties and singularly as a Party.

RECITALS

A. Park City is constructing a below grade pedestrian tunnel at Kearns Boulevard (Highway 248) and Comstock Drive in Park City, Utah (the Project).

B. Questar Gas owns a 4-inch high pressure natural gas pipeline (HP Line) and a 6 inch intermediate high pressure natural gas pipeline (IHP Line), which encumber the Project. The HP Line and IHP Line are collectively referred to as the Existing Pipelines. The Existing Pipelines are located within the state highway known as Kearns Boulevard.

C. The Parties have concluded that the Project interferes with a section of the Existing Pipelines and desire to resolve that matter by entering into this Agreement.

OPERATIVE PROVISIONS

1. Scope of Work. To accommodate construction of the Project, Questar Gas will suspend use of the Existing Pipelines by capping both ends of the Existing Pipelines for approximately 100 feet and removing the sections between the capped ends (the Removed Sections), according to the plans attached as Exhibit “A”.

This accommodation will enable Park City to perform construction work in the vicinity of the Removed Sections. Park City understands that Questar Gas must replace the Removed Sections with new pipe (New Sections) and have the HP Line and the IHP Line in service for its customers no later than August 31, 2010 (the Deadline). To meet this Deadline, Park City warrants that it shall have its construction activities completed to a point that Questar Gas can have unfettered access and begin construction to install the New Sections by August 1, 2010. Park City acknowledges the necessity of this Deadline and understands that in the event its construction activities are behind schedule, Questar Gas will nevertheless begin installation of the New Sections on August 1.

Questar Gas shall perform and furnish the following: temporary capping of the HP Line and IHP Line; removal of the Removed Sections; design engineering, trenching, procurement of materials, pipe installation, and backfill and compaction for the New Sections (all referred to as Relocation Work). Questar Gas shall obtain any and all necessary governmental permits and/or approvals required to perform the Relocation Work at Park City's expense. Construction drawings will be provided upon request to Park City as they are completed.

2. Estimate of Costs. Questar Gas estimates the cost of the Relocation Work to be $40,130.00 (Estimated Costs). This estimate is based upon prices of material and labor as of March 29, 2010, and does not account for increases due to unknown and unforeseen circumstances, delays in accomplishing the relocation, contaminated soils or change orders requested as construction progresses.

Within 120 days following final installation of the New Sections, Company shall submit to Park City an itemized statement of the actual final costs (Final Costs) incurred including the cost for pipe and related materials and any other construction related costs. In the event the Final Costs exceed the Estimated Costs, Park City shall pay Company the difference within 30 days of the invoice date. In the event the Estimated Costs exceed the Final Costs, Company shall pay Park City the difference within 30 days of invoice. Any past due amounts shall bear interest at the rate of 12% per annum.

3. Payment. Upon execution of this Agreement, Park City shall pay to Questar Gas the Estimated Costs of $40,130.00.

4. Contaminated Soil. If Questar Gas encounters any soil contamination during the Relocation Work that requires remediation or poses a hazard to its employees, in Questar Gas'

discretion, Questar Gas may suspend the Relocation Work until the contamination is fully remediated by Park City, at Park City's sole cost and to Questar Gas' satisfaction.

5. <u>Schedule and Notices</u>. Questar Gas will notify Park City at least 48 hours in advance of beginning the Relocation Work. Questar Gas may adjust its schedules without notice as required to handle emergencies on its system, after which it will informally notify Park City as to when the Relocation Work will be resumed. Notices to the Parties should be addressed as follows:

Questar Gas Company	Park City
Attention: Arthur Bezdjian	Attention: Matt Cassel, Engineer
P.O. Box 45360	P.O. Box 1480
Salt Lake City, UT 84145-0360	Park City, UT 84060

6. <u>Indemnity</u>. Park City shall indemnify and hold Questar Gas harmless from all claims for damages and causes of action for injury to persons or property caused by or connected with the development of the Project, including any damages claimed by Park City, its employees, agents, contractors or subcontractors.

7. <u>Cooperation</u>. Park City shall ensure that its employees, agents, contractors and subcontractors coordinate their efforts and cooperate fully with Questar Gas as required for efficient completion of the Relocation Work. In particular, Park City and its employees, agents, contractors and subcontractors shall observe the requirements of Utah Code Ann. §54-8a-2 *et seq.*, Damage to Underground Utility Facilities, in connection with construction activities in the vicinity of the Relocation Work.

8. <u>Miscellaneous</u>.

a. In the event of any dispute relating to this Agreement, the prevailing Party shall be entitled to recover all costs, including reasonable attorneys' fees.

b. This Agreement shall be binding upon and shall inure to the benefit of the Parties, and their respective successors and assigns.

c. The provisions of this Agreement are severable, and should any provision be deemed void, unenforceable or invalid, such provision shall not affect the remainder of this Agreement.

d. This Agreement shall be governed by the laws of Utah.

e. Except for payment of amounts due, neither Party shall be liable for any failure to perform this Agreement when the failure is due to any cause which is not reasonably within the control of the Party affected. Prompt, detailed notice of any force majeure shall be given by the Party claiming inability to perform. In the event of force majeure, the Parties shall immediately take all reasonable action necessary to abate the cause.

f. This Agreement is the entire agreement of the Parties with respect to the Relocation Work, and may be amended only in writing signed by both Parties.

g. Each person signing this Agreement warrants that the person has full legal capacity, power and authority to execute this Agreement for and on behalf of the respective Party and to bind such Party.

Questar Gas and Park City have executed this Agreement as of the above date.

QUESTAR GAS COMPANY	Park City
By:______________________________	By:_________________________________
C. Scott Brown	Name:
Vice President, Operations	Title:

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City Council
Staff Report

Subject:	**Meter Vault Repair Project 2010**
Author:	**Tamara Lindsay, Kyle MacArthur, Colby Anderson**
Department:	**Water**
Date:	**May 27, 2010**
Type of Item:	**Administrative**

Summary Recommendations:
Staff recommends Council authorize the City Manager to execute a Construction Agreement in the amount of $39,100.00, in a form approved by the City Attorney, with Extreme Excavating & Landscaping, Inc. for the Meter Vault Repair Project.

Description:
Water Strategic Plan Topic: Infrastructure
Strategy/Policy: Implement Capital Facilities Plan

Topic:
Meter Vault Repair Project

Background:

In the continuing effort to maintain the Park City water infrastructure, twenty-four meter vault locations have been identified as needing to be rebuilt. These twenty-four meter vaults are located at various locations in the Park City water service area. The locations require the following work::

- Installation of 24 inch meter boxes, rings and lids;
- Installation of new resetters on meter yokes;
- Installation of new meters.
- Enlargement of meter vault where necessary.

Analysis:
The Meter Vault Repair Project 2010 was advertised on April 24th and 28th, 2010 in the Park Record. Three bidders attended the mandatory pre-bid meeting and three bids were received and opened at 12:00pm on May 12, 2010 as shown in the following table.

Bidder	**Bid**
Extreme Excavating & Landscaping, Inc.	$39,100.00
Snowshine Excavating, Inc.	$71,275.00
Greg Allen Excavating, Inc.	$91,072.00

Extreme Excavating & Landscaping, Inc. (EE&L) was the low bidder in the amount of $39,100.00. Staff has reviewed the bid schedule submitted by the low bidder and feels that the fees are reasonable for this type of work. Of those references contacted, the general opinion was that EE&L did good work.

The criteria for evaluating bids for the Meter Vault Repair project were published in the bid documents– Instructions to Bidders. The criteria are summarized below:

1. A bid bond of 5% of the bid amount is furnished.
2. Active Utah Contractor's License, in good standing, with appropriate classification.
3. The firm and the project superintendent shall have satisfactorily completed at least three similar projects within the last five years.
4. The project superintendent shall be dedicated to this project with no substitutions without written approval by the OWNER.

EE&L's submittal adequately met criterion item #1 by furnishing a bid bond with their bid in the amount of 5%. Criterion item #2 above was met by EE&L with their E100 classification. They provided a project list for Criterion #3 with their bid. A resume was submitted for Curtis S. Jones, as he will be dedicated to this project. Criterion #4 was met by the proposed superintendent Curtis S. Jones.

Based on our experience working with EE&L and the completeness of their bid, staff recommends awarding this project to Extreme Excavating & Landscaping, Inc.

The funding for the project is water service fees.

The City's Project Manager will be working under the supervision of the Water Operations Team Leader with assistance from the project team in coordinating and scheduling with contractor.

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

Alternatives:

A. Approve:
Staff recommends City Council award the bid and authorize the City Manager to execute a Construction Agreement, in a form approved by the City Attorney, with Extreme Excavating & Landscaping, Inc. for the Meter Vault Repair project in the amount of $39,100.00.

B. Deny:
Council could deny Staff's request. Denying the request would delay the repairs to the meter vaults and the installation of the fixed base automatic meter reading system.

D. Continue the Item:
Council could continue the item to a future date. Continuing the request would delay the repairs to the meter vaults and the installation of the fixed base automatic meter reading system.

E. Do Nothing:
Staff does not recommend this alternative. Doing nothing would also delay the repairs to the meter vaults and the installation of the fixed base automatic meter reading system.

Significant Impacts:

Water services to neighbors will be temporarily affected. Operations staff will be present when water service is turned off for repairs and when service is reinstated. Staff and the Contractor will work with neighbors to ensure proper notifications of scheduled impacts are made. Meters are to accommodate new technology of fixed base system. Work is scheduled for week-days from 7:00am to 7:00pm.

Recommendation:
Staff recommends Council authorize the City Manager to execute a Construction Agreement, in a form approved by the City Attorney, with Extreme Excavating & Landscaping, Inc. for the Meter Vault Repair Project for a lump sum amount of $39,100.00.

CONSTRUCTION AGREEMENT

THIS AGREEMENT is made and entered into as of this ____ day of _____________, 2010, by and between PARK CITY MUNICIPAL CORPORATION, P O Box 1480, Park City UT 84060, a municipal corporation of the state of Utah (hereinafter "City"), and Extreme Excavating & Landscaping, Inc, PO Box 980037, Park City, UT 84098, which is a (*check one*) _X_ corporation ___ partnership ___ sole proprietorship __ limited liability company (hereinafter "Contractor").

PURPOSE: For the project known as the Meter Vault Repair 2010 (hereinafter "Project"), which consists of the repairing of meters, valves, check valves, bypass lines, at 24 meter locations in accordance with the Contract Documents and Park City Standards, Construction Specifications, and Standard Drawings.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties hereby agree as follows:

SECTION 1. SCOPE OF WORK. Contractor shall furnish all labor, materials and equipment to complete the Project, consisting of the work described in the Information for Bidders as the Basic Bid, and the following additive alternates: Alternative 1 to meet UDOT Specification, as specifically set out in the contract specifications, which is made a part hereof by reference, herein called the "Project."

The Project will be bound by the specifications referenced herein, according to the Advertisement for Bid, the Information for Bidders, the General Project Requirements and Specifications provided by City, the Bid of the Contractor, Bid Bond, Drawings, Notice of Award and Notice to Proceed, collectively referred to as the Contract Documents, all of which are incorporated herein by reference and on file in the Public Works Department. To the extent that this Agreement conflicts in any way with a proposed form agreement which may have been submitted as part of the bid specifications, this Agreement shall control.

If any of the work performed by Contractor in any phase of the Project does not meet City standards as outlined in the bid documents and specifications, then Contractor shall immediately repair or correct the work at no additional cost to City.

A. SUBCONTRACTORS. No part of this contract shall be subcontracted by the Contractor without prior written approval by City through the Project Manager/Engineer. The Contractor shall be fully responsible to the City for the acts and omissions of its Subcontractors and of persons either directly or indirectly employed by them, as it is for the acts and omissions of persons directly employed by it.

The Contractor shall, within ten (10) days of submittal of request for final payment, include an affidavit showing satisfactory evidence that all claims of subcontractors, laborers and materialmen who supplied services or materials to

the Project have been fully paid, discharged, or waived. The Contractor shall submit lien waivers for each pay release.
If the City reasonably believes that Contractor has failed to pay Subcontractors, materialmen, or laborers for work on the Project within a reasonable time of when payment is due, then City may, after having notified the Contractor, either pay unpaid bills or withhold from the release of Contractor's payment bond for this Project, a sum of money deemed reasonably sufficient to pay any and all such lawful claims until satisfactory evidence is furnished that all liabilities have been fully discharged and a ten percent (10%) fee for administering such claims.

B. STANDARDS OF WORKMANSHIP. Contractor shall demonstrate workmanship equal to or better than current industry standards for this Project. Where Park City specifications exist (for example, asphalt, concrete, irrigation, sprinkling system and landscaping), they shall provide the benchmark for determination of acceptability.

C. INSPECTION AND TESTING. All materials and equipment used in the construction shall be subject to inspection by the Project Manager/Engineer. If laws, ordinances, rules or regulations of any public authority having jurisdiction require any work to specifically be inspected, tested or approved by someone other than Project Manager/Engineer, the Contractor shall give the Project Manager/Engineer timely notice of readiness. Inspections, tests or approvals by the City or appropriate authorities will not relieve the Contractor from obligations to perform the work in accordance with the requirements of the Contract Documents and/or provisions. The Project Manager/Engineer and other designated persons will at all times have access to the work. All work shall ultimately be inspected for final acceptance by the Project Manager/Engineer within a reasonable time upon receipt of notice from the Contractor that work is complete and ready for final inspection.

During construction, the work will be inspected and observed by the Project Manager/Engineer or his designated representative. All work that is deficient or does not meet specifications shall be removed and replaced with proper material at Contractor's expense.

D. WARRANTY. Contractor warrants that all materials and supplies used in the construction of the Project shall be new, except as otherwise agreed to in writing by the City's Representative. All materials, equipment, parts and labor and any necessary corrections to the Project shall be guaranteed for a period of at least one (1) year following the date of substantial completion of the Project under the terms of the performance bond or as provided in the project specifications and construction documents, whichever is longer.

SECTION 2. PERFORMANCE AND PAYMENT BONDS. Contractor shall furnish to the City payment and performance bonds satisfactory to the City guaranteeing

Contractor's payment and performance, in the amount, for each separately, of one hundred percent (100%) of the Contract Amount.

SECTION 3. INSURANCE. Unless otherwise specified in the bid documents, the Contractor shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, their agents, representatives, employees, or subcontractors.

The Contractor shall provide a Certificate of Insurance evidencing:

> **A.** Commercial General Liability insurance written on an occurrence basis with limits no less than two million dollars ($2,000,000) combined single limit per occurrence and four million dollars ($4,000,000) aggregate for personal injury, bodily injury and property damage. Coverage shall include but not be limited to: blanket contractual; products/completed operations; broad form property damage; explosion, collapse and underground (XCU) if specifically requested; and employer's practices.
>
> The Contractor shall increase the limits of such insurance to at least the amount of the Limitation of Judgments described in Section 63-30d-604 of the Governmental Immunity Act of Utah, as calculated by the state risk manager every two years and stated in Utah Admin. Code R37-4-3.
>
> **B.** Automobile Liability insurance with limits no less than two million dollars ($2,000,000) combined single limit per accident for bodily injury and property damage.
>
> **C.** Workers Compensation insurance limits written as follows:
> Bodily Injury by Accident $500,000 each accident;
> Bodily Injury by Disease $500,000 each employee, $500,000 policy limit

The City shall be named as an additional insured on the insurance policies and a copy of the endorsement naming the City as an additional insured shall be attached to the Certificate of Insurance. The City reserves the right to request certified copies of any required policies.

The Contractor's insurance shall contain a clause stating that coverage shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

SECTION 4. CONTRACT AMOUNT, ACCEPTANCE OF WHOLE, ADDITIONS. City shall pay Contractor the total sum of **Thirty-nine thousand, one hundred dollars and 00/100's, ($39,100.00**) ("Contract Amount") for all work and materials expended to complete this Project, which shall include the cost of all bonds, insurance, and all charges, fees, permits (including water and sewer fees, unless waived), expenses or assessments of whatever kind or character that are or may be necessary to complete this Project, including any additive alternates listed within the Scope of Work described in Section 1.

SECTION 5. PERMITS AND FEES. As set out in Section 4 above, the Contract Amount includes the price of all normally applicable fees and permits. The City may, at its discretion, arrange for the waiver of certain fees, permits and expenses.

SECTION 6. TERMS OF PAYMENT. The City shall pay for services provided hereunder according to and in an amount not to exceed that detailed in the attached payment schedule (Attachment A) and only upon Contractor's request on forms approved by and submitted to the Project Manager. The City shall make payment within thirty (30) days thereafter. Requests for a more rapid payment may be considered if a discount is offered for early payment. At no time shall the aggregate amount of money paid to the Contractor in proportion to the Contract Amount be greater than the proportion of the work performed at that point to the total Project work. No payment shall be made for any service rendered by the Contractor except for services set forth and identified in this Agreement. The City reserves the right to withhold payment in whole or part from the Contractor for non-compliance with the provisions of the Contract Documents.

A. RETAINAGE. The City may, in its sole discretion; (1) retain five percent (5%) of the value of all work done and materials or equipment supplied as part security for the fulfillment of the Agreement by the Contractor; or (2) retain the final payment of up to five percent (5%) of the total project amount. As work nears completion and solely at the City's discretion, the City may reduce the retainage to an amount more in line with the work remaining. The City reserves the right to retain all amounts previously withheld or due, including any liquidated damages, until all services specified herein are complete. Any money withheld pursuant to this section shall be placed in an interest bearing account and the interest shall also be payable to the Contractor upon final payment.

Before final payment is made, the Contractor must submit evidence satisfactory to the City that all payrolls, material bills, subcontracts and all outstanding indebtedness in connection with the Project have been paid for.

The City may withhold a reasonable amount of the payment bond sufficient to cover any outstanding indebtedness or monies owed or claimed by any person who supplied work or materials to the Project plus ten percent (10%) of such indebtedness as the City's cost of administering such claims until Contractor supplies a release satisfactory to the City, signed by all persons who have supplied labor or materials to the Project or, at the City's option if no claim is made, until 105 days after the date on which any person performed the last of the labor or supplied the last of the material for the Project and upon written request from the Contractor.

The Contractor shall supply to the Project Manager/Engineer within a reasonable time after his request a signed statement verifying all the suppliers, subcontractors and other persons who have supplied labor or materials to the Project.

B. FINAL PAYMENT. Acceptance by the Contractor of the final payment from the City shall release the City of all claims, demands and liability of the Contractor, its officers, agents, employees and subcontractors, whether communicated or not by the Contractor, except with respect to those matters referred to in writing delivered to the Contractor and approved in a signed writing by the Project Manager.

SECTION 7. COMPLETION TIME. The work on this Project shall commence within ten days of receipt of the Notice to Proceed and shall be completed 90 days from Notice to Proceed. Work stoppage due to inclement weather conditions and other factors must be approved in writing by the Project Manager. Inclement weather shall not otherwise constitute cause for delay. Unless otherwise agreed by the City by Change Order, no damages shall become due to Contractor for City caused delay. A Change Order for delay will generally be accepted for delay so excessive and unreasonable that it is beyond the scope of the Contract or delay attributed to direct, active or willful interference by the City. The Change Order must be based upon actual damages sustained by the Contractor which are directly attributed to the delay.

In the event that Contractor fails to complete all of the work required herein within the time limit set out above, then for each partial or complete day during which the work remains uncompleted thereafter, the Contractor agrees to pay the City **One Hundred Fifty Dollars ($150.00)**, (NOTE: liquidated damages clause must be agreed to by Contractor, if no mutual agreement, then no liquidated damages) which the parties believe, due to the difficulty of actually assessing the damages the City will suffer in the event of such a delay, is a fair estimate of the loss the City will suffer. The parties agree that the daily liquidated damages provided for herein is reasonable and fair, and is not a penalty. TIME IS OF THE ESSENCE IN THIS AGREEMENT.

SECTION 8. ADDITIONAL WORK/CHANGE ORDERS. The City may enlarge or reduce the work to be performed by Contractor hereunder by written notification to Contractor, including changes to the plans and specifications. The City shall pay Contractor for any additional work so requested, and shall reduce the payment to the Contractor for any reduction in labor, materials, overhead and profit margin resulting from the reduction in the work. Except as the City shall so notify the Contractor in writing, it is understood and agreed by the parties hereto that no money will be paid to the Contractor for any new or additional labor or materials furnished unless a written modification is agreed to in a document signed by both parties.

The value of any work covered by a change order or of any claim for increase or decrease in the contract price shall be determined by one or more of the following methods in order of precedence listed below:

A. An agreed lump sum; or in the event the parties cannot agree; then

B. The unit rate for the work bid by the Contractor, if applicable, or in the event there was no such rate bid; then

C. The actual cost for: (1) labor; (2) materials; (3) supplies; (4) equipment; (5) direct overhead (not to exceed 5% of the sum total of items 1-4, unless approved by the City); and (6) other services necessary and approved by the City to complete the work. In the event of a net increase in the Contract Amount for a change order as a whole, the City shall allow a payment to the Contractor of an additional ten percent (10%) of the actual cost of the work, not including direct overhead or bond costs, to cover the cost of general overhead and profit. The Contractor may also charge the City for actual cost of the net increase in bond costs as a result of the overall change to the Contract Amount. The City specifically reserves the right to request documentation, including but not limited to payroll stubs, bond bills, and invoices, to validate the Contractor's calculations.

SECTION 9. DISPUTES. Except as otherwise provided in this Agreement, any disputes concerning a question of fact arising under this Agreement which is not disposed of by Agreement shall be decided by the City. The decision of the City shall be final and conclusive unless, within thirty (30) days from the date of receipt of such decision, the Contractor shall mail or otherwise furnish the City a written signed appeal addressed to the Project Manager/Engineer. In connection with any appeal proceeding under this clause, the Contractor will be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final decision of a dispute hereunder, the Contractor will proceed diligently with the performance of the contract and in accordance with the City's decision. The decision of the City shall be final and conclusive, but shall not be arbitrary or unreasonable. Although this Contract has been drafted by the City, the Contractor expressly agrees that any ambiguity herein shall be resolved in favor of the City.

SECTION 10. DEFAULT, REMEDY AND TERMINATION. The City may terminate this agreement upon the occurrence of one or more of the following events:

A. If Contractor or any Subcontractor should substantially violate any of the provisions of this contract;

B. If Contractor substantially fails to perform any part of this Agreement;

C. If Contractor repeatedly fails or becomes unable to perform the services under this Agreement as required herein, or substantially fails to provide services under this Agreement for a period of seventy-two (72) hours;

D. If Contractor (1) shall become insolvent in a bankruptcy sense; (2) shall be generally not paying its debts as they become due, or within a reasonable time thereafter; (3) shall suffer, voluntarily or involuntarily, the entry of an order by any court or governmental authority authorizing the appointment of or appointing of a custodian (as that term is defined in 11 U.S.C. '101[10]), receiver, trustee, or other officer with similar powers with respect to it or any portion of its property which remains undismissed for a period of ninety (90) days; (4) shall suffer, voluntarily or involuntarily, with or without judicial or governmental authorization, any such custodian, receiver, trustee, or other officer with similar powers to take possession of any part of its property which third party remains in possession for an excess of ninety (90) days; (5) shall suffer, voluntarily or involuntarily, the filing of a petition respecting an assignment for the benefit of creditors which is not dismissed for a period of ninety (90) days; (6) shall be dissolved; (7) shall become the subject of any proceeding, suit, or action at law or in equity under or relating to any bankruptcy, reorganization or arrangement of debt, insolvency, readjustment of debt, receivership, liquidation, or dissolution law or statute or amendments thereto to be commenced by or against it or against any of its property which remains undismissed for a period of ninety (90) days; (8) shall voluntarily suspend substantially all of its business operations; (9) shall be merged with, acquired by, or otherwise absorbed by any individual, corporation, or other business entity or organization of any kind except for any individual corporation or other business entity or organization which is controlled by, controlling, or under common control with the Contractor; or (10) shall take action for the purpose of any of the foregoing,

After serving ten (10) days written notice on the Contractor and its surety of its intention to terminate the services of Contractor, and if within ten (10) days after serving such notice, the violation is not corrected to City's reasonable satisfaction, the City then may take over the work and prosecute it to completion by contract or by any other method it may deem advisable at the expense of the Contractor. The Contractor and the bonding company shall be liable to the City for any reasonable cost occasioned by the City in excess of the amount agreed for the service herein.

The Contractor shall be entitled to a hearing before a City hearing officer upon the issue of termination if it submits a written request therefore within seven (7) days of the service of the notice of the City's intent to terminate. The Contractor shall be entitled to be heard at such hearing on the issue of termination. The Contractor shall not bring an action against the City, its officers, agents or employees arising out of or relating to the termination of this Agreement before the decision is issued by the City's hearing officer(s).

Waiver of any default shall not be deemed to be a waiver of any subsequent default. Waiver of any provision of this Agreement shall not be construed to be modification of the terms of this Agreement, unless stated to be such in writing, signed by the City's authorized representative.

The Contractor shall continue the performance of this agreement to the extent not terminated under the provisions of this section.

The rights and remedies of the City provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this agreement.

SECTION 11. HOLD HARMLESS INDEMNIFICATION. The Contractor clearly and unequivocally agrees to indemnify and to hold the City and its agents, employees, and officers, harmless from and shall process and to defend at its own expense any and all claims, demands, suits, at law or equity, actions, penalties, losses, damages, or costs, of whatsoever kind or nature, brought against the City arising out of, in connection with, or incident to the execution of this Agreement and/or the Contractor's performance or failure to perform any aspect of this Agreement; provided, however, that if such claims are caused by or result from the concurrent negligence of the City, its agents, employees, and officers, this indemnity provision shall be valid and enforceable only to the extent of the negligence of the Contractor or others; and provided further, that nothing herein shall require the Contractor to hold harmless or defend the City, its agents, employees and/or officers from any claims arising from the sole negligence of the City, its agents, employees, and/or officers. The Contractor expressly agrees that the indemnification provided herein constitutes the contractor's waiver of immunity under Utah Code Section 34A-2-105 for the purposes of this Agreement. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this Agreement. No liability shall attach to the City by reason of entering into this Agreement except as expressly provided herein.

SECTION 12. CONTROLLING LAW. These general conditions shall be construed in accordance with and enforced under the laws of the State of Utah. Any action of law, suit in equity, or judicial proceeding for the enforcement of the Agreement, or any provisions thereof, shall be instituted and maintained only in any of the courts of competent jurisdiction in Summit County, Utah.

SECTION 13. ASSIGNMENT. The Contractor shall not assign nor transfer any interest in this agreement without the prior written consent of the City, provided however, that claims for compensation due or to become due the Contractor from the City under this agreement may be assigned to a bank, trust company, or other financial institution without such approval. Written notice of any such assignment shall be promptly furnished to City.

SECTION 14. SAFETY AND TRAFFIC CONTROL. Contractor shall take all reasonable precautions to protect the safety of pedestrians, school children, motorists, and others who may use or come near to the Project site, including but not limited to compliance with the Manual of Uniform Traffic Control Devices.

SECTION 15. SAFETY AND PROTECTION OF THE WORK. Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the project work. Contractor shall provide reasonable protection to prevent damage, injury or loss to employees on the Project work and all other persons who may be affected thereby, materials and equipment, whether on or off the site, and other property at the work site or adjacent thereto, including trees, shrubs, lawns, walks, pavements, roadways, structures and utilities not designated for removal, relocation or replacement in the course of construction. In addition, the Contractor shall give all notices and comply with all applicable laws, ordinances, rules, regulations and lawful orders of any public authority bearing on the safety of persons or property or their protection from damage, injury or loss.

The Contractor shall erect and maintain, as required by the existing conditions and progress of the work, all reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, setting safety regulations, and notifying owners and user of adjacent utilities.

The Contractor shall promptly remedy all damage or loss to any property referred to in this Section caused in whole or in party by the Contractor, any subcontractor, sub-subcontractor or anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable and for which the Contractor is responsible, except for acts or omissions by the City or anyone directly or indirectly employed by it, or by anyone for whose acts it may be liable, and not attributable to the fault or negligence of the Contractor. Contractor shall remove from the site all cuttings, debris, equipment and unused material.

SECTION 16. UNENFORCEABLE CONTRACT, WAIVERS. In the event that any provision of this contract shall be ruled invalid and unenforceable, the remaining provisions shall be valid and binding upon the parties. One or more waivers by either party of any provision, term or covenant shall not be construed by the other party as a waiver of a subsequent breach of the same provision by the other party.

SECTION 17. ENTIRE AGREEMENT. This contract represents the entire integrated agreement between City and Contractor and supersedes all prior negotiations, representations or agreements, either written or oral. This agreement may be amended only by written modification signed by both parties.

SECTION 18. COMMENCEMENT OF WORK. Contractor will commence work as required by the specifications within ten calendar days after receiving the NOTICE TO PROCEED.

SECTION 19. UTILITIES. The right is reserved to the owners of public utilities and franchises to enter upon the street or work site for the purpose of making repairs or changes of their property that may become necessary by the work. The City shall also have the privilege of entering upon the street or work site for the purpose of repairing culverts, storm drains, water system repairs or adjustments and any and all other necessary City work.

The Contractor takes the whole risk, responsibility and expense with respect to the location of utilities, and in working with utility owners about locating, moving, repairing, and modifying utilities. All utility locations shown on the plans and specifications are approximate and are marked on the plans, if at all, only for convenience. The City makes no representation about the location of any such utilities, and Contractor is encouraged to contact utility companies and owners about the location of all utilities that may be impacted by or impact the Project work.

SECTION 20. HOURS AND DAYS OF WORK. All work performed by the Contractor, its subcontractors, material men, agents and employees shall be performed during work hours of 7:00 a.m. to 7:00 p.m. Monday through Saturday unless otherwise specified in a Conditional Use Permit or Construction Mitigation Plan. In individual Construction Mitigation Plans, the Building Official may further reduce the hours or days of work for Special Events or as other circumstances may reasonably warrant. When work is prohibited, no exterior construction, excavation or delivery of supplies and concrete are allowed. Interior work, however, may be allowed Monday through Sunday, with no limitation on hours for the following types of construction:

A. Interior work on individual single-family home construction or addition projects not involving materials or supply deliveries

B. Construction of decks, patios, landscape walls less than 4 feet in height, and fences on individual single-family lots

C. Non-mechanized exterior painting on individual single-family residences

D. Non-mechanized landscaping on individual single-family residences

E. Survey work not involving grading or use of power equipment to cut vegetation.

Extended Hours Special Permit. The Building Official may authorize extended hours for construction operations or procedures which, by their nature, require continuous operation or modify or waive the hours of work on projects in generally isolated areas where the extended hours do not impact upon adjoining property occupants. In such cases, the Building Official shall issue a Special Permit identifying the extended hours. Contractor shall display the special permit on site.

Special Event Regulations. The Building Official and/or Police Chief may, at their discretion, restrict construction activity, including governmental or special improvement agencies, in order to assure the public safety during special events within the City. Special events shall include, but not be limited to the Art Festival, Film Festival, ski events, and holiday events.

SECTION 21. CONSTRUCTION MANAGEMENT PLANS. Contractor shall submit a Construction Mitigation Plan to be approved by the Community Development Department, for all building permits. The Community Development Department may waive this requirement for minor remodels, additions and interior construction where the impact on adjacent property is minimal. This plan shall be written and shall address, to the satisfaction of the Community Development Department.

A. Hours and Days of Operation. The Construction Mitigation Plan shall specify the daily construction start and finish times. Construction activity occurring outside of the times specified in Section 11-14-6 of the Park City Municipal Code may only be allowed by Special Permit issued by the Building Official or the City Engineer.

B. Parking. The Construction Mitigation Plan shall include a parking plan. Construction vehicle parking may be restricted at construction sites so as to not block reasonable public and safety vehicle access along streets and sidewalks. Construction parking in paid or permit only parking areas require the Public Works Department review and approve a parking plan. The plan shall also include anticipated temporary parking, e.g. delivery vehicles, large equipment parking.

C. Deliveries. The Construction Mitigation Plan shall identify proposed delivery locations and routes. Deliveries of construction materials and supplies including concrete may be regulated as to time and routing if such deliveries will cause unreasonable noise, parking, or access issues. In order to reduce the number of delivery trips to construction sites, the stockpiling of materials on or near the site may be required. In the case of multiple construction sites in close proximity, a common materials storage and staging site may be required.

D. Construction Phasing. Due to the narrow streets, small lot configuration, topography, traffic circulation, weather, construction parking and material staging problems, projects in the Historic District and other areas of the City may be required to be phased if more than one project is under construction in close enough proximity to create public safety or nuisance problems. In cases where phasing is deemed necessary by the Community Development Department, the first project to receive a building permit shall have priority, however, the Building Official shall have the authority to phase projects as necessary to assure efficient, timely and safe construction.

E. Trash Management and Recycling. Construction sites shall provide adequate storage and a program for trash removal.

F. **Control of Dust and Mud on Streets**. A program for the control of dust or other airborne debris shall be required. Provision must be made to eliminate the tracking of mud on streets and a program shall be required to remove any such mud daily.

G. **Noise**. Construction activity shall not exceed the noise standards as specified in Section 6-3-9 of the Park City Municipal Code.

H. **Grading and Excavation**. Because of the truck hauling involved in grading and excavation, restrictions on trucking routes as well as the hours of operation may be necessary to mitigate the adverse impacts from such operations. Destination and total cubic yards of excavated material shall be noted.

I. **Construction Sign Requirements**. A sign, indicating the name of the party responsible for the Project shall be posted in a location where such sign is readable from the street or driveway to the construction site. The sign shall not exceed 12 square feet in size, six feet in height and shall not exceed a letter type of 4". Information on the sign shall include, at a minimum:

1. Name, address and phone number of contractor;
2. Name, address, and phone number of person responsible for the project; and
3. Phone number of party to call in case of emergency.

No additional fee is required for this sign.

SECTION 22. TOILET FACILITIES AND CONTAINERIZED TRASH SERVICE REQUIRED.

A. The Contractor shall obtain and maintain on the site a container of suitable size and design to hold and confine trash, scraps, and other construction related refuse created or accumulated on the site. All such construction refuse shall be maintained in a closed container at all times, until transferred to the landfill. Containers may be placed in setback areas, provided that the placement of the container does not obstruct the view of motorists on adjoining streets and thereby create traffic hazards. Contractor shall not permit accumulated debris, litter, or trash on the construction site to blow or scatter onto adjoining properties, including the public street or to accumulate on the site outside of the container, or on transit to the landfill or dump. The owner or contractor shall service the container as frequently as needed to prevent trash from over-flowing.

B. The Project site shall have permanent toilets, or an approved temporary toilet facility positioned in a location approved by the Building Department, at the rate of one toilet per fifteen on-site employees (1-15 employees = one toilet, 16-30 employees= two toilets and so on).

<u>SECTION 23. OBEY LAWS</u>. Contractor shall obey all laws, ordinances and regulations of the United States, the State of Utah, and Park City in performing this Agreement.

<u>SECTION 24. NONDISCRIMINATION</u>.

A. The City is an equal opportunity employer.

B. In the performance of this Agreement, the Contractor will not discriminate against any employee or applicant for employment on the grounds of race, creed, color, national origin, sex, marital status, age or the presence of any sensory, mental or physical handicap; provided that the prohibition against discrimination in employment because of handicap shall not apply if the particular disability prevents the proper performance of the particular worker involved. The Contractor shall ensure that applicants are employed, and that employees are treated during employment without discrimination because of their race, creed, color, national origin, sex, marital status, age or the presence of any sensory, mental or physical handicap. Such action shall include, but not be limited to: employment, upgrading, demotion or transfers, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and programs for training including apprenticeships. The Contractor shall take such action with respect to this Agreement as may be required to ensure full compliance with local, state and federal laws prohibiting discrimination in employment.

C. The Contractor will not discriminate against any recipient of any services or benefits provided for in this Agreement on the grounds of race, creed, color, national origin, sex, marital status, age or the presence of any sensory, mental or physical handicap.

D. If any assignment or subcontracting has been authorized by the City, said assignment or subcontract shall include appropriate safeguards against discrimination. The Contractor shall take such action as may be required to ensure full compliance with the provisions in the immediately preceding paragraphs herein.

<u>SECTION 25. THIRD PARTY RIGHTS</u>. Nothing herein is intended to confer rights of any kind in any third party. No member, officer, or employee of the City shall have any interest, direct or indirect, in this Agreement or the proceeds thereof.

<u>SECTION 26. PROJECT MANAGER/ENGINEER</u>. The Project Manager/Engineer for this Project is Colby Anderson, or such other person designated by the City Engineer or Water Manager to the Contractor orally or in writing.

SECTION 27. PARTIES' REPRESENTATIVES. For purposes of notice required or desired by the parties, or communication involving the services under this Agreement, such notice or communication shall be deemed to have been given when personally delivered or mailed, or sent by facsimile transmission certified mail, postage pre-paid, to the parties at the following addresses:

Contractor: __Curtis S. Jones_, or such other person designated in writing by the Contractor's chief administrative officer, at the Contractor's address set out first above;

Park City: Project Manager/Engineer, at the address set out first above for the City, or when given to such other person as either of the above representatives shall designate in writing. The designation of any address may be changed by notice given in the same manner as provided in this paragraph.

SECTION 28. SEVERABILITY. Should any part of this Agreement for any reason be declared invalid, such decision shall not affect the validity of any remaining provisions, which remaining provisions shall remain in force and effect as if this Agreement had been executed with the invalid portion thereof eliminated, and it is hereby declared the intention of the parties that they would have executed the remaining portion of this Agreement without including any such part, parts, or portions which may, for any reason, be hereafter declared invalid. If any provision of this Agreement is held invalid or unenforceable with respect to particular circumstances, such provision shall nevertheless remain in full force and effect in all other circumstances.

IN WITNESS WHEREOF, the parties have entered into this agreement on the day and year set out at the top of this Agreement.

PARK CITY MUNICIPAL CORPORATION

____
Dana Williams, Mayor

ATTEST:

____
City Recorder’s Office

APPROVED AS TO FORM:

____
City Attorney’s Office

Extreme Excavating and Landscaping, Inc
PO Box 980037
Park City, UT 84098

____
Signator, Title

261594-5501____________________
Utah Contract License No.

Corporate Acknowledgment

STATE OF UTAH)
) ss.
COUNTY OF SUMMIT)

On this ____ day of _________________, ____, personally appeared before me (signator), whose identity is personally known to me/or proved to me on the basis of satisfactory evidence and who by me duly sworn/affirmed), did say that he/she is the (title or office) of (Contractor business name) by Authority of its Bylaws/Resolution of the Board of Directors, and acknowledged to me that said Corporation executed the same.

____
Notary Public

City Council
Staff Report

PARK CITY 1884 PLANNING DEPARTMENT

Subject: **1110 Woodside plat**
Author: **Kirsten Whetstone**
Date: **May 27, 2010**
Type of Item: **Administrative – Plat Amendment**
Project Number: **PL-10-00924**

Summary Recommendation

Staff recommends the City Council hold a public hearing and consider approving the 1110 Woodside plat amendment based on the findings of fact, conclusions of law and conditions of approval as found in the attached ordinance.

Topic

Applicant:	Todd Debonis, owner
Location:	1110 Woodside Avenue
Zoning:	Historic Residential (HR-1)
Adjacent Land Uses:	Residential
Reason for Review:	Plat amendments require Planning Commission review and City Council approval

Background

On March 3, 2010, the City received a completed application for the 1110 Woodside Avenue plat amendment. The subject property is located in the Historic Residential (HR-1) zoning district. The proposed plat combines Lots 29 and 30, Block 5, of the Snyder's Addition to the Park City Survey into one lot of record. The proposed new lot will be 3,750 square feet in area.

There is an existing historic home on the property that straddles the common lot line. The plat amendment is a request to remove the existing common lot line and create one lot of record. The house located at 1110 Woodside Avenue was constructed in the 1930's and is designated as a landmark structure on the 2009 Park City Historic Sites Inventory. At the time of the Historic District Design Review application the house was listed as a significant historic structure on the 2007 Park City Historic Building Inventory.

On June 25, 2008 a complete application for a Historic District Design Review was submitted for an addition to the rear. The application was revised based on input and direction from the Historic Preservation Board and final approval was granted on November 30, 2009, based on the Park City Historic District Design Guidelines adopted by City Council on June 16, 1983.

Approval and recordation at Summit County of the plat amendment is a condition precedent to issuance of a building permit for the addition. On May 12, 2010, the Planning Commission conducted a public hearing and forwarded a positive recommendation to Council. There was no public input.

Analysis

Staff finds good cause for this plat amendment as the amended plat would create a legal lot of record and bring the historic structure into compliance with the setbacks. The plat will resolve encroachment issues of the house on the common lot line, the accessory shed structure on the neighbor's property, and the low retaining walls in the Woodside Avenue right-of-way.

Historic Structure located at 1110 Woodside Avenue

	Permitted	Existing
Front setback	10'	16'
Rear setback (lot line to south)	10'	12'
Side setbacks	5' min, 10' total	5.5' (north) 12.5' (south) – encroaching accessory structure across the south side property line onto Lot 31.
Lot size	1.875 square feet minimum	3,750 square feet
Footprint	1,519 square feet maximum	1,203 square feet
Parking	None required for historic home.	10' by 32' gravel parking area

The historic home located at 1110 Woodside is a legal non-conforming structure as the building crosses the common lot line. Section 15-2.2-4 of the Land Management Code (LMC) states: Historic Structures that do not comply with Building Setbacks, Off-Street parking, and driveway location standards are valid Complying Structures. However, new construction must comply with the LMC.

There is a 9.7' by 8.10' accessory shed located in the southeast corner. This shed encroaches onto adjacent Lot 31. There are low (less than 2' in height) non-historic stone/paver walls in the front yard that encroach approximately 2' into the undeveloped portion of the Woodside right of way. An encroachment agreement is required to be executed and recorded prior to recordation of the plat, unless these walls are relocated onto the property.

Process

Approval of this application by the City Council constitutes Final Action that may be appealed following the procedures found in LMC 1-18. Staff review of a Building Permit is not publicly noticed nor subject to review by the Planning Commission unless appealed.

Department Review

This project has gone through an interdepartmental review. Issues raised (utility easements, encroachment agreement for the shed, retaining walls in Woodside ROW) have either been resolved by the applicant, or with conditions of approval.

Notice
The property was posted and notice was mailed to property owners within 300 feet. Legal notice was also put in the Park Record.

Public Input
No public input has been received by the time of this report.

Alternatives

- The City Council may approve the 1110 Woodside Avenue plat amendment as conditioned or amended; or
- The City Council may deny the plat amendment and direct staff to make findings for this decision; or
- The City Council may continue discussion on the 1110 Woodside Avenue plat amendment and request additional information.

Significant Impacts
There are no significant fiscal or environmental impacts from this application.

Consequences of not taking the Suggested Recommendation
The lot lines would remain as they are today and the addition could not be constructed across the common lot line.

Recommendation
Staff recommends the City Council hold a public hearing and consider approving the 1110 Woodside plat amendment based on the findings of fact, conclusions of law and conditions of approval as found in the attached ordinance.

Exhibits
Ordinance
Exhibit A- Proposed Plat
Exhibit B- Existing conditions survey
Exhibit C- Aerial photo
Exhibit D- Old town plat
Exhibit E- streetscape photo

Draft Ordinance No. 10-

AN ORDINANCE APPROVING THE 1110 WOODSIDE AVE PLAT MENDMENT COMBINING LOTS 29 AND 30, BLOCK 5 OF THE SNYDER'S ADDITION TO THE PARK CITY SURVEY, LOCATED AT 1110 WOODSIDE AVENUE, PARK CITY, UTAH

WHEREAS, the owner of the property located at 1110 Woodside Avenue have petitioned the City Council for approval of the 1110 Woodside Ave. Plat Amendment; and

WHEREAS, the property was properly noticed and posted according to the requirements of the Land Management Code; and

WHEREAS, proper legal notice was sent to all affected property owners; and

WHEREAS, the Planning Commission held a public hearing on May 12, 2010, to receive input on the 1110 Woodside Ave plat amendment; and

WHEREAS, the Planning Commission, on May 12, 2010, forwarded a positive recommendation to the City Council; and

WHEREAS, it is in the best interest of Park City, Utah to approve the 1110 Woodside Ave Plat Amendment to create a legal lot of record for an existing historic house.

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

SECTION 1. APPROVAL. The above recitals are hereby incorporated as findings of fact. The 1110 Woodside Ave plat amendment, as shown in Exhibit A, is approved subject to the following Findings of Facts, Conclusions of Law, and Conditions of Approval:

Findings of Fact

1. The property is located in the Historic Residential (HR-1) zone and is subject to regulations provided in Section 15-2.2 of the Land Management Code.
2. The HR-1 zone is characterized by medium to smaller sized contemporary and historic residential structures. There are also larger single family homes and condominium buildings in the neighborhood due to the adjacent HRM zoning district and larger lots in that zone.
3. The purpose of the HR-1 zone is to provide an area of lower density residential uses with the Old Town area.
4. The project is located off of Woodside Avenue where there is limited area for construction staging.

5. The property consists of Lots 29 and 30, Block 5 of the Snyder's Addition to the Park City Survey. A plat amendment to combine these lots into one lot of record is required before any building permits for new construction can be issued.
6. A building permit cannot be issued for construction across a lot line.
7. There is a 9.7' by 8.10' accessory shed located in the southeast corner. This shed encroaches onto adjacent Lot 31. An encroachment easement and agreement is required to be executed and recorded prior to recordation of the plat.
8. There are non- historic low (2' high) stone/paver walls in the front yard that encroach approximately 2' into the undeveloped Woodside right of way.
9. A complete HDDR application was submitted on June 12, 2008 prior to adoption of the 2009 Park City Historic Design Guidelines. The application was subject to the Park City Historic District Design Guidelines adopted by City Council on June 16, 1983. On November 30, 2009, a Historic District Design Review was approved for a proposed addition to the rear of the house.
10. At the time of the Historic District Design Review application the house was listed as a significant historic structure on the 2007 Park City Historic Building Inventory.
11. The house is currently listed as a landmark structure on the 2009 Park City Historic Sites Inventory.
12. The minimum number of on-site parking spaces required for an historic structure is 0. The applicant proposes 2 parking spaces on a paved off-street driveway. No garage is proposed as part of the Historic Design Review approval.
13. The minimum lot size in the HR-1 zone is 1,875 sf and the maximum building footprint is 1,511 sf. The property consists of 3,750 square feet and the existing building footprint is 1,203 sf.
14. The topography of the lot does not exceed 30% slope and therefore a Steep Slope CUP approval is not required for new construction.
15. The applicant stipulates to the conditions of approval.
16. The discussion in the Analysis section is incorporated herein.
17. On May 12, 2010, the Planning Commission conducted a public hearing and forwarded a positive recommendation to City Council.

<u>Conclusions of Law:</u>

1. There is good cause for this plat amendment.
2. The plat amendment is consistent with the Park City Land Management Code and applicable State law regarding plat amendments.
3. Neither the public nor any person will be materially injured by the proposed plat amendment.
4. Approval of the plat amendment, subject to the conditions stated below, does not adversely affect the health, safety and welfare of the citizens of Park City.

<u>Conditions of Approval:</u>

1. The City Attorney and City Engineer will review and approve the final form and content of the plat amendment for compliance with State law; the Land

Management Code; requirements for utility, snow storage, and encroachment agrreements; and any conditions of approval, prior to recordation of the plat.
2. The applicant will record the subdivision at the County within one year from the date of City Council approval. If recordation has not occurred within one year's time, this approval for the subdivision will be void, unless the City Council grants an extension of the approval.
3. Execution and recordation of an encroachment agreement for the existing shed at the rear of the property is a condition precedent to recordation of the plat amendment.
4. The existing low stone/paver walls encroaching into the Woodside Avenue right-of-way shall be removed, or an encroachment agreedment shall be executed and recorded between the property owner and Park City, as a condition precedent to recordation of the plat amendment.
5. A preservation plan and a preservation guarantee, the amount to be determined by the Planning and Building Departments upon review of the construction plans, shall be provided to the City by the owner, as a condition precedent to issuance of a building permit for the addition.

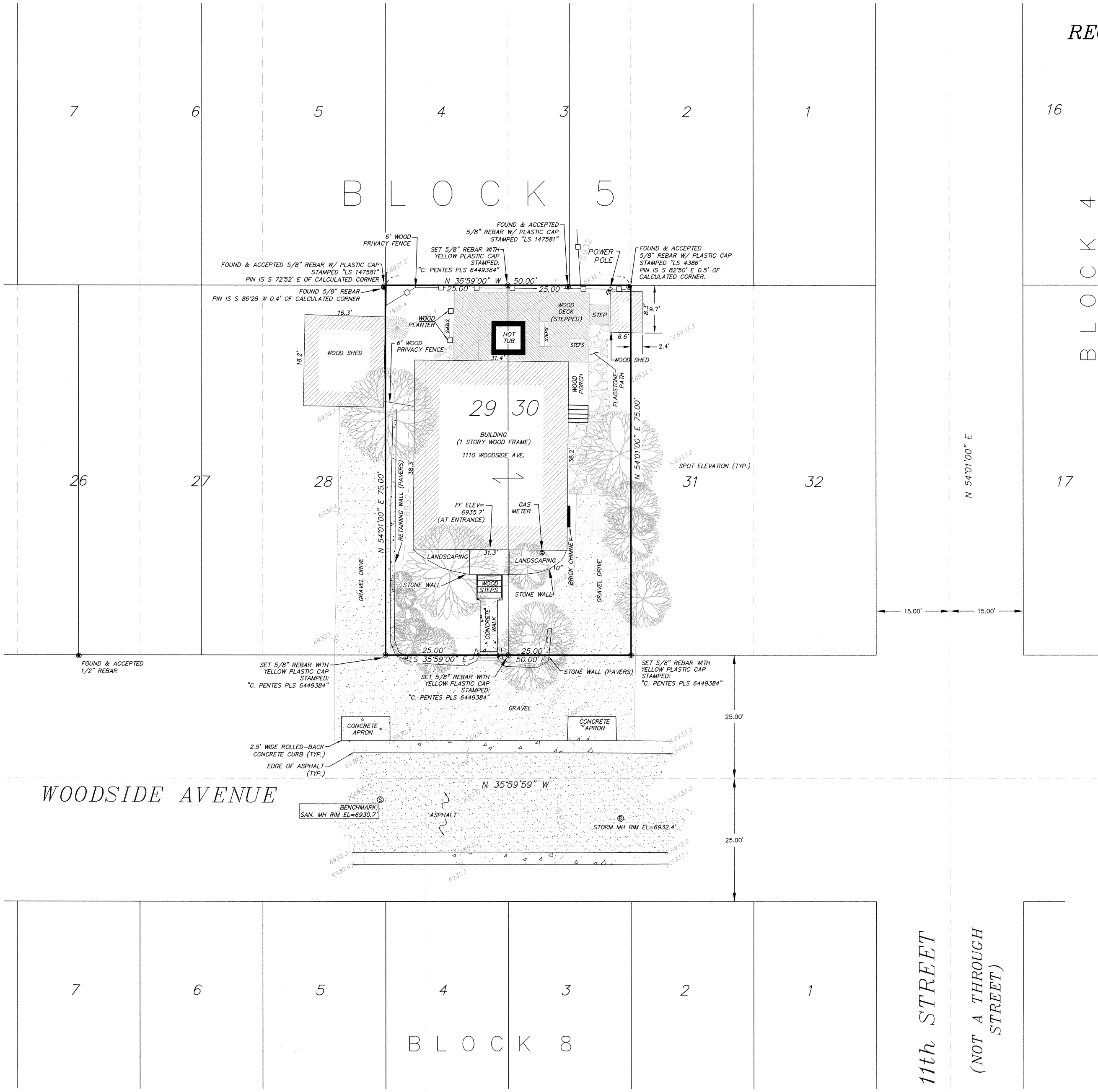
SECTION 2. EFFECTIVE DATE. This Ordinance shall take effect upon publication.

PASSED AND ADOPTED this 27th day of May, 2010.

Exhibit B

RECORD OF SURVEY AND ASBUILT

LOT 29 & 30, BLOCK 5 OF SNYDERS ADDITION TO PARK CITY LYING WITHIN THE NORTHWEST QUARTER OF SECTION 16, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SALT LAKE BASE & MERIDIAN, PARK CITY, SUMMIT COUNTY, UTAH



SCALE: 1" = 10'

LEGEND

- FOUND OR SET REBAR & CAP (AS DESCRIBED)
- 6932.2 SPOT ELEVATION
- SANITARY SEWER MANHOLE
- STORM MANHOLE
- GAS METER
- FIR TREE
- DECIDUOUS TREE (ALL ASPEN)

NARRATIVE:

THE PURPOSE OF THIS SURVEY IS TO LOCATE THE BOUNDARY LINES OF THE SUBJECT PROPERTY AND TO SHOW THE EXISTING STRUCTURE AND CONTOUR LINES.

EXISTING SURVEY MONUMENTS IN ADJACENT ROADWAYS AND LOTS WERE USED TO REESTABLISH THE PROPERTY CORNERS.

THE BASIS OF BEARING IS SHOWN HEREON. ALL BEARING AND DISTANCES SHOWN HEREON ARE THE EQUIVALENT OF RECORD, UNLESS NOTED.

SURVEY COMPLETED: 07/10/07

SEE SAID OFFICIAL SNYDERS ADDITION TO PARK CITY SURVEY PLAT FOR ANY EASEMENTS, SETBACK REQUIREMENTS, BUILDING ENVELOPES AND BUILDING LOT RESTRICTIONS.
NOTE: OTHERS MAY APPLY.

THE OWNER OF THE PROPERTY SHOULD BE AWARE OF ANY ITEMS AFFECTING THE PROPERTY THAT MAY APPEAR IN A TITLE INSURANCE REPORT; THE SURVEYOR HAS FOUND NO OBVIOUS EVIDENCE OF EASEMENTS, ENCROACHMENTS, OR ENCUMBRANCES ON THE PROPERTY SURVEYED, EXCEPT AS SHOWN HEREON.

EVIDENCE FOR THIS SURVEY WAS TAKEN FROM RECORDED DEEDS, RECORDS OF SURVEYS, PLATS AND PHYSICAL EVIDENCE OBTAINED IN THE FIELD. ALL EVIDENCE HAS BEEN CONSIDERED IN THE ESTABLISHMENT OF THE BOUNDARY AS SHOWN HEREON.

LEGAL DESCRIPTION

ALL OF LOT 29, BLOCK 5 OF SNYDERS ADDITION TO PARK CITY SURVEY, ON FILE AND OF RECORD IN THE OFFICE OF THE SUMMIT COUNTY RECORDER.

ALL OF LOT 30, BLOCK 5 OF SNYDERS ADDITION TO PARK CITY SURVEY, ON FILE AND OF RECORD IN THE OFFICE OF THE SUMMIT COUNTY RECORDER.

SURVEYOR'S CERTIFICATE

I, CHRISTOPHER PENTES, OF PARK CITY, UTAH, DO HEREBY CERTIFY THAT I AM A PROFESSIONAL LAND SURVEYOR AS PRESCRIBED BY THE LAWS OF THE STATE OF UTAH, HOLDING LICENSE NO. 6449384. I FURTHER CERTIFY I HAVE PERFORMED A SURVEY ON THE HEREON DESCRIBED PROPERTY AND THAT TO THE BEST OF MY KNOWLEDGE IT IS A CORRECT REPRESENTATION OF THE LAND SURVEYED.

CHRISTOPHER PENTES

DATE 7/17/07

FILE No. S0006522
FILED AT THE REQUEST OF: Christopher Group Inc
ALAN SPRIGGS SUMMIT CO. RECORDER
FEES 10.00 By [illegible]
FILED 7-26-07 at 10:50 Am

PARK CITY SURVEYING
P.O. BOX 682993
PARK CITY, UTAH 84068
(435) 649-2918

DATE	BY	COMMENTS

REVISIONS

PROFESSIONAL LAND SURVEYOR No. 6449384 CHRISTOPHER PENTES 7/17/07 STATE OF UTAH

SURVEYED BY: TM/BO
DRAWN BY: MN
DATE: JULY 2007

FOR: PAUL DeGROOT

RECORD OF SURVEY & ASBUILT
LOTS 29 & 30, BLOCK 5
OF SNYDERS ADDITION TO PARK CITY

DWG: SA BLK 5 LOTS 29-30.DWG

SHEET 1 OF 1

S-6522

City Council
Staff Report

Author:	**Kathy Lundborg**
Subject:	**QUINN'S WATER TREATMENT PLANT CONSTRUCTION AGREEMENT**
Department:	**Public Works**
Date:	**May 27, 2007**
Type of Item:	**Administrative**

Summary Recommendations:
Staff recommends Council authorize the City Manager to execute a Construction Agreement, in a form approved by the City Attorney, with Alder Construction Company, for the construction of the Quinn's Junction Water Treatment Plant in the amount of $13,336,000.

Description:
Water Strategic Plan: Source Strategies & Polices
- Maximize the availability of Park City's water from the Rockport Importation project

Topic:
Park City Water Infrastructure Project including the construction of the Quinn's Junction Water Treatment Plant.

Background:

The Quinn's Junction Water Treatment Plant (Plant) is a critical component to the future of the City's water supply and distribution system. The Plant will allow the City to effectively utilize available raw water sources.

The treatment plant and plumbing are designed for the ultimate size of 9 MGD; initially membrane equipment will be purchased and installed for 3 MGD. As the demand grows over time, additional membrane equipment will be added to the plant to incrementally upgrade to 9 MGD. Initially, the raw water source for the Plant is from Rockport Reservoir, with Judge Tunnel water and future storage reservoirs being added in the future.

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 Plant. The design has been completed and bids have been accepted for the construction of the Plant. It is expected that construction of the plant will be complete by fall of 2011.

The purpose of this Staff Report is to recommend that the City enter into a Construction Agreement with a qualified contractor for the construction of the Plant.

For additional reference, the attached Project Matrix shows all of the water projects for this construction season and the corresponding contracts and Professional Services Agreements (PSA's). With all of the construction contracts and PSA's being brought to Council for Authorization, Staff hopes that the matrix would be useful in seeing the bid picture of water projects.

Analysis:

In the fall of 2009, the City prequalified general contractors for the construction of the Plant. Advertisements were placed in local newspapers and regional publications soliciting contractors to submit their qualifications for the project. A Prequalification Packet was prepared and provided to all interested contractors. The Prequalification Packet identified the minimum qualifications for a contractor to be prequalified for the project. The contractors were evaluated in the following areas:

- Quality of past work
- Timely completion of work
- Prompt warranty service
- References
- Scheduling ability
- Personnel Qualifications
- Quality Control and Safety Programs
- Other miscellaneous considerations.

Eleven general contractors submitted prequalification packets. Eight of the eleven contactors were deemed qualified for the Project. The prequalified contactors include: Alder, Archer Western, COP, Flat Iron, Gerber, Nelson Brothers, Peck Ormsby, and WW Clyde.

A mandatory pre-bid conference was held on April 22, 2010 with a public bid opening on May 19, 2010. Flat Iron Construction did not attend the pre-bid conference and was informed that attendance was a requirement to have a bid accepted for review. The following summarizes the bids:

Table 1 – Bid Summary

Contractor	Total Bid Amount
Alder Construction	$13,336,000
Archer Western Construction	$15,185,000
COP Construction	No Bid
Flat Iron Construction	No Bid
Gerber Construction	$14,544,661.89
Nelson Brothers Construction	$14,533,560
Peck Ormsby Construction	$14,400,444
WW Clyde Construction	$14,195,1000

Alder Construction is the lowest responsive bidder. Qualifications and Bid Documents were verified by our design engineer, Carollo Engineers, and staff. Carollo's letter of recommendation is attached. Staff therefore recommends that Alder Construction as the successful bidder.

Department Review:

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

Alternatives:

A. Approve the Request:

Staff recommends Council authorize the City Manager to execute a Construction Agreement, in a form approved by the City Attorney, with Alder Construction for the construction of the Quinn's Junction Water Treatment Plant in an amount of $13,336,000.

B. Deny the Request:

Council could deny Staff's request. The schedule for the water treatment plant is currently delayed, in part due to added scope during the design and the Planning Commission approval process. Denying the request would further delay the completion of the time-critical project.

C. Continue the Item:

Council could continue the request. Continuing the request would delay the completion of the time-critical project.

D. Do Nothing:

Staff does not recommend this alternative. Doing nothing would also delay the completion of the time-critical project.

Significant Impacts:

The construction cost associated with this construction agreement is included in the project in the approved FY2010 and proposed FY2011 CIP budget.

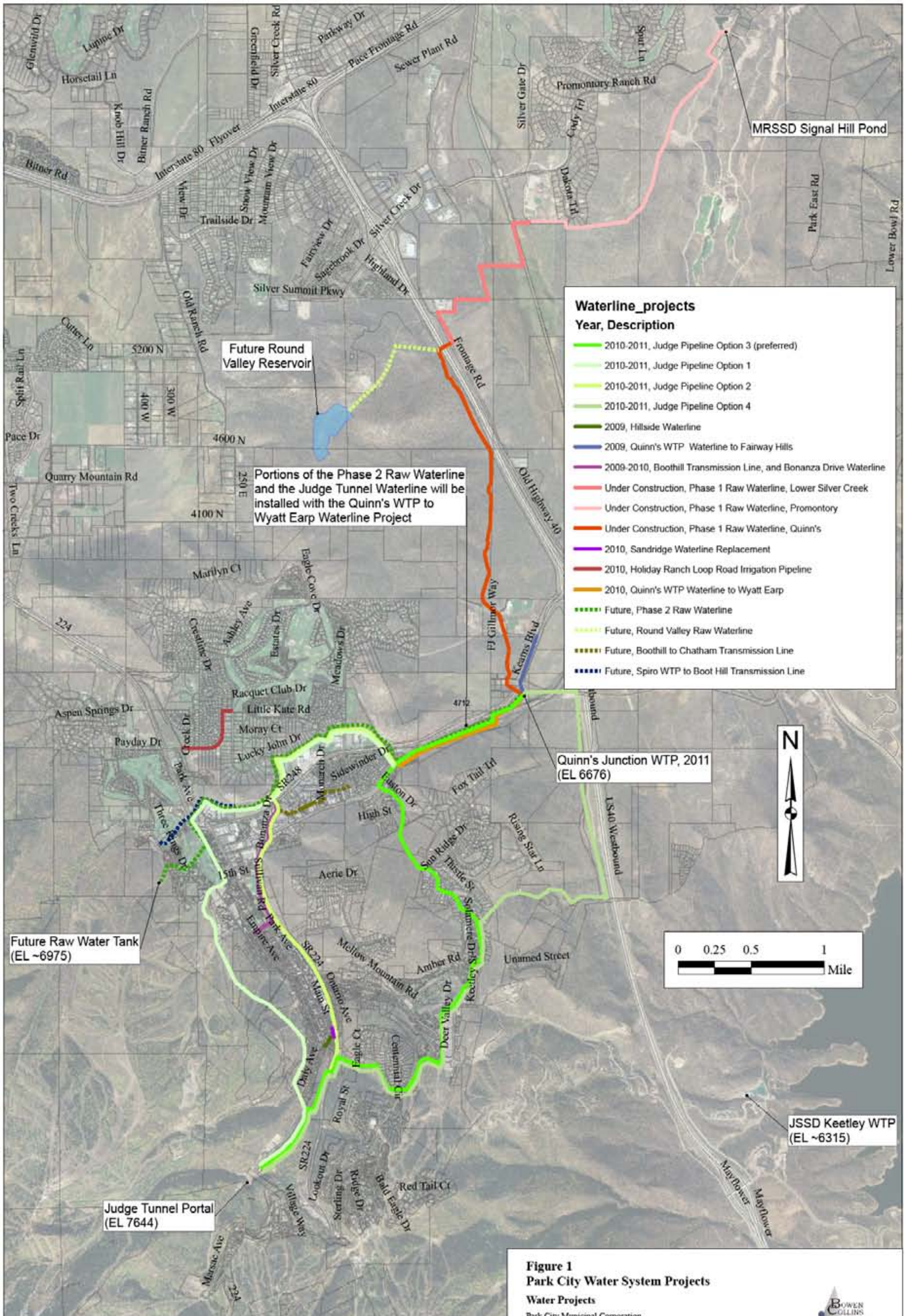
If Council does not authorize the execution of the Agreement, the construction of the Water Treatment Plant will be delayed.

Recommendation:

Staff recommends Council authorize the City Manager to execute a Construction Agreement, in a form approved by the City Attorney, with Alder Construction for the construction of the Quinn's Junction Water Treatment Plant in an amount of $13,336,000.

Water Project Matrix 2010

Project PCWIP	**Task**	**Contractor/ Consultant**	**Contract/ Agreement Authorized by Council?**	**Amount**
Promontory	a. Design b. Construction Mgmt/Inspection c. Construction (2009/2010)	a. Stantec b. MRWSSD c. Counterpoint	Y Y Y	$460,610 (plus $338,260) Hourly rate ($75/hr) $1,439,950
Quinn's	a. Design b. Construction Mgmt/Inspection c. Construction (2009/2010)	c. Stantec d. BCA c. Allied Construction	Y Y Y	$460,610 (plus $338,260) $89,792 $2,183,495
Lower Silver Creek	a. Design b. Construction Mgmt/Inspection c. Construction (2010)	a. Stantec b. Stantec c. BD Bush	Y Y Y	$460,610 (plus $338,260) $113,746 $1,933,821
Phase 2, 3, 4	a. Preliminary Design Construction begins 2011	a. Stantec	Y	$460,610 (plus $338,260)
Quinn's WTP to Wyatt Earp Finished Waterline	a. Design b. Construction Mgmt/Inspection c. Construction (2010)	a. Horrocks b. Horrocks c. Not chosen	N N N	$228,352 *$2,200,000 (estimate)*
Judge Tunnel Waterline	a. Design b. Construction Mgmt/Inspection c. Construction (2010/2011)	a. BCA b. BCA c. Not chosen	N N N	$444,321 $255,448 *$5,000,000 (estimate)*
HR Loop Rd Irrigation Waterline	a. Predesign, Design b. Construction Mgmt/Inspection c. Construction (2009/2010)	a. Jack Johnson, Alliance b. City Staff	NA	$10,000 *$300,000 (estimate for water portion)*
Water Treatment Plant	a. Design b. Construction Mgmt/Inspection c. Construction (2010/2011)	a. Carollo b. MWH Americas, Inc. c. Alder Construction	Y N	$1,244,000 $375,129 $13,336,000
Boothill Transmission Line Phase 2 and 3	a. Design b. Construction Mgmt/Inspection c. Construction (2009/2010)	a. BCA b. City Staff (ph2), Stanley (ph3) c. Granite Construction(2009)	Y Y Y	$72,600 $29,410 (phase 3) $500,000 *$766,000* (*2010 estimate*)
Hillside Waterline (Completed)	a. Design b. Construction Mgmt/Inspection c. Construction (2009)	a. BCA b. Ward Engineering c. Granite Construction	Y Y Y	$22,300 $101,840
Fairway Hills Finished Waterline (Completed)	a. Design b. Construction Mgmt/Inspection c. Construction (2009)	a. BCA b. Alliance c. Counterpoint	Y Y Y	$35,230 $39,115 $302,661



Printing Date: 2/10/10
File: P:\Park City\General Services\Program Management Services (18)\Drawings\GIS

Project Location Map

carollo

Engineers...Working Wonders With Water™

75 YEARS

May 19, 2010

Park City Municipal Corporation
P.O. Box 1480
Park City, UT 84060-1480

Attention: Kathy Lundborg, P.E.
Water Department Manager

Subject: Recommendation for Award of Quinn's Junction WTP Project

Dear Kathy:

Bids were reviewed for the Quinn's Junction Water Treatment Plant Project on May 19, 2010. A copy of the bid tabulation and Engineer's Estimate are attached to this letter. All bidders were prequalified to bid the project. Alder Construction Company was the low bidder with a bid of $13,336,000.00. A copy of Alder's Bid Form is also attached.

We have discussed Alder's bid with them and they are comfortable with their bid and are anxious to proceed with the project. We have also confirmed with Alder that their metal building supplier, Eco Steel, included the specified Kingspan panels in their proposal. Alder's bid was complete and they acknowledged the three addenda which were issued during the bid period.

We therefore recommend that the City award the Quinn's Junction Water Treatment Plant Project to Alder Construction Company in the amount of $13,336,000.

If you have any questions about the recommendation, please call.

Sincerely,

CAROLLO ENGINEERS, P.C.

Craig Ashcroft

Craig T. Ashcroft, P.E.
Partner

CTA/bd

encl: Bid Tabulation, Engineer's Estimate, and Alder Bid Form

cc: Jeff Beckman, Bowen, Collins & Associates
Clint McAffee, Park City
Glen Perry, Alder Construction

1265 E. Fort Union Boulevard, Suite 200, Salt Lake City, Utah 84047
P. 801.233.2500 F. 801.233.2501
carollo.com

Park City Municipal Corporation

Quinn's Junction Water Treatment Plant

Bid Tabulation

19-May-10

Contractor	Total Lump Sum Price	Total Unit Price Items	Total Bid Amount
Alder	$ 13,304,000.00	$ 32,000.00	$ 13,336,000.00
Archer Western	$ 15,105,000.00	$ 80,000.00	$ 15,185,000.00
COP	No Bid	No bid	No bid
Gerber	$ 14,505,061.89	$ 49,600.00	$ 14,554,661.89
Nelson Brothers	$ 14,440,760.00	$ 92,800.00	$ 14,533,560.00
Peck Ormsby	$ 14,352,444.00	$ 48,000.00	$ 14,400,444.00
WW Clyde	$ 14,153,500.00	$ 41,600.00	$ 14,195,100.00
Engineer's Estimate			$ 13,619,000.00

PROJECT SUMMARY

Project:	Quinn's Junction Water Treatment Plant	PIC:	CTA
Job #:	8143A.10		
Location:	Park City, Utah	Date:	December 21, 2009
Zip Code:	84061		

NO.	DESCRIPTION		TOTAL
01	Concrete		$1,112,000
02	Equipment		$4,163,000
03	Piping/Valves		$1,500,000
04	Membrane Building		$1,596,000
05	Site Work & Landscaping		$1,031,000
06	Maintenance Building		$200,000
07	Clearwell		$150,000
08	HVAC		$400,000
09	Electrical, Insturnentation and Controls		$2,200,000
10	Mobilization		$618,000
	Sub-Total		**$12,970,000**
	Contingency	5.0%	$649,000
	SUB-TOTAL ESTIMATED CONSTRUCTION COST		**$13,619,000**
	SBWRD Impact fees		$650,000
	TOTAL ESTIMATED CONSTRUCTION COST		**$14,269,000**

The cost estimate herein is based on our perception of current conditions at the project location. This estimate reflects our professional opinion of accurate costs at this time and is subject to change as the project design matures. Carollo Engineers have no control over variances in the cost of labor, materials, equipment; nor services provided by others, contractor's means and methods of executing the work or of determining prices, competitive bidding or market conditions, practices or bidding strategies. Carollo Engineers cannot and does not warrant or guarantee that proposals, bids or actual construction costs will not vary from the costs presented as shown.

DOCUMENT 00410

BID FORM

PROJECT IDENTIFICATION:

Park City Municipal Corporation
Quinn's Junction Water Treatment Plant

THIS BID IS SUBMITTED BY:

Alder Construction Company
(Bidder)

3939 South 500 West, Salt Lake City, Utah 84123
(Bidder Address)

(801) 266-8856

THIS BID IS SUBMITTED TO:

Park City Municipal Corporation
1053 Iron Horse Drive.
Park City, UT 84060

1.01 The undersigned Bidder proposes and agrees, if this Bid is accepted, to enter into an agreement with OWNER in the form included in the Bidding Documents to perform all Work as specified or indicated in the Bidding Documents within the specified time and for the price indicated in this Bid and in accordance with the other terms and conditions of the Bidding Documents.

2.01 Bidder accepts all of the terms and conditions of the Invitation to Bid and Instructions to Bidders, including without limitation those dealing with the disposition of Bid security. The Bid will remain subject to acceptance for 60 days after the Bid opening, or for such longer period of time that Bidder may agree to in writing upon request of OWNER.

3.01 In submitting this Bid, Bidder represents that:

A. Bidder has examined and carefully studied the Bidding Documents, the other related data identified in the Bidding Documents, and the following Addenda, receipt of which is hereby acknowledged.

ADDENDA

No. 1	Dated April 28, 2010
No. 2	Dated May 6, 2010
No. 3	Dated May 12, 2010
No.	Dated
No.	Dated
No.	Dated

B. Bidder has visited the site and become familiar with and satisfied itself as to the general, local, and site conditions that may affect cost, progress, and performance of the Work.

C. Bidder is familiar with and has satisfied itself as to all Federal, state, and local Laws and Regulations and Permits that may affect cost, progress, and performance of the Work.

D. Bidder has carefully studied all: (1) reports of explorations and tests of subsurface conditions at or contiguous to the Site and all drawings of physical conditions in or relating to existing surface or subsurface structures at or contiguous to the Site (except Underground Facilities) which have been identified in the Supplementary Conditions as provided in paragraph 4.02 of the General Conditions, and (2) reports and drawings of a Hazardous Environmental Condition, if any, which has been identified in the Supplementary Conditions as provided in paragraph 4.06 of the General Conditions.

E. Bidder has obtained and carefully studied (or assumes responsibility for having done so) all additional or supplementary examinations, investigations, explorations, tests, studies and data concerning conditions (surface, subsurface and Underground Facilities) at or contiguous to the Site which may affect cost, progress, or performance of the Work or which relate to any aspect of the means, methods, techniques, sequences, and procedures of construction to be employed by Bidder, including applying the specific means, methods, techniques, sequences, and procedures of construction expressly required by the Bidding Documents to be employed by Bidder, and safety precautions and programs incident thereto.

F. Bidder does not consider that any further examinations, investigations, explorations, tests, studies, or data are necessary for the determination of this Bid for performance of the Work at the price(s) bid and within the times and in accordance with the other terms and conditions of the Bidding Documents.

G. Bidder is aware of the general nature of work to be performed by OWNER and others at the Site that relates to the Work as indicated in the Bidding Documents.

H. Bidder has correlated the information known to Bidder, information and observations obtained from visits to the Site, reports and drawings identified in the Bidding Documents, and all additional examinations, investigations, explorations, tests, studies, and data with the Bidding Documents.

I. Bidder has given ENGINEER written notice of all conflicts, errors, ambiguities, or discrepancies that Bidder has discovered in the Bidding Documents, and the written resolution thereof by ENGINEER is acceptable to Bidder

J. The Bidding Documents are generally sufficient to indicate and convey understanding of all terms and conditions for the performance of the Work for which this Bid is submitted.

4.01 Bidder further represents that this Bid is genuine and not made in the interest of or on behalf of any undisclosed individual or entity and is not submitted in conformity with any agreement or rules of any group, association, organization or corporation; Bidder has not directly or indirectly induced or solicited any other Bidder to submit a false or sham bid; Bidder has not solicited or induced any individual or entity to refrain from bidding; and Bidder has not sought by collusion to obtain for itself any advantage over any other Bidder or over OWNER.

5.01 Bidders shall accept assignment of the agreements for Pall Membrane Filtration Equipment.

5.02 Bidder shall provide the OWNER with an allowance for the items listed in Section 01210, of $3,000,000. The OWNER, at OWNER's option, will use this allowance for the items listed in Section 01210.

5.03 Bidder will complete the Unit Price Work in accordance with the Contract Documents for the following unit prices. Quantities indicated are not guaranteed; they are solely for comparing Bids and establishing the initial Contract Price. Final payment will be based on actual quantities.

UNIT PRICE SCHEDULE					
Number	Item	Unit	Estimated Quantity	Unit Price	Total Estimated Price $
1.	Removal of existing milled asphalt	CY	8,000	4.00	32,000.00
		$			32,000

TOTAL OF ALL ESTIMATED PRICES

$ 32,000
(Price in figures)

Thirty Two Thousand Dollars
(Price in words)

Unit Prices have been computed in accordance with Paragraph 11.03 of the General Conditions.

Bidder acknowledges that estimated quantities are not guaranteed, and are solely for the purpose of comparison of Bids, and final payment for all Unit Price Bid items will be based on actual quantities provided, determined as provided in the Contract Documents.

6.01 Bidder will complete the Work in accordance with the Contract Documents for the Lump Sum Bid Price of:

1. Allowance Items (section 01210) $3,000,000.00
2. Lump Sum Bid for Remainder of Work $ 10,304,000

Ten million Three hundred and four thousand dollars
(Lump sum bid amount in words)

3. Total Lump Sum Bid Price (sum of items 1-2) 13,304,000
4. Total of Unit Price Items $ 32,000
5. Total Bid Amount $ 13,336,000

Thirteen million Three hundred and thirty six thousand dollars
(total bid amount in words)

7.01 Bidder agrees that the Work will be substantially completed, and completed and ready for final payment in accordance with paragraph 14.07.B of the General Conditions on or before the dates or within the number of calendar days indicated in Article 4 Document 00520, Agreement.

7.02 Bidder accepts the provisions of the Agreement as to liquidated damages in the event of failure to complete the Work within the times specified above, which shall be stated in Article 4 Document 00520, Agreement.

8.01 The following documents are attached to and made a condition of this Bid

A. Required Bid security in the form of a certified or bank check, or a Bid Bond, issued by a surety meeting the requirements of paragraphs 5.01 and 5.02 of the General Conditions

B. List of Subcontractors, List of Equipment Manufacturers and other individuals and entities required to be identified in this Bid;

C. Document 00440, Experience Modification Rate;

D. Document 00453, Bid Preferences, pursuant to Utah Procurement Code;

E. Non-Collusion Affidavit;

BGB F. ~~Affirmative Action Program Certificate;~~ CERTIFICATION OF DRUG FREE WORK PLACE

9.01 The terms used in this Bid with initial capital letters have the meanings indicated in the Instructions to Bidders, the General Conditions, and the Supplementary Conditions.

SUBMITTED on May 19, 2010

State Contractor License Number 227614-5501.

If Bidder is:

An Individual

Name (typed or printed): ______

By: ______ (SEAL)
(Individual's signature)

Doing business as: ______

Business address: ______

Phone Number: ( ) ______ FAX Number: ( ) ______

Partnership

Partnership Name: ______ (SEAL)

By: ______
(Signature of general partner -- attach evidence of authority to sign)

Name (typed or printed): ______

Business address: ______

Phone Number: ( ) N/A FAX Number: ( ) N/A

A Corporation

Corporation Name: Alder Construction Company (SEAL)

State of Incorporation: Utah

Type (General Business, Professional, Service, Limited Liability): General Contractor

By: [signature]
(Signature -- attach evidence of authority to sign)

Name (typed or printed): Glen Perry

Title: Vice President

Attest: Amy Wilkinson
(Signature of Corporate Secretary, Acting Secretary or other officer)

Business address: 3939 South 500 West

Phone Number: ( ) 801-266-8856 FAX Number: ( ) 801-266-2947

Date of Qualification to do business is June 28, 1966

A Joint Venture

~~Joint Venturer Name: ______________________________ (SEAL)~~

~~By: ______________________________~~
~~(Signature of joint venture partner -- attach evidence of authority to sign)~~

~~Name (typed or printed): ______________________________~~

~~Title: ______________________________~~

~~Business address: ______________________________~~

~~Phone Number: ( ) ______________ FAX Number: ( ) ______________~~

~~Joint Venturer Name: ______________________________ (SEAL)~~

~~By: ______________________________~~
~~(Signature of joint venture partner -- attach evidence of authority to sign)~~

~~Name (typed or printed): ______________________________~~

~~Title: ______________________________~~

~~Business address: ______________________________~~

~~Phone Number: ( ) ______________ FAX Number: ( ) ______________~~

~~Phone and FAX Number, and Address for receipt of official communications:~~

~~______________________________~~

(Each joint venturer must sign. The manner of signing for each individual, partnership, and corporation that is a party to the joint venture should be in the manner indicated above.)

END OF DOCUMENT

CERTIFICATE OF CORPORATE RESOLUTION

I, Amy Wilkinson, being the Secretary of Alder Construction Company, do hereby affirm and represent as follows:

1. That BRUCE C. ALDER is President of Alder Construction Company, and as President, is authorized to execute all documents, deeds and contracts on behalf of Alder Construction Company.

2. That GLEN PERRY is Vice President of Alder Construction Company, and as Vice President, is authorized to sign contracts on behalf of Alder Construction Company.

3. That JACK C. ALDER is Chairman of the Board of Alder Construction Company, and as Chairman of the Board, is authorized to sign documents, deeds and contracts on behalf of Alder Construction Company.

Dated this 30th day of June 2009.

Bruce C. Alder, President
Alder Construction Company

Amy Wilkinson
Amy Wilkinson, Secretary
Alder Construction Company

Sworn and subscribed before me this 30th day of June 2009.

Notary Public

Notary Public
JESSICA A. OGDEN
South 500 West
Salt Lake City, Utah 84123
My Commission Expires
June 9, 2012
State of Utah

DOCUMENT 00432

BID BOND

PENAL SUM FORM

BIDDER *(Name and Address)*:

Alder Construction Company
3939 South 500 West, Suite 1
Salt Lake City, Utah 84123

SURETY *(Name and Address of Principal Place of Business)*:

Travelers Casualty and Surety Company of America
One Tower Square
Hartford, CT 06183

OWNER *(Name and Address)*:

Park City Municipal Corporation
1053 Iron Horse Drive
Park City, Utah 84060

BID

Bid Due Date: May 19, 2010

Project :

Quinn's Junction Water Treatment Plant
3800 Richardson Flat Road
Park City, Utah

BOND

Bond Number: B18870

Date: (Not later than Bid Due Date): May 19, 2010

Penal Sum: Ten Percent (10%) of Accompanying Bid

IN WITNESS WHEREOF, Surety and Bidder, intending to be legally bound hereby, subject to the terms printed on the reverse side hereof, do each cause this Bid Bond to be duly executed on its behalf by its authorized officer, agent, or representative.

BIDDER	SURETY
Alder Construction Company (SEAL)	Travelers Casualty and Surety Company of America (SEAL)
(Bidder's Name and Corporate Seal)	(Surety's Name and Corporate Seal)
By:	By:
(Signature and Title) VICE PRESIDENT	(Signature and Title) Sam W. Clark
	(Attach Power of Attorney) Attorney-In-Fact
Attest:	Attest:

April 16, 2010 00432-1 8134A10

pw:\\Carollo\Documents\Client\UT\PCMC\8143A10\Specifications\00432

Note: (1) Above addresses are to be used for giving required notice.
(2) Any singular reference to Bidder, Surety, OWNER or other party shall be considered plural where applicable.

1. Bidder and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to pay to OWNER upon default of Bidder the penal sum set forth on the face of this Bond.

2. Default of Bidder shall occur upon the failure of Bidder to deliver within the time required by the Bidding Documents the executed Agreement required by the Bidding Documents and any performance and payment bonds required by the Bidding Documents and Contract Documents.

3. This obligation shall be null and void if:

   a. OWNER accepts Bidder's Bid and Bidder delivers within the time required by the Bidding Documents (or any extension thereof agreed to in writing by OWNER) the executed Agreement required by the Bidding Documents and any performance and payment bonds required by the Bidding Documents and Contract Documents, or

   b. All Bids are rejected by OWNER, or

   c. OWNER fails to issue a Notice of Award to Bidder within the time specified in the Bidding Documents (or any extension thereof agreed to in writing by Bidder and, if applicable, consented to by Surety when required by paragraph 5 hereof).

4. Payment under this Bond will be due and payable upon default of Bidder and within 30 calendar days after receipt by Bidder and Surety of written notice of default from OWNER, which notice will be given with reasonable promptness, identifying this Bond and the Project and including a statement of the amount due.

5. Surety waives notice of and any and all defenses based on or arising out of any time extension to issue Notice of Award agreed to in writing by OWNER and Bidder, provided that the time for issuing Notice of Award including extensions shall not in the aggregate exceed 120 days from Bid due date without Surety's written consent.

6. No suit or action shall be commenced under this Bond prior to 30 calendar days after the notice of default required in paragraph 4 above is received by Bidder and Surety, and in no case later than one year after the Bid due date.

7. Any suit or action under this Bond shall be commenced in a court of competent jurisdiction located in the state in which the Project is located.

8. Notice required hereunder shall be in writing and sent to Bidder and Surety at their respective addresses shown on the face of this Bond. Such notices may be sent by personal delivery, commercial courier or by United States Registered or Certified Mail, return receipt requested, postage pre-paid, and shall be deemed to be effective upon receipt by the party concerned.

9. Surety shall cause to be attached to this Bond a current and effective Power of Attorney evidencing the authority of the officer, agent or representative who executed this Bond on behalf of Surety to execute, seal and deliver such Bond and bind the Surety thereby.

10. This Bond is intended to conform to all applicable statutory requirements. Any applicable requirement of any applicable statute that has been omitted from this Bond shall be deemed to be included herein as if set forth at length. If any provision of the Bond conflicts with any

applicable provision of any applicable statute, then the provision of said statute shall govern and the remainder of this Bond that is not in conflict therewith shall continue in full force and effect.

11. The term "Bid" as used herein includes a bid, offer or proposal as applicable.

END OF DOCUMENT

WARNING: THIS POWER OF ATTORNEY IS INVALID WITHOUT THE RED BORDER

TRAVELERS

POWER OF ATTORNEY

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company

St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

Attorney-In Fact No. 222285

Certificate No. 003583043

KNOW ALL MEN BY THESE PRESENTS: That St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company and St. Paul Mercury Insurance Company are corporations duly organized under the laws of the State of Minnesota, that Farmington Casualty Company, Travelers Casualty and Surety Company, and Travelers Casualty and Surety Company of America are corporations duly organized under the laws of the State of Connecticut, that United States Fidelity and Guaranty Company is a corporation duly organized under the laws of the State of Maryland, that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc., is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

Sam W. Clark, Stirling S. Broadhead, Douglas S. Roskelley, S. Christopher Clark, and Doris Martin

of the City of Salt Lake City, State of Utah, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 5th day of April, 2010.

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company

St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

State of Connecticut
City of Hartford ss.

By: George W. Thompson, Senior Vice President

On this the 5th day of April, 2010, before me personally appeared George W. Thompson, who acknowledged himself to be the Senior Vice President of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal.
My Commission expires the 30th day of June, 2011.

Marie C. Tetreault
Marie C. Tetreault, Notary Public

58440-4-09 Printed in U.S.A.

WARNING: THIS POWER OF ATTORNEY IS INVALID WITHOUT THE RED BORDER

CONSTRUCTION AGREEMENT

THIS AGREEMENT is made and entered into as of this ____ day of _____________, 2010, by and between PARK CITY MUNICIPAL CORPORATION, P O Box 1480, Park City UT 84060, a municipal corporation of the state of Utah (hereinafter "City"), and Alder Construction Company, 3939 S 500 W, Murray, UT 84123, which is a (*check one*) ___ corporation ___ partnership ___ sole proprietorship ___ limited liability company (hereinafter "Contractor").

PURPOSE: For the project known as the Quinn's Junction Water Treatment Plant (hereinafter "Project"), which consists of construction of a 3 MGD Water Treatment Facility and related facilities at 3800 Richardson Flat Rd.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties hereby agree as follows:

SECTION 1. SCOPE OF WORK. Contractor shall furnish all labor, materials and equipment to complete the Project, consisting of the work described in the Information for Bidders as the Basic Bid, and the following additive alternates:______________ ______________, as specifically set out in the contract specifications, which is made a part hereof by reference, herein called the "Project."

The Project will be bound by the specifications referenced herein, according to the Advertisement for Bid, the Information for Bidders, the General Project Requirements and Specifications provided by City, the Bid of the Contractor, Bid Bond, Drawings, Notice of Award and Notice to Proceed, collectively referred to as the Contract Documents, all of which are incorporated herein by reference and on file in the Water Department. To the extent that this Agreement conflicts in any way with a proposed form agreement which may have been submitted as part of the bid specifications, this Agreement shall control.

If any of the work performed by Contractor in any phase of the Project does not meet City standards as outlined in the bid documents and specifications, then Contractor shall immediately repair or correct the work at no additional cost to City.

A. SUBCONTRACTORS. No part of this contract shall be subcontracted by the Contractor without prior written approval by City through the Project Manager/Engineer. The Contractor shall be fully responsible to the City for the acts and omissions of its Subcontractors and of persons either directly or indirectly employed by them, as it is for the acts and omissions of persons directly employed by it.

If written approval is granted to subcontract a part of this contract the Contractor shall require each subcontractor that physically performs services within Utah to submit an affidavit to the Contractor stating that the subcontractor has used E-Verify, or equivalent program, to verify the employment status of each new employee.

The Contractor shall, within ten (10) days of submittal of request for final payment, include an affidavit showing satisfactory evidence that all claims of subcontractors, laborers and material men who supplied services or materials to the Project have been fully paid, discharged, or waived. The Contractor shall submit lien waivers for each pay release.

If the City reasonably believes that Contractor has failed to pay Subcontractors, material men, or laborers for work on the Project within a reasonable time of when payment is due, then City may, after having notified the Contractor, either pay unpaid bills or withhold from the release of Contractor's payment bond for this Project, a sum of money deemed reasonably sufficient to pay any and all such lawful claims until satisfactory evidence is furnished that all liabilities have been fully discharged and a ten percent (10%) fee for administering such claims.

B. STANDARDS OF WORKMANSHIP. Contractor shall demonstrate workmanship equal to or better than current industry standards for this Project. Where Park City specifications exist (for example, asphalt, concrete, irrigation, sprinkling system and landscaping), they shall provide the benchmark for determination of acceptability.

C. INSPECTION AND TESTING. All materials and equipment used in the construction shall be subject to inspection by the Project Manager/Engineer. If laws, ordinances, rules or regulations of any public authority having jurisdiction require any work to specifically be inspected, tested or approved by someone other than Project Manager/Engineer, the Contractor shall give the Project Manager/Engineer timely notice of readiness. Inspections, tests or approvals by the City or appropriate authorities will not relieve the Contractor from obligations to perform the work in accordance with the requirements of the Contract Documents and/or provisions. The Project Manager/Engineer and other designated persons will at all times have access to the work. All work shall ultimately be inspected for final acceptance by the Project Manager/Engineer within a reasonable time upon receipt of notice from the Contractor that work is complete and ready for final inspection.

During construction, the work will be inspected and observed by the Project Manager/Engineer or his designated representative. All work that is deficient or does not meet specifications shall be removed and replaced with proper material at Contractor's expense.

D. WARRANTY. Contractor warrants that all materials and supplies used in the construction of the Project shall be new, except as otherwise agreed to in writing by the City's Representative. All materials, equipment, parts and labor and any necessary corrections to the Project shall be guaranteed for a period of at least one (1) year following the date of substantial completion of the Project under the terms of the performance bond or as provided in the project specifications and construction documents, whichever is longer.

SECTION 2. PERFORMANCE AND PAYMENT BONDS. Contractor shall furnish to the City payment and performance bonds satisfactory to the City guaranteeing Contractor's payment and performance, in the amount, for each separately, of one hundred percent (100%) of the Contract Amount.

SECTION 3. INSURANCE. Unless otherwise specified in the bid documents, the Contractor shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, their agents, representatives, employees, or subcontractors.

The Contractor shall provide Park City Municipal Corporation a Certificate of Insurance evidencing:

A. Commercial General Liability insurance written on an occurrence basis with limits no less than two million dollars ($2,000,000) combined single limit per occurrence and four million dollars ($4,000,000) aggregate for personal injury, bodily injury and property damage. Coverage shall include but not be limited to: blanket contractual; products/completed operations; broad form property damage; explosion, collapse and underground (XCU) if specifically requested; and employer's practices.

The Contractor shall increase the limits of such insurance to at least the amount of the Limitation of Judgments described in Section 63-30d-604 of the Governmental Immunity Act of Utah, as calculated by the state risk manager every two years and stated in Utah Admin. Code R37-4-3.

B. Automobile Liability insurance with limits no less than two million dollars ($2,000,000) combined single limit per accident for bodily injury and property damage.

C. Workers Compensation insurance limits written as follows:
Bodily Injury by Accident $500,000 each accident;
Bodily Injury by Disease $500,000 each employee, $500,000 policy limit

D. Umbrella Liability Insurance:
Combined Single Limit per occurrence $5,000,000
General Aggregate $5,000,000

E. Property Insurance
Builders "All Risk" for full replacement value per the supplemental conditions.

Park City Municipal Corporation, their ENGINEER and consultants shall be named as additional insureds on the insurance policies and a copy of the endorsement naming the City, their ENGINEER and consultants as additional insureds shall be attached to the Certificate of Insurance. The City reserves the right to request certified copies of any required policies.

The Contractor's insurance shall contain a clause stating that coverage shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

SECTION 4. CONTRACT AMOUNT, ACCEPTANCE OF WHOLE, ADDITIONS. City shall pay Contractor the total sum of (insert amount, *in words*) ($ numerically) ("Contract Amount") for all work and materials expended to complete this Project, which shall include the cost of all bonds, insurance, and all charges, fees, permits (including water and sewer fees, unless waived), expenses or assessments of whatever kind or character that are or may be necessary to complete this Project, including any additive alternates listed within the Scope of Work described in Section 1.

SECTION 5. PERMITS AND FEES. As set out in Section 4 above, the Contract Amount includes the price of all normally applicable fees and permits. The City may, at its discretion, arrange for the waiver of certain fees, permits and expenses.

SECTION 6. TERMS OF PAYMENT. The City shall pay for services provided hereunder according to and in an amount not to exceed that detailed in the attached payment schedule (Attachment A) and only upon Contractor's request on forms approved by and submitted to the Project Manager. The City shall make payment within thirty (30) days thereafter. Requests for a more rapid payment may be considered if a discount is offered for early payment. At no time shall the aggregate amount of money paid to the Contractor in proportion to the Contract Amount be greater than the proportion of the work performed at that point to the total Project work. No payment shall be made for any service rendered by the Contractor except for services set forth and identified in this Agreement. The City reserves the right to withhold payment in whole or part from the Contractor for non-compliance with the provisions of the Contract Documents.

A. RETAINAGE. The City may, in its sole discretion; (1) retain five percent (5%) of the value of all work done and materials or equipment supplied as part security for the fulfillment of the Agreement by the Contractor; or (2) retain the final payment of up to five percent (5%) of the total project amount. As work nears completion and solely at the City's discretion, the City may reduce the retainage to an amount more in line with the work remaining. The City reserves the right to retain all amounts previously withheld or due, including any liquidated damages, until all services specified herein are complete. Any money withheld pursuant to this section shall be placed in an interest bearing account and the interest shall also be payable to the Contractor upon final payment.

Before final payment is made, the Contractor must submit evidence satisfactory to the City that all payrolls, material bills, subcontracts and all outstanding indebtedness in connection with the Project have been paid for.

The City may withhold a reasonable amount of the payment bond sufficient to cover any outstanding indebtedness or monies owed or claimed by any person who supplied work or materials to the Project plus ten percent (10%) of such indebtedness as the City's cost of administering such claims until Contractor supplies a release satisfactory to the City, signed by all persons who have supplied labor or materials to the Project or, at the City's option if no claim is made, until 105 days after the date on which any person performed the last of the labor or supplied the last of the material for the Project and upon written request from the Contractor.

The Contractor shall supply to the Project Manager/Engineer within a reasonable time after his request a signed statement verifying all the suppliers, subcontractors and other persons who have supplied labor or materials to the Project.

B. **FINAL PAYMENT**. Acceptance by the Contractor of the final payment from the City shall release the City of all claims, demands and liability of the Contractor, its officers, agents, employees and subcontractors, whether communicated or not by the Contractor, except with respect to those matters referred to in writing delivered to the Contractor and approved in a signed writing by the Project Manager.

SECTION 7. COMPLETION TIME. The work on this Project shall commence within ten days of receipt of the Notice to Proceed and shall be completed within the following number of calendar days:

Substantial Completion - 450 calendar days
Final Completion - 510 calendar days

Work stoppage due to inclement weather conditions and other factors must be approved in writing by the Project Manager. Inclement weather shall not otherwise constitute cause for delay. Unless otherwise agreed by the City by Change Order, no damages shall become due to Contractor for City caused delay. A Change Order for delay will generally be accepted for delay so excessive and unreasonable that it is beyond the scope of the Contract or delay attributed to direct, active or willful interference by the City. The Change Order must be based upon actual damages sustained by the Contractor which are directly attributed to the delay.

In the event that Contractor fails to substantially complete all of the work required herein within the time limit set out above, then for each partial or complete day during which the work remains substantially uncompleted thereafter, the Contractor agrees to pay the City **Four Thousand Dollars ($4,000)** which the parties believe, due to the difficulty of actually assessing the damages the City will suffer in the event of such a delay, is a fair estimate of the loss the City will suffer. The parties agree that the daily liquidated damages provided for herein is reasonable and fair, and is not a penalty. TIME IS OF THE ESSENCE IN THIS AGREEMENT.

SECTION 8. ADDITIONAL WORK/CHANGE ORDERS. The City may enlarge or reduce the work to be performed by Contractor hereunder by written notification to Contractor, including changes to the plans and specifications. The City shall pay Contractor for any additional work so requested, and shall reduce the payment to the Contractor for any reduction in labor, materials, overhead and profit margin resulting from the reduction in the work. Except as the City shall so notify the Contractor in writing, it is understood and agreed by the parties hereto that no money will be paid to the Contractor for any new or additional labor or materials furnished unless a written modification is agreed to in a document signed by both parties.

The value of any work covered by a change order or of any claim for increase or decrease in the contract price shall be determined by one or more of the following methods in order of precedence listed below:

A. An agreed lump sum; or in the event the parties cannot agree; then

B. The unit rate for the work bid by the Contractor, if applicable, or in the event there was no such rate bid; then

C. The actual cost for: (1) labor; (2) materials; (3) supplies; (4) equipment; (5) direct overhead (not to exceed 5% of the sum total of items 1-4, unless approved by the City); and (6) other services necessary and approved by the City to complete the work. In the event of a net increase in the Contract Amount for a change order as a whole, the City shall allow a payment to the Contractor of an additional ten percent (10%) of the actual cost of the work, not including direct overhead or bond costs, to cover the cost of general overhead and profit. The Contractor may also charge the City for actual cost of the net increase in bond costs as a result of the overall change to the Contract Amount. The City specifically reserves the right to request documentation, including but not limited to payroll stubs, bond bills, and invoices, to validate the Contractor's calculations.

SECTION 9. DISPUTES. Except as otherwise provided in this Agreement, any disputes concerning a question of fact arising under this Agreement which is not disposed of by Agreement shall be decided by the City. The decision of the City shall be final and conclusive unless, within thirty (30) days from the date of receipt of such decision, the Contractor shall mail or otherwise furnish the City a written signed appeal addressed to the Project Manager/Engineer. In connection with any appeal proceeding under this clause, the Contractor will be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final decision of a dispute hereunder, the Contractor will proceed diligently with the performance of the contract and in accordance with the City's decision. The decision of the City shall be final and conclusive, but shall not be arbitrary or unreasonable. Although this Contract has been drafted by the City, the Contractor expressly agrees that any ambiguity herein shall be resolved in favor of the City.

SECTION 10. DEFAULT, REMEDY AND TERMINATION. The City may terminate this agreement upon the occurrence of one or more of the following events:

A. If Contractor or any Subcontractor should substantially violate any of the provisions of this contract;

B. If Contractor substantially fails to perform any part of this Agreement;

C. If Contractor repeatedly fails or becomes unable to perform the services under this Agreement as required herein, or substantially fails to provide services under this Agreement for a period of seventy-two (72) hours;

D. If Contractor (1) shall become insolvent in a bankruptcy sense; (2) shall be generally not paying its debts as they become due, or within a reasonable time thereafter; (3) shall suffer, voluntarily or involuntarily, the entry of an order by any court or governmental authority authorizing the appointment of or appointing of a custodian (as that term is defined in 11 U.S.C. '101[10]), receiver, trustee, or other officer with similar powers with respect to it or any portion of its property which remains undismissed for a period of ninety (90) days; (4) shall suffer, voluntarily or involuntarily, with or without judicial or governmental authorization, any such custodian, receiver, trustee, or other officer with similar powers to take possession of any part of its property which third party remains in possession for an excess of ninety (90) days; (5) shall suffer, voluntarily or involuntarily, the filing of a petition respecting an assignment for the benefit of creditors which is not dismissed for a period of ninety (90) days; (6) shall be dissolved; (7) shall become the subject of any proceeding, suit, or action at law or in equity under or relating to any bankruptcy, reorganization or arrangement of debt, insolvency, readjustment of debt, receivership, liquidation, or dissolution law or statute or amendments thereto to be commenced by or against it or against any of its property which remains undismissed for a period of ninety (90) days; (8) shall voluntarily suspend substantially all of its business operations; (9) shall be merged with, acquired by, or otherwise absorbed by any individual, corporation, or other business entity or organization of any kind except for any individual corporation or other business entity or organization which is controlled by, controlling, or under common control with the Contractor; or (10) shall take action for the purpose of any of the foregoing,

After serving ten (10) days written notice on the Contractor and its surety of its intention to terminate the services of Contractor, and if within ten (10) days after serving such notice, the violation is not corrected to City's reasonable satisfaction, the City then may take over the work and prosecute it to completion by contract or by any other method it may deem advisable at the expense of the Contractor. The Contractor and the bonding company shall be liable to the City for any reasonable cost occasioned by the City in excess of the amount agreed for the service herein.

The Contractor shall be entitled to a hearing before a City hearing officer upon the issue of termination if it submits a written request therefore within seven (7) days of the service of the notice of the City's intent to terminate. The Contractor shall be entitled to be heard at such hearing on the issue of termination. The Contractor shall not bring an action against the City, its officers, agents or employees arising out of or relating to the termination of this Agreement before the decision is issued by the City's hearing officer(s).

Waiver of any default shall not be deemed to be a waiver of any subsequent default. Waiver of any provision of this Agreement shall not be construed to be modification of the terms of this Agreement, unless stated to be such in writing, signed by the City's authorized representative.

The Contractor shall continue the performance of this agreement to the extent not terminated under the provisions of this section.

The rights and remedies of the City provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this agreement.

SECTION 11. HOLD HARMLESS INDEMNIFICATION. The Contractor clearly and unequivocally agrees to indemnify and to hold the City and its agents, employees, and officers, harmless from and shall process and to defend at its own expense any and all claims, demands, suits, at law or equity, actions, penalties, losses, damages, or costs, of whatsoever kind or nature, brought against the City arising out of, in connection with, or incident to the execution of this Agreement and/or the Contractor's performance or failure to perform any aspect of this Agreement; provided, however, that if such claims are caused by or result from the concurrent negligence of the City, its agents, employees, and officers, this indemnity provision shall be valid and enforceable only to the extent of the negligence of the Contractor or others; and provided further, that nothing herein shall require the Contractor to hold harmless or defend the

City, its agents, employees and/or officers from any claims arising from the sole negligence of the City, its agents, employees, and/or officers. The Contractor expressly agrees that the indemnification provided herein constitutes the contractor's waiver of immunity under Utah Code Section 34A-2-105 for the purposes of this Agreement. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this Agreement. No liability shall attach to the City by reason of entering into this Agreement except as expressly provided herein.

SECTION 12. CONTROLLING LAW. These general conditions shall be construed in accordance with and enforced under the laws of the State of Utah. Any action of law, suit in equity, or judicial proceeding for the enforcement of the Agreement, or any provisions thereof, shall be instituted and maintained only in any of the courts of competent jurisdiction in Summit County, Utah.

SECTION 13. ASSIGNMENT. The Contractor shall not assign nor transfer any interest in this agreement without the prior written consent of the City, provided however, that claims for compensation due or to become due the Contractor from the City under this agreement may be assigned to a bank, trust company, or other financial institution without such approval. Written notice of any such assignment shall be promptly furnished to City.

SECTION 14. SAFETY AND TRAFFIC CONTROL. Contractor shall take all reasonable precautions to protect the safety of pedestrians, school children, motorists, and others who may use or come near to the Project site, including but not limited to compliance with the Manual of Uniform Traffic Control Devices.

SECTION 15. SAFETY AND PROTECTION OF THE WORK. Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the project work. Contractor shall provide reasonable protection to prevent damage, injury or loss to employees on the Project work and all other persons who may be affected thereby, materials and equipment, whether on or off the site, and other property at the work site or adjacent thereto, including trees, shrubs, lawns, walks, pavements, roadways, structures and utilities not designated for removal, relocation or replacement in the course of construction. In addition, the Contractor shall give all notices and comply with all applicable laws, ordinances, rules, regulations and lawful orders of any public authority bearing on the safety of persons or property or their protection from damage, injury or loss.

The Contractor shall erect and maintain, as required by the existing conditions and progress of the work, all reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, setting safety regulations, and notifying owners and user of adjacent utilities.

The Contractor shall promptly remedy all damage or loss to any property referred to in this Section caused in whole or in party by the Contractor, any subcontractor, sub-subcontractor or anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable and for which the Contractor is responsible, except for acts or omissions by the City or anyone directly or indirectly employed by it, or by anyone for whose acts it may be liable, and not attributable to the fault or negligence of the Contractor. Contractor shall remove from the site all cuttings, debris, equipment and unused material.

SECTION 16. UNENFORCEABLE CONTRACT, WAIVERS. In the event that any provision of this contract shall be ruled invalid and unenforceable, the remaining provisions shall be valid and binding upon the parties. One or more waivers by either party of any provision, term or covenant shall not be construed by the other party as a waiver of a subsequent breach of the same provision by the other party.

SECTION 17. ENTIRE AGREEMENT. This contract represents the entire integrated agreement between City and Contractor and supersedes all prior negotiations, representations or agreements, either written or oral. This agreement may be amended only by written modification signed by both parties.

SECTION 18. COMMENCEMENT OF WORK. Contractor will commence work as required by the specifications within ten calendar days after receiving the NOTICE TO PROCEED.

SECTION 19. UTILITIES. The right is reserved to the owners of public utilities and franchises to enter upon the street or work site for the purpose of making repairs or changes of their property that may become necessary by the work. The City shall also have the privilege of entering upon the street or work site for the purpose of repairing culverts, storm drains, water system repairs or adjustments and any and all other necessary City work.

The Contractor takes the whole risk, responsibility and expense with respect to the location of utilities, and in working with utility owners about locating, moving, repairing, and modifying utilities. All utility locations shown on the plans and specifications are approximate and are marked on the plans, if at all, only for convenience. The City makes no representation about the location of any such utilities, and Contractor is encouraged to contact utility companies and owners about the location of all utilities that may be impacted by or impact the Project work.

SECTION 20. HOURS AND DAYS OF WORK. All work performed by the Contractor, its subcontractors, material men, agents and employees shall be performed during work hours of 7:00 a.m. to 7:00 p.m. Monday through Saturday unless otherwise specified in a Conditional Use Permit or Construction Mitigation Plan. In individual Construction Mitigation Plans, the Building Official may further reduce the hours or days of work for Special Events or as other circumstances may reasonably warrant. When work is prohibited, no exterior construction, excavation or delivery of supplies and concrete are allowed. Interior work, however, may be allowed Monday through Sunday, with no limitation on hours for the following types of construction:

A. Interior work on individual single-family home construction or addition projects not involving materials or supply deliveries

B. Construction of decks, patios, landscape walls less than 4 feet in height, and fences on individual single-family lots

C. Non-mechanized exterior painting on individual single-family residences

D. Non-mechanized landscaping on individual single-family residences

E. Survey work not involving grading or use of power equipment to cut vegetation.

Extended Hours Special Permit. The Building Official may authorize extended hours for construction operations or procedures which, by their nature, require continuous operation or modify or waive the hours of work on projects in generally isolated areas where the extended hours do not impact upon adjoining property occupants. In such cases, the Building Official shall issue a Special Permit identifying the extended hours. Contractor shall display the special permit on site.

Special Event Regulations. The Building Official and/or Police Chief may, at their discretion, restrict construction activity, including governmental or special improvement agencies, in order to assure the public safety during special events within the City. Special events shall include, but not be limited to the Art Festival, Film Festival, ski events, and holiday events.

SECTION 21. CONSTRUCTION MANAGEMENT PLANS. Contractor shall submit a Construction Mitigation Plan to be approved by the Community Development Department, for all building permits. The Community Development Department may waive this requirement for minor remodels, additions and interior construction where the impact on adjacent property is minimal. This plan shall be written and shall address, to the satisfaction of the Community Development Department.

A. **Hours and Days of Operation**. The Construction Mitigation Plan shall specify the daily construction start and finish times. Construction activity occurring outside of the times specified in Section 11-14-6 of the Park City Municipal Code may only be allowed by Special Permit issued by the Building Official or the City Engineer.

B. **Parking**. The Construction Mitigation Plan shall include a parking plan. Construction vehicle parking may be restricted at construction sites so as to not block reasonable public and safety vehicle access along streets and sidewalks. Construction parking in paid or permit only parking areas require the Public Works Department review and approve a parking plan. The plan shall also include anticipated temporary parking, e.g. delivery vehicles, large equipment parking.

C. **Deliveries**. The Construction Mitigation Plan shall identify proposed delivery locations and routes. Deliveries of construction materials and supplies including concrete may be regulated as to time and routing if such deliveries will cause unreasonable noise, parking, or access issues. In order to reduce the number of delivery trips to construction sites, the stockpiling of materials on or near the site may be required. In the case of multiple construction sites in close proximity, a common materials storage and staging site may be required.

D. **Construction Phasing**. Due to the narrow streets, small lot configuration, topography, traffic circulation, weather, construction parking and material staging problems, projects in the Historic District and other areas of the City may be required to be phased if more than one project is under construction in close enough proximity to create public safety or nuisance problems. In cases where phasing is deemed necessary by the Community Development Department**,** the first project to receive a building permit shall have priority, however, the Building Official shall have the authority to phase projects as necessary to assure efficient, timely and safe construction.

E. Trash Management and Recycling. Construction sites shall provide adequate storage and a program for trash removal**.**

F. Control of Dust and Mud on Streets. A program for the control of dust or other airborne debris shall be required. Provision must be made to eliminate the tracking of mud on streets and a program shall be required to remove any such mud daily.

G. Noise. Construction activity shall not exceed the noise standards as specified in Section 6-3-9 of the Park City Municipal Code.

H. Grading and Excavation. Because of the truck hauling involved in grading and excavation, restrictions on trucking routes as well as the hours of operation may be necessary to mitigate the adverse impacts from such operations. Destination and total cubic yards of excavated material shall be noted.

I. Construction Sign Requirements. A sign, indicating the name of the party responsible for the Project shall be posted in a location where such sign is readable from the street or driveway to the construction site. The sign shall not exceed 12 square feet in size, six feet in height and shall not exceed a letter type of 4". Information on the sign shall include, at a minimum:

1. Name, address and phone number of contractor;
2. Name, address, and phone number of person responsible for the project; and
3. Phone number of party to call in case of emergency.

No additional fee is required for this sign.

SECTION 22. TOILET FACILITIES AND CONTAINERIZED TRASH SERVICE REQUIRED.

A. The Contractor shall obtain and maintain on the site a container of suitable size and design to hold and confine trash, scraps, and other construction related refuse created or accumulated on the site. All such construction refuse shall be maintained in a closed container at all times, until transferred to the landfill. Containers may be placed in setback areas, provided that the placement of the container does not obstruct the view of motorists on adjoining streets and thereby create traffic hazards. Contractor shall not permit accumulated debris, litter, or trash on the construction site to blow or scatter onto adjoining properties, including the public street or to accumulate on the site outside of the container, or on transit to the landfill or dump. The owner or contractor shall service the container as frequently as needed to prevent trash from over-flowing.

B. The Project site shall have permanent toilets, or an approved temporary toilet facility positioned in a location approved by the Building Department, at the rate of one toilet per fifteen on-site employees (1-15 employees = one toilet, 16-30 employees= two toilets and so on).

SECTION 23. OBEY LAWS.

A. The Contractor shall obey all laws, ordinances and regulations of the United States, the State of Utah, and Park City in performing this Agreement.

B. The Contractor shall register and participate in E-Verify, or equivalent program. The Contractor agrees to verify employment eligibility through E-Verify, or equivalent program, for each new employee that is employed within Utah.

SECTION 24. NONDISCRIMINATION.

A. The City is an equal opportunity employer.

B. In the performance of this Agreement, the Contractor will not discriminate against any employee or applicant for employment on the grounds of race, creed, color, national origin, sex, marital status, age or the presence of any sensory, mental or physical handicap; provided that the prohibition against discrimination in employment because of handicap shall not apply if the particular disability prevents the proper performance of the particular worker involved. The Contractor shall ensure that applicants are employed, and that employees are treated during employment without discrimination because of their race, creed, color, national origin, sex, marital status, age or the presence of any sensory, mental or physical handicap. Such action shall include, but not be limited to: employment, upgrading, demotion or transfers, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and programs for training including apprenticeships. The Contractor shall take such action with respect to this Agreement as may be required to ensure full compliance with local, state and federal laws prohibiting discrimination in employment.

C. The Contractor will not discriminate against any recipient of any services or benefits provided for in this Agreement on the grounds of race, creed, color, national origin, sex, marital status, age or the presence of any sensory, mental or physical handicap.

D. If any assignment or subcontracting has been authorized by the City, said assignment or subcontract shall include appropriate safeguards against discrimination. The Contractor shall take such action as may be required to ensure full compliance with the provisions in the immediately preceding paragraphs herein.

SECTION 25. THIRD PARTY RIGHTS. Nothing herein is intended to confer rights of any kind in any third party. No member, officer, or employee of the City shall have any interest, direct or indirect, in this Agreement or the proceeds thereof.

SECTION 26. PROJECT MANAGER/ENGINEER. The Project Manager/Engineer for this Project is ___________________, or such other person designated by the City Engineer or Public Works Director to the Contractor orally or in writing.

SECTION 27. PARTIES' REPRESENTATIVES. For purposes of notice required or desired by the parties, or communication involving the services under this Agreement, such notice or communication shall be deemed to have been given when personally delivered or mailed, or sent by facsimile transmission certified mail, postage pre-paid, to the parties at the following addresses:

Contractor: _________________________, or such other person designated in writing by the Contractor's chief administrative officer, at the Contractor's address set out first above;

Park City: Project Manager/Engineer, at the address set out first above for the City, or when given to such other person as either of the above representatives shall designate in writing. The designation of any address may be changed by notice given in the same manner as provided in this paragraph.

SECTION 28. SEVERABILITY. Should any part of this Agreement for any reason be declared invalid, such decision shall not affect the validity of any remaining provisions, which remaining provisions shall remain in force and effect as if this Agreement had been executed with the invalid portion thereof eliminated, and it is hereby declared the intention of the parties that they would have executed the remaining portion of this Agreement without including any such part, parts, or portions which may, for any reason, be hereafter declared invalid. If any provision of this Agreement is held invalid or unenforceable with respect to particular circumstances, such provision shall nevertheless remain in full force and effect in all other circumstances.

IN WITNESS WHEREOF, the parties have entered into this agreement on the day and year set out at the top of this Agreement.

PARK CITY MUNICIPAL CORPORATION

____
Thomas B. Bakaly, City Manager

ATTEST:

____
City Recorder's Office

APPROVED AS TO FORM:

____
City Attorney's Office

Alder Construction Company
3939 S 500 W
Murray, UT 84123

____
Signator, Title

____
Utah Contract License No.

Corporate Acknowledgment

STATE OF UTAH)
) ss.
COUNTY OF SUMMIT)

On this ____ day of ________________, 2010, personally appeared before me_____________________, whose identity is personally known to me/or proved to me on the basis of satisfactory evidence and who by me duly sworn/affirmed), did say that he/she is the _________________ of ____________________________ by Authority of its Bylaws/Resolution of the Board of Directors, and acknowledged to me that said Corporation executed the same.

____
Notary Public

City Council
Staff Report

Author: Matt Twombly
Subject: Recreation Center Remodel
Date: May 27, 2010
Type of Item: Administrative - Award of Contract, Waive Fees, Execute Lease

Summary Recommendation:

1. Authorize the City Manager to enter into a construction agreement with Okland Construction Company Inc., for the Recreation Center Remodel (Racquet Club) project in the amount of Eight Million Five Hundred Sixty Three Thousand Dollars ($8,563,000) in a form approved by the City Attorney.
2. Waive all PCMC permit and impact fees, except for water impact fees.
3. Authorize the City Manager to execute a Lease with Wintzer-Wolfe Properties for 1255 Ironhorse Drive in a form approved by the City Attorney.

Topic: Recreation Center Remodel: Contract award, waiver of fees, execute lease

Background:

1. At the May 7, 2009 meeting Council discussed the phasing plan and budget for the Racquet Club Remodel project. The Council direction from the meeting was to proceed with the Racquet Club Remodel project as one project (replace the tennis building), however after the bids are received in late winter/early spring, Council could determine a level of assurance, based on the bids for construction and sales tax revenues, to proceed with the construction of the project or not.

On January 20, 2010 the Planning Commission approved the Recreation Center Remodel MPD. On February 11, 2010 staff returned to Council with the design changes made during the review process, the status of the prequalification process and timeline for the construction documents and bidding of the project. The prequalification process resulted in the prequalification of six firms. Those firms were: Big-D, Hogan, Jacobsen, Layton, Newstar, and Okland. The invitation to bidders was made on April 14, 2010 and construction documents were made available on April 20, 2010.

At the May 20, 2010 meeting Council discussed the Racquet Club Remodel project and directed staff to return on May 27th with project alternatives and funding options. These alternatives and funding options are discussed at greater detail in the budget staff report included in the packet.

3. Due to the Recreation Center Remodel project certain services will be displaced including: Group fitness classes, fitness center, cardio loft, childcare, front desk, pro shop, administrative offices for recreation, tennis and the Racquet Club. The 1255 property previously used for the City offices can be utilized for these services.

On November 5, 2009, Council authorized the City Manager to enter into a lease with Wintzer-Wolfe Properties for 1255 Ironhorse Drive. This first part of the lease was to hold the property until the bids were opened and the decision to remodel was made. This second part of the lease is to utilize the property for the services discussed above during the remodel project construction. The Wintzers are prepared to extend the option until the end of June in case Council needs more time to make a decision.

Analysis:
1. The bids were received on May 17, 2010. All six prequalified bidders (Big-D, Hogan, Jacobsen, Layton, Newstar, and Okland submitted bids. There were several additive/alternates for the project: #1: Deduct running track; #2: deduct wall at mezzanine (code required for #1); #3: Add solar hot water system; #4: Add photovoltaic system; #5: Deduct athletic flooring; #6A: Add steel for essential facility; #6B: Add alternate generator for essential facility: #7: Deduct boulder wall and flooring.

The bid abstract is attached as Exhibit B. Staff is recommending the following Additive/Alternates: #3 Solar Hot Water System; #4 Photovoltaic Panel System; #6A Essential Facility additional tonnage of steel; and #6B Alternate Generator Replacement. Staff felt it was important to make the Recreation Center an "essential facility" due to the size of the tennis area, showers and restrooms that may be used as an emergency shelter if needed, and because it cannot be done after the renovation. The upgrade for the generator and wiring would be necessary for the building to be considered an essential facility to run heat, hot water, lights… According to American Red Cross standards the Racquet Club can house over 2,000 people in an evacuation and somewhat less for longer term housing.

Staff is also recommending Alternates #3 Solar Hot Water and #4 Photovoltaic Panel System. The building has been designed to a LEED Silver level without these alternates, but staff feels that completing these systems as part of the project will save costs for construction completing as part of the remodel, it shows the City's commitment to green initiatives, the alternates may help other grant requests for other green projects due to this commitment, they help reduce energy costs and help the City's carbon output goal.

Staff is recommending that Council award a construction agreement to Okland Construction Company Inc., in the amount of Seven Million Nine Hundred Ninety Seven Thousand Dollars ($7,997,000.00) for the base bid and additive/alternates #3 at One Hundred Twenty Three Thousand Dollars ($123,000.00); alternate #4 for One Hundred Nine Thousand Dollars ($109,000.00); alternate #6A for Two Hundred Sixty Seven Thousand Dollars ($267,000.00); and alternate #6B for Sixty Seven Thousand Dollars for a total construction agreement of Eight Million Five Hundred Sixty Three Thousand Dollars ($8,563,000).

In the May 20th Council Meeting staff was asked to provide Council with scope of project alternatives as well as different funding strategies. Staff is recommending Option 1 below with all the additive alternates. Staff is recommending the "essential facility" as noted above and due to the unanimous endorsement from the Emergency Management Group (Emergency Manager, Chief of Police, Assistant City Manager, Public Works Manager, City Attorney, City Engineer, Chief Building Official/Fire Marshal, Community and Public Affairs Manager/PIO, IT Director).

Option 1	
Hard Costs	
Base Bid	$7,997,000
add alternates:	
Solar Hot Water	$123,000
PV Panel	$109,000
Essential Facility	$267,000
Generator	$67,000
Cost of construction	**$8,563,000**
5% Contingency	$428,150
Art	$85,630
Total HARD Costs	$9,076,780
Soft Costs	
VCBO	$547,000
Millcreek Consulting	$100,000
Ironhorse Lease	$250,000
Tenant Improvements	$15,000
Moving & Storage	$25,000
Geotech	$25,000
FF& E	$125,000
Testing & Fees	$50,000
Engineering (essential facility)	$40,000
Total soft costs	**$1,177,000**
Grand Total	**$10,253,780**

2. Staff is also recommending that the Council waive all building permit related fees per Municipal Code 11-10. These fees include Public Safety Impact Fees of $10,971.95; Streets Impact Fees at $8,179.09; Building Permit Fee at $75,000.00; Plan Check Fee for $48,750.00 and State Fee of $750.00; for a total fee waiver of $143, 651.04. The State Fee is based on fees collected, so if the fees are waived then the State Fee will be $0.00. There are no indoor or outdoor water impact fees with the remodel. The additional square footage of interior space and occupancy is offset by the removal of the restaurant. Outdoor irrigation is reduced because the building is larger than previous and much of the grass will be replaced with drought tolerant plantings.

3. The lease period will be from June 1, or June 30 (if extended), 2010 to June 30, 2011 at $13,333 per month which is inclusive of the NNN (pro-rata share of real property taxes, insurance and operating expenses) charges. The $13,333 is the same

rate paid by the City during the Marsac remodel. After June 30, 2011 the City may rent the property on a month to month basis until September 2011 with a 5% increase in base rent. Staff recommends that Council authorize the City Manager to enter into the lease to provide the displaced services from the Racquet Club.

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

Alternatives:

1.

2. **Approve the request, and authorize the City Manager to execute the construction agreement as attached: (Staff recommendation)**
3. Modify the request: Council could choose to modify the agreement, which would likely delay the schedule for the project and terminate our agreement for the Iron Horse property held to relocate existing services during construction.
4. Deny the request: Council could choose to not proceed with the project at this time. The impacts to staff resources and council priorities are discussed in the significant impacts section below.
5. Continue the Item: Council may feel there is not enough information to make a decision, which will delay the proposed schedule for construction and terminate our agreement for the Iron Horse property held to relocate existing services during construction.
6. Do Nothing: Same effect as continuance.

2.

A. Approve the request, and waive Building Permit Fees: (Staff recommendation)

B. Modify the request: Council could choose to not waive all or some of the Building related fees, which would impact the budget and debt service.

C. Deny the request: Council could choose to not waive fees which would impact the budget and debt service.

D. Continue the Item: Council may feel there is not enough information to make a decision. Continuance could delay the proposed schedule for construction.

E. Do Nothing: Same effect as continuance.

3.

A. Approve the request, and authorize the City Manager execute a Lease attached**: (Staff recommendation)**

B. Deny the request: Council could choose to not enter into a lease agreement which would severely impact recreation services during the remodel project.

C. Continue the Item: Council may feel there is not enough information to make a decision. Continuance would jeopardize the rental of the property and the existing lease will expire.

D. Do Nothing: Same effect as continuance.

Significant Impacts:
There is currently $10.5 Million budgeted for the Recreation Center Remodel project. The remodel will have significant impacts to operation during the construction. In the long run the remodel will have a positive impact to the level of service for recreation. It is estimated that the remodel will likely save $50,000/year or more in utility costs.

Waiving building permit related fees will decrease the amount of debt service required for the project.

The total cost for rental of the property including the past 6 months will be $248,795. If the property is not rented it is unlikely that the City will find a facility to provide recreation services by the start of construction.

Staff Recommendations:
2. Authorize the City Manager to enter into a construction agreement with Okland Construction Company Inc., for the Recreation Center Remodel (Racquet Club) project in the amount of Eight Million Five Hundred Sixty Three Thousand Dollars ($8,563,000) in a form approved by the City Attorney.
3. Waive all PCMC permit and impact fees, except for water impact fees.

Exhibits:
Exhibit A - Construction Agreement
Exhibit B – Bid Abstract
Exhibit C - Lease

CONSTRUCTION AGREEMENT

THIS AGREEMENT is made and entered into as of this ____ day of _____________, 2010, by and between PARK CITY MUNICIPAL CORPORATION, P O Box 1480, Park City UT 84060, a municipal corporation of the state of Utah (hereinafter "City"), and Okland Construction Company Inc., 1978 South West Temple, Salt Lake City, UT 84115, which is a (*check one*) X_ corporation ___ partnership ___ sole proprietorship ___ limited liability company (hereinafter "Contractor").

PURPOSE: For the project known as the Park City Recreation Center Remodel located at 1200 Little Kate Rd., Park City, UT 84060, (hereinafter "Project"), which consists of demolition, concrete footings and foundations, structural steel, wall panels, mechanical, electrical, post tension tennis courts, excavation, grading, utilities, landscaping, paving and general commercial building and carpentry for a 72,000 square foot remodel of the existing "Racquet Club".

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties hereby agree as follows:

SECTION 1. SCOPE OF WORK. Contractor shall furnish all labor, materials and equipment to complete the Project, consisting of the work described in the Information for Bidders as the Basic Bid, and the following additive alternates: #3: Add solar hot water system; #4: Add photovoltaic system; #6A: Add steel for essential facility; #6B: Add alternate generator for essential facility, as specifically set out in the contract specifications, which is made a part hereof by reference, herein called the "Project."

The Project will be bound by the specifications referenced herein, according to the Advertisement for Bid, the Information for Bidders, the General Project Requirements and Specifications provided by City, the Bid of the Contractor, Bid Bond, Drawings, Notice of Award and Notice to Proceed, collectively referred to as the Contract Documents, all of which are incorporated herein by reference and on file in the Sustainability Department. To the extent that this Agreement conflicts in any way with a proposed form agreement which may have been submitted as part of the bid specifications, this Agreement shall control.

If any of the work performed by Contractor in any phase of the Project does not meet City standards as outlined in the bid documents and specifications, then Contractor shall immediately repair or correct the work at no additional cost to City.

A. SUBCONTRACTORS. No part of this contract shall be subcontracted by the Contractor without prior written approval by City through the Project Manager/Engineer. The Contractor shall be fully responsible to the City for the acts and omissions of its Subcontractors and of persons either directly or indirectly employed by them, as it is for the acts and omissions of persons directly employed by it.

If written approval is granted to subcontract a part of this contract the Contractor shall require each subcontractor that physically performs services within Utah to submit an affidavit to the Contractor stating that the subcontractor has used E-Verify, or equivalent program, to verify the employment status of each new employee.

The Contractor shall, within ten (10) days of submittal of request for final payment, include an affidavit showing satisfactory evidence that all claims of subcontractors, laborers and material men who supplied services or materials to the Project have been fully paid, discharged, or waived. The Contractor shall submit lien waivers for each pay release.

If the City reasonably believes that Contractor has failed to pay Subcontractors, material men, or laborers for work on the Project within a reasonable time of when payment is due, then City may, after having notified the Contractor, either pay unpaid bills or withhold from the release of Contractor's payment bond for this Project, a sum of money deemed reasonably sufficient to pay any and all such lawful claims until satisfactory evidence is furnished that all liabilities have been fully discharged and a ten percent (10%) fee for administering such claims.

B. STANDARDS OF WORKMANSHIP. Contractor shall demonstrate workmanship equal to or better than current industry standards for this Project. Where Park City specifications exist (for example, asphalt, concrete, irrigation, sprinkling system and landscaping), they shall provide the benchmark for determination of acceptability.

C. INSPECTION AND TESTING. All materials and equipment used in the construction shall be subject to inspection by the Project Manager/Engineer. If laws, ordinances, rules or regulations of any public authority having jurisdiction require any work to specifically be inspected, tested or approved by someone other than Project Manager/Engineer, the Contractor shall give the Project Manager/Engineer timely notice of readiness. Inspections, tests or approvals by the City or appropriate authorities will not relieve the Contractor from obligations to perform the work in accordance with the requirements of the Contract Documents and/or provisions. The Project Manager/Engineer and other designated persons will at all times have access to the work. All work shall ultimately be inspected for final acceptance by the Project Manager/Engineer within a reasonable time upon receipt of notice from the Contractor that work is complete and ready for final inspection.

During construction, the work will be inspected and observed by the Project Manager/Engineer or his designated representative. All work that is deficient or does not meet specifications shall be removed and replaced with proper material at Contractor's expense.

D. WARRANTY. Contractor warrants that all materials and supplies used in the construction of the Project shall be new, except as otherwise agreed to in writing by the City's Representative. All materials, equipment, parts and labor and any necessary corrections to the Project shall be guaranteed for a period of at least one (1) year following the date of substantial completion of the Project under the terms of the performance bond or as provided in the project specifications and construction documents, whichever is longer.

SECTION 2. PERFORMANCE AND PAYMENT BONDS. Contractor shall furnish to the City payment and performance bonds satisfactory to the City guaranteeing Contractor's payment and performance, in the amount, for each separately, of one hundred percent (100%) of the Contract Amount.

SECTION 3. INSURANCE. Unless otherwise specified in the bid documents, the Contractor shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, their agents, representatives, employees, or subcontractors.

The Contractor shall provide Park City Municipal Corporation a Certificate of Insurance evidencing:

A. Commercial General Liability insurance written on an occurrence basis with limits no less than two million dollars ($2,000,000) combined single limit per occurrence and four million dollars ($4,000,000) aggregate for personal injury, bodily injury and property damage. Coverage shall include but not be limited to: blanket contractual; products/completed operations; broad form property damage; explosion, collapse and underground (XCU) if specifically requested; and employer's practices.

The Contractor shall increase the limits of such insurance to at least the amount of the Limitation of Judgments described in Section 63-30d-604 of the Governmental Immunity Act of Utah, as calculated by the state risk manager every two years and stated in Utah Admin. Code R37-4-3.

B. Automobile Liability insurance with limits no less than two million dollars ($2,000,000) combined single limit per accident for bodily injury and property damage.

C. Workers Compensation insurance limits written as follows:
Bodily Injury by Accident $500,000 each accident;
Bodily Injury by Disease $500,000 each employee, $500,000 policy limit

Park City Municipal Corporation shall be named as an additional insured on the insurance policies and a copy of the endorsement naming the City as an additional insured shall be attached to the Certificate of Insurance. The City reserves the right to request certified copies of any required policies.

The Contractor's insurance shall contain a clause stating that coverage shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

SECTION 4. CONTRACT AMOUNT, ACCEPTANCE OF WHOLE, ADDITIONS. City shall pay Contractor the total sum of **Eight Million Five Hundred Sixty Three Thousand Dollars ($8,563,000)** ("Contract Amount") for all work and materials expended to complete this Project, which shall include the cost of all bonds, insurance, and all charges, fees, permits (including water and sewer fees, unless waived), expenses or assessments of whatever kind or character that are or may be necessary to complete this Project, including any additive alternates listed within the Scope of Work described in Section 1.

SECTION 5. PERMITS AND FEES. As set out in Section 4 above, the Contract Amount includes the price of all normally applicable fees and permits, such as Storm Water Protection Plan permits. The City shall arrange for the waiver of PCMC Building permit fees or pay for impact fees.

SECTION 6. TERMS OF PAYMENT. The City shall pay for services provided hereunder according to and in an amount not to exceed that detailed in the attached payment schedule (Attachment A) and only upon Contractor's request on forms approved by and submitted to the Project Manager. The City shall make payment within thirty (30) days thereafter. Requests for a more rapid payment may be considered if a discount is offered for early payment. At no time shall the aggregate amount of money paid to the Contractor in proportion to the Contract Amount be greater than the proportion of the work performed at that point to the total Project work. No payment shall be made for any service rendered by the Contractor except for services set forth and identified in this Agreement. The City reserves the right to withhold payment in whole or part from the Contractor for non-compliance with the provisions of the Contract Documents.

> **A. RETAINAGE**. The City may, in its sole discretion; (1) retain five percent (5%) of the value of all work done and materials or equipment supplied as part security for the fulfillment of the Agreement by the Contractor; or (2) retain the final payment of up to five percent (5%) of the total project amount. As work nears completion and solely at the City's discretion, the City may reduce the retainage to an amount more in line with the work remaining. The City reserves the right to retain all amounts previously withheld or due, including any liquidated damages, until all services specified herein are complete. Any money withheld pursuant to this section shall be placed in an interest bearing account and the interest shall also be payable to the Contractor upon final payment.

Before final payment is made, the Contractor must submit evidence satisfactory to the City that all payrolls, material bills, subcontracts and all outstanding indebtedness in connection with the Project have been paid for.

The City may withhold a reasonable amount of the payment bond sufficient to cover any outstanding indebtedness or monies owed or claimed by any person who supplied work or materials to the Project plus ten percent (10%) of such indebtedness as the City's cost of administering such claims until Contractor supplies a release satisfactory to the City, signed by all persons who have supplied labor or materials to the Project or, at the City's option if no claim is made, until 105 days after the date on which any person performed the last of the labor or supplied the last of the material for the Project and upon written request from the Contractor.

The Contractor shall supply to the Project Manager/Engineer within a reasonable time after his request a signed statement verifying all the suppliers, subcontractors and other persons who have supplied labor or materials to the Project.

B. FINAL PAYMENT. Acceptance by the Contractor of the final payment from the City shall release the City of all claims, demands and liability of the Contractor, its officers, agents, employees and subcontractors, whether communicated or not by the Contractor, except with respect to those matters referred to in writing delivered to the Contractor and approved in a signed writing by the Project Manager.

SECTION 7. COMPLETION TIME. The work on this Project shall commence within ten days of receipt of the Notice to Proceed and shall be completed by **September 30, 2011**. Work stoppage due to inclement weather conditions and other factors must be approved in writing by the Project Manager. Inclement weather shall not otherwise constitute cause for delay. Unless otherwise agreed by the City by Change Order, no damages shall become due to Contractor for City caused delay. A Change Order for delay will generally be accepted for delay so excessive and unreasonable that it is beyond the scope of the Contract or delay attributed to direct, active or willful interference by the City. The Change Order must be based upon actual damages sustained by the Contractor which are directly attributed to the delay.

In the event that Contractor fails to complete all of the work required herein within the time limit set out above, then for each partial or complete calendar day during which the work remains uncompleted thereafter, the Contractor agrees to pay the City **One Thousand Dollars ($1,000.00)**, and **One Hundred Dollars ($100.00)** per calendar day for each shop drawing/submittal beyond 90 days after notice of award, which the parties believe, due to the difficulty of actually assessing the damages the City will suffer in the event of such a delay, is a fair estimate of the loss the City will suffer. The parties agree that the daily liquidated damages provided for herein is reasonable and fair, and is not a penalty. TIME IS OF THE ESSENCE IN THIS AGREEMENT.

<u>SECTION 8. ADDITIONAL WORK/CHANGE ORDERS</u>. The City may enlarge or reduce the work to be performed by Contractor hereunder by written notification to Contractor, including changes to the plans and specifications. The City shall pay Contractor for any additional work so requested, and shall reduce the payment to the Contractor for any reduction in labor, materials, overhead and profit margin resulting from the reduction in the work. Except as the City shall so notify the Contractor in writing, it is understood and agreed by the parties hereto that no money will be paid to the Contractor for any new or additional labor or materials furnished unless a written modification is agreed to in a document signed by both parties.

The value of any work covered by a change order or of any claim for increase or decrease in the contract price shall be determined by one or more of the following methods in order of precedence listed below:

A. An agreed lump sum; or in the event the parties cannot agree; then
B. The unit rate for the work bid by the Contractor, if applicable, or in the event there was no such rate bid; then

C. The actual cost for: (1) labor; (2) materials; (3) supplies; (4) equipment; (5) direct overhead (not to exceed 5% of the sum total of items 1-4, unless approved by the City); and (6) other services necessary and approved by the City to complete the work. In the event of a net increase in the Contract Amount for a change order as a whole, the City shall allow a payment to the Contractor of an additional ten percent (10%) of the actual cost of the work, not including direct overhead or bond costs, to cover the cost of general overhead and profit. The Contractor may also charge the City for actual cost of the net increase in bond costs as a result of the overall change to the Contract Amount. The City specifically reserves the right to request documentation, including but not limited to payroll stubs, bond bills, and invoices, to validate the Contractor's calculations.

<u>SECTION 9. DISPUTES</u>. Except as otherwise provided in this Agreement, any disputes concerning a question of fact arising under this Agreement which is not disposed of by Agreement shall be decided by the City. The decision of the City shall be final and conclusive unless, within thirty (30) days from the date of receipt of such decision, the Contractor shall mail or otherwise furnish the City a written signed appeal addressed to the Project Manager/Engineer. In connection with any appeal proceeding under this clause, the Contractor will be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final decision of a dispute hereunder, the Contractor will proceed diligently with the performance of the contract and in accordance with the City's decision. The decision of the City shall be final and conclusive, but shall not be arbitrary or unreasonable. Although this Contract has been drafted by the City, the Contractor expressly agrees that any ambiguity herein shall be resolved in favor of the City.

<u>SECTION 10. DEFAULT, REMEDY AND TERMINATION</u>. The City may terminate this agreement upon the occurrence of one or more of the following events:

A. If Contractor or any Subcontractor should substantially violate any of the provisions of this contract;

B. If Contractor substantially fails to perform any part of this Agreement;

C. If Contractor repeatedly fails or becomes unable to perform the services under this Agreement as required herein, or substantially fails to provide services under this Agreement for a period of seventy-two (72) hours;

D. If Contractor (1) shall become insolvent in a bankruptcy sense; (2) shall be generally not paying its debts as they become due, or within a reasonable time thereafter; (3) shall suffer, voluntarily or involuntarily, the entry of an order by any court or governmental authority authorizing the appointment of or appointing of a custodian (as that term is defined in 11 U.S.C. '101[10]), receiver, trustee, or other officer with similar powers with respect to it or any portion of its property which remains undismissed for a period of ninety (90) days; (4) shall suffer, voluntarily or involuntarily, with or without judicial or governmental authorization, any such custodian, receiver, trustee, or other officer with similar powers to take possession of any part of its property which third party remains in possession for an excess of ninety (90) days; (5) shall suffer, voluntarily or involuntarily, the filing of a petition respecting an assignment for the benefit of creditors which is not dismissed for a period of ninety (90) days; (6) shall be dissolved; (7) shall become the subject of any proceeding, suit, or action at law or in equity under or relating to any bankruptcy, reorganization or arrangement of debt, insolvency, readjustment of debt, receivership, liquidation, or dissolution law or statute or amendments thereto to be commenced by or against it or against any of its property which remains undismissed for a period of ninety (90) days; (8) shall voluntarily suspend substantially all of its business operations; (9) shall be merged with, acquired by, or otherwise absorbed by any individual, corporation, or other business entity or organization of any kind except for any individual corporation or other business entity or organization which is controlled by, controlling, or under common control with the Contractor; or (10) shall take action for the purpose of any of the foregoing,

After serving ten (10) days written notice on the Contractor and its surety of its intention to terminate the services of Contractor, and if within ten (10) days after serving such notice, the violation is not corrected to City's reasonable satisfaction, the City then may take over the work and prosecute it to completion by contract or by any other method it may deem advisable at the expense of the Contractor. The Contractor and the bonding company shall be liable to the City for any reasonable cost occasioned by the City in excess of the amount agreed for the service herein.

The Contractor shall be entitled to a hearing before a City hearing officer upon the issue of termination if it submits a written request therefore within seven (7) days of the service of the notice of the City's intent to terminate. The Contractor shall be entitled to be heard at such hearing on the issue of termination. The Contractor shall not bring an action against the City, its officers, agents or employees arising out of or relating to the termination of this Agreement before the decision is issued by the City's hearing officer(s).

Waiver of any default shall not be deemed to be a waiver of any subsequent default. Waiver of any provision of this Agreement shall not be construed to be modification of the terms of this Agreement, unless stated to be such in writing, signed by the City's authorized representative.

The Contractor shall continue the performance of this agreement to the extent not terminated under the provisions of this section.

The rights and remedies of the City provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this agreement.

SECTION 11. HOLD HARMLESS INDEMNIFICATION. The Contractor clearly and unequivocally agrees to indemnify and to hold the City and its agents, employees, and officers, harmless from and shall process and to defend at its own expense any and all claims, demands, suits, at law or equity, actions, penalties, losses, damages, or costs, of whatsoever kind or nature, brought against the City arising out of, in connection with, or incident to the execution of this Agreement and/or the Contractor's performance or failure to perform any aspect of this Agreement; provided, however, that if such claims are caused by or result from the concurrent negligence of the City, its agents, employees, and officers, this indemnity provision shall be valid and enforceable only to the extent of the negligence of the Contractor or others; and provided further, that nothing herein shall require the Contractor to hold harmless or defend the City, its agents, employees and/or officers from any claims arising from the sole negligence of the City, its agents, employees, and/or officers. The Contractor expressly agrees that the indemnification provided herein constitutes the contractor's waiver of immunity under Utah Code Section 34A-2-105 for the purposes of this Agreement. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this Agreement. No liability shall attach to the City by reason of entering into this Agreement except as expressly provided herein.

SECTION 12. CONTROLLING LAW. These general conditions shall be construed in accordance with and enforced under the laws of the State of Utah. Any action of law, suit in equity, or judicial proceeding for the enforcement of the Agreement, or any provisions thereof, shall be instituted and maintained only in any of the courts of competent jurisdiction in Summit County, Utah.

SECTION 13. ASSIGNMENT. The Contractor shall not assign nor transfer any interest in this agreement without the prior written consent of the City, provided however, that claims for compensation due or to become due the Contractor from the City under this agreement may be assigned to a bank, trust company, or other financial institution without such approval. Written notice of any such assignment shall be promptly furnished to City.

SECTION 14. SAFETY AND TRAFFIC CONTROL. Contractor shall take all reasonable precautions to protect the safety of pedestrians, school children, motorists, and others who may use or come near to the Project site, including but not limited to compliance with the Manual of Uniform Traffic Control Devices.

SECTION 15. SAFETY AND PROTECTION OF THE WORK. Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the project work. Contractor shall provide reasonable protection to prevent damage, injury or loss to employees on the Project work and all other persons who may be affected thereby, materials and equipment, whether on or off the site, and other property at the work site or adjacent thereto, including trees, shrubs, lawns, walks, pavements, roadways, structures and utilities not designated for removal, relocation or replacement in the course of construction. In addition, the Contractor shall give all notices and comply with all applicable laws, ordinances, rules, regulations and lawful orders of any public authority bearing on the safety of persons or property or their protection from damage, injury or loss.

The Contractor shall erect and maintain, as required by the existing conditions and progress of the work, all reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, setting safety regulations, and notifying owners and user of adjacent utilities.

The Contractor shall promptly remedy all damage or loss to any property referred to in this Section caused in whole or in party by the Contractor, any subcontractor, sub-subcontractor or anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable and for which the Contractor is responsible, except for acts or omissions by the City or anyone directly or indirectly employed by it, or by anyone for whose acts it may be liable, and not attributable to the fault or negligence of the Contractor. Contractor shall remove from the site all cuttings, debris, equipment and unused material.

SECTION 16. UNENFORCEABLE CONTRACT, WAIVERS. In the event that any provision of this contract shall be ruled invalid and unenforceable, the remaining provisions shall be valid and binding upon the parties. One or more waivers by either party of any provision, term or covenant shall not be construed by the other party as a waiver of a subsequent breach of the same provision by the other party.

SECTION 17. ENTIRE AGREEMENT. This contract represents the entire integrated agreement between City and Contractor and supersedes all prior negotiations, representations or agreements, either written or oral. This agreement may be amended only by written modification signed by both parties.

SECTION 18. COMMENCEMENT OF WORK. Contractor will commence work as required by the specifications within ten calendar days after receiving the NOTICE TO PROCEED.

SECTION 19. UTILITIES. The right is reserved to the owners of public utilities and franchises to enter upon the street or work site for the purpose of making repairs or changes of their property that may become necessary by the work. The City shall also have the privilege of entering upon the street or work site for the purpose of repairing culverts, storm drains, water system repairs or adjustments and any and all other necessary City work.

The Contractor takes the whole risk, responsibility and expense with respect to the location of utilities, and in working with utility owners about locating, moving, repairing, and modifying utilities. All utility locations shown on the plans and specifications are approximate and are marked on the plans, if at all, only for convenience. The City makes no representation about the location of any such utilities, and Contractor is encouraged to contact utility companies and owners about the location of all utilities that may be impacted by or impact the Project work.

SECTION 20. HOURS AND DAYS OF WORK. All work performed by the Contractor, its subcontractors, material men, agents and employees shall be performed during work hours of 7:00 a.m. to 7:00 p.m. Monday through Saturday unless otherwise specified in a Conditional Use Permit or Construction Mitigation Plan. In individual Construction Mitigation Plans, the Building Official may further reduce the hours or days of work for Special Events or as other circumstances may reasonably warrant. When work is prohibited, no exterior construction, excavation or delivery of supplies and concrete are allowed. Interior work, however, may be allowed Monday through Sunday, with no limitation on hours for the following types of construction:

A. Interior work on individual single-family home construction or addition projects not involving materials or supply deliveries

B. Construction of decks, patios, landscape walls less than 4 feet in height, and fences on individual single-family lots

C. Non-mechanized exterior painting on individual single-family residences

D. Non-mechanized landscaping on individual single-family residences

E. Survey work not involving grading or use of power equipment to cut vegetation.

Extended Hours Special Permit. The Building Official may authorize extended hours for construction operations or procedures which, by their nature, require continuous operation or modify or waive the hours of work on projects in generally isolated areas where the extended hours do not impact upon adjoining property occupants. In such cases, the Building Official shall issue a Special Permit identifying the extended hours. Contractor shall display the special permit on site.

Special Event Regulations. The Building Official and/or Police Chief may, at their discretion, restrict construction activity, including governmental or special improvement agencies, in order to assure the public safety during special events within the City. Special events shall include, but not be limited to the Art Festival, Film Festival, ski events, and holiday events.

SECTION 21. CONSTRUCTION MANAGEMENT PLANS. Contractor shall submit a Construction Mitigation Plan to be approved by the Community Development Department, for all building permits. The Community Development Department may waive this requirement for minor remodels, additions and interior construction where the impact on adjacent property is minimal. This plan shall be written and shall address, to the satisfaction of the Community Development Department.

A. Hours and Days of Operation. The Construction Mitigation Plan shall specify the daily construction start and finish times. Construction activity occurring outside of the times specified in Section 11-14-6 of the Park City Municipal Code may only be allowed by Special Permit issued by the Building Official or the City Engineer.

B. Parking. The Construction Mitigation Plan shall include a parking plan. Construction vehicle parking may be restricted at construction sites so as to not block reasonable public and safety vehicle access along streets and sidewalks. Construction parking in paid or permit only parking areas require the Public Works Department review and approve a parking plan. The plan shall also include anticipated temporary parking, e.g. delivery vehicles, large equipment parking.

C. Deliveries. The Construction Mitigation Plan shall identify proposed delivery locations and routes. Deliveries of construction materials and supplies including concrete may be regulated as to time and routing if such deliveries will cause unreasonable noise, parking, or access issues. In order to reduce the number of delivery trips to construction sites, the stockpiling of materials on or near the site may be required. In the case of multiple construction sites in close proximity, a common materials storage and staging site may be required.

D. Construction Phasing. Due to the narrow streets, small lot configuration, topography, traffic circulation, weather, construction parking and material staging problems, projects in the Historic District and other areas of the City may be required to be phased if more than one project is under construction in close enough proximity to create public safety or nuisance problems. In cases where phasing is deemed necessary by the Community Development Department**,** the first project to receive a building permit shall have priority, however, the Building Official shall have the authority to phase projects as necessary to assure efficient, timely and safe construction.

E. **Trash Management and Recycling**. Construction sites shall provide adequate storage and a program for trash removal**.**

F. **Control of Dust and Mud on Streets**. A program for the control of dust or other airborne debris shall be required. Provision must be made to eliminate the tracking of mud on streets and a program shall be required to remove any such mud daily.

G. **Noise**. Construction activity shall not exceed the noise standards as specified in Section 6-3-9 of the Park City Municipal Code.

H. **Grading and Excavation**. Because of the truck hauling involved in grading and excavation, restrictions on trucking routes as well as the hours of operation may be necessary to mitigate the adverse impacts from such operations. Destination and total cubic yards of excavated material shall be noted.

I. **Construction Sign Requirements**. A sign, indicating the name of the party responsible for the Project shall be posted in a location where such sign is readable from the street or driveway to the construction site. The sign shall not exceed 12 square feet in size, six feet in height and shall not exceed a letter type of 4". Information on the sign shall include, at a minimum:

1. Name, address and phone number of contractor;
2. Name, address, and phone number of person responsible for the project; and
3. Phone number of party to call in case of emergency.

No additional fee is required for this sign.

SECTION 22. TOILET FACILITIES AND CONTAINERIZED TRASH SERVICE REQUIRED.

A. The Contractor shall obtain and maintain on the site a container of suitable size and design to hold and confine trash, scraps, and other construction related refuse created or accumulated on the site. All such construction refuse shall be maintained in a closed container at all times, until transferred to the landfill. Containers may be placed in setback areas, provided that the placement of the container does not obstruct the view of motorists on adjoining streets and thereby create traffic hazards. Contractor shall not permit accumulated debris, litter, or trash on the construction site to blow or scatter onto adjoining properties, including the public street or to accumulate on the site outside of the container, or on transit to the landfill or dump. The owner or contractor shall service the container as frequently as needed to prevent trash from over-flowing.

B. The Project site shall have permanent toilets, or an approved temporary toilet facility positioned in a location approved by the Building Department, at the rate of one toilet per fifteen on-site employees (1-15 employees = one toilet, 16-30 employees= two toilets and so on).

SECTION 23. OBEY LAWS.

A. The Contractor shall obey all laws, ordinances and regulations of the United States, the State of Utah, and Park City in performing this Agreement.

B. The Contractor shall register and participate in E-Verify, or equivalent program. The Contractor agrees to verify employment eligibility through E-Verify, or equivalent program, for each new employee that is employed within Utah.

SECTION 24. NONDISCRIMINATION.

A. The City is an equal opportunity employer.

B. In the performance of this Agreement, the Contractor will not discriminate against any employee or applicant for employment on the grounds of race, creed, color, national origin, sex, marital status, age or the presence of any sensory, mental or physical handicap; provided that the prohibition against discrimination in employment because of handicap shall not apply if the particular disability prevents the proper performance of the particular worker involved. The Contractor shall ensure that applicants are employed, and that employees are treated during employment without discrimination because of their race, creed, color, national origin, sex, marital status, age or the presence of any sensory, mental or physical handicap. Such action shall include, but not be limited to: employment, upgrading, demotion or transfers, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and programs for training including apprenticeships. The Contractor shall take such action with respect to this Agreement as may be required to ensure full compliance with local, state and federal laws prohibiting discrimination in employment.

C. The Contractor will not discriminate against any recipient of any services or benefits provided for in this Agreement on the grounds of race, creed, color, national origin, sex, marital status, age or the presence of any sensory, mental or physical handicap.

D. If any assignment or subcontracting has been authorized by the City, said assignment or subcontract shall include appropriate safeguards against discrimination. The Contractor shall take such action as may be required to ensure full compliance with the provisions in the immediately preceding paragraphs herein.

SECTION 25. THIRD PARTY RIGHTS. Nothing herein is intended to confer rights of any kind in any third party. No member, officer, or employee of the City shall have any interest, direct or indirect, in this Agreement or the proceeds thereof.

SECTION 26. PROJECT MANAGER/ENGINEER. The Project Manager/Engineer for this Project is Matthew Twombly and Steve Brown, or such other person designated by the City Engineer or Public Works Director to the Contractor orally or in writing.

SECTION 27. PARTIES' REPRESENTATIVES. For purposes of notice required or desired by the parties, or communication involving the services under this Agreement, such notice or communication shall be deemed to have been given when personally delivered or mailed, or sent by facsimile transmission certified mail, postage pre-paid, to the parties at the following addresses:

Contractor: ___________________________, or such other person designated in writing by the Contractor's chief administrative officer, at the Contractor's address set out first above; Park City: Matthew A. Twombly and Steve Brown Project Managers, at the address set out first above for the City, or when given to such other person as either of the above representatives shall designate in writing. The designation of any address may be changed by notice given in the same manner as provided in this paragraph.

SECTION 28. SEVERABILITY. Should any part of this Agreement for any reason be declared invalid, such decision shall not affect the validity of any remaining provisions, which remaining provisions shall remain in force and effect as if this Agreement had been executed with the invalid portion thereof eliminated, and it is hereby declared the intention of the parties that they would have executed the remaining portion of this Agreement without including any such part, parts, or portions which may, for any reason, be hereafter declared invalid. If any provision of this Agreement is held invalid or unenforceable with respect to particular circumstances, such provision shall nevertheless remain in full force and effect in all other circumstances.

IN WITNESS WHEREOF, the parties have entered into this agreement on the day and year set out at the top of this Agreement.

PARK CITY MUNICIPAL CORPORATION

____
Thomas B. Bakaly, City Manager

ATTEST:

____
City Recorder's Office

APPROVED AS TO FORM:

____
City Attorney's Office

Okland Construction Company, Inc.,
1978 South West Temple,
Salt Lake City, UT 84115

____
Signator, Title

226232-5501
Utah Contractor License No.

Corporate Acknowledgment

STATE OF UTAH)
) ss.
COUNTY OF ___________)

On this ____ day of _________________, 2010, personally appeared before me (signator), whose identity is personally known to me/or proved to me on the basis of satisfactory evidence and who by me duly sworn/affirmed), did say that he/she is the (title or office) of (Contractor business name) by Authority of its Bylaws/Resolution of the Board of Directors, and acknowledged to me that said Corporation executed the same.

____
Notary Public

PARK CITY RECREATION CENTER
BID OPENING
May 17, 2010

Contractor	Addendum #1	Addendum #2	Addendum #3	Bid Bond	Base Bid	Alternate #1-Running Track(Deduct)	Alternate #2-HM Frame at Mezzanine (Deduct	Alternate #3-Solar Hot Water System (Add)	Alternate #4-Photovoltaic Panel System (Add)	Alternate #5-Resilient Athletic Flooring 'F4' (Deduct)	Alternate #6A-"Essential Facility" Additional Tonnage of Steel (Add)	Alternate #6B-Alternate Generator Replacement (Add)	Alternate #7-Boulder Wall & Boulder Wall Flooring (Deduct)	TOTAL BID
Okland Construction	✓	✓	✓	✓	$7,997,000.	$127,000.	$6,000.	$123,000.	$109,000	$3,000	$267,000	$67,000	$57,000	
Big D Construction	✓	✓	✓	✓	$8,530,000	$150,000	$6,000	$115,000	$98,000	$30,000 +	$475,000	$70,000.	$55,000.	
Layton Construction	✓	✓	✓	✓	$8,689,000	$181,962.00	$7,391.	$108,997.	$93,941.00	$67,248.	$202,665	$88,068	$57,525.00	
Jacobsen Construction	✓	✓	✓	✓	$8,789,000	$158,000	$5,000.	$110,000.	$110,000.	$60,000.	$420,000	$68,000	$52,000.	
New Star General Contractors	✓	✓	✓	✓	$8,900,000	$249,000	$1,930.	$129,600	$122,800.	$62,000.	$260,000.	$89,000.	$59,000.	
Hogan & Associates Construction	✓	✓	✓	✓	$8,199,000	$160,000	$5,000.	$123,000.	$108,000	$65,000	$364,000	$67,000	$54,000	

SUBSTITUTIONS FOR COST REDUCTION

sub. exterior wall & window

5/17/10 MT ✓ on 5/18/10

JON WEIDENHAMER 5.17.10

RETAIL LEASE ADJUSTMENT SHEET

IRONHORSE PARK COMMERCIAL SPACE

FOR PERIOD FROM: May 1, 2010 TO: June 30, 2011

Space: 1255 (Downstairs) Ironhorse Drive

Tenant:

Business Name: Park City Municipal Corporation

Use of Space: City Offices Lease Term: 1 year and 2 months

Expiration Date: June 30, 2011

Rent Commencement Date: May 1, 2010

Square Footage: 8000 sq. ft.

Base Rent: May 1, 2010 to June 30, 2011…. $11,333.000 per month, $158,662.00 total for 14 months. Plus additional rent

Additional Rent: $2000.00/month Taxes and Insurance based on current year, subject to annual change, and Tenant is responsible for actual charges if greater or lesser than the estimate for additional rent items defined in lease.

Security Deposit: $13,333.00

Number of parking places: 40

Emergency Contacts for Tenant:

Tenant: Park City Municipal Corp.
Ph Number:435-615-5151 / Dave Gustafson
Mailing Address: P.O. Box 1480, Park City, UT 84060
Alarm Company:
Other:

This summary is for convenience only, and does not waive any obligations under the lease.

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Tenant: Park City Municipal Corporation

Space: 1255 (Downstairs) Ironhorse Drive

Expiration Date: March 31,2010

LEASE

THIS LEASE AGREEMENT IS MADE by and between Wintzer-Wolfe Properties, Ltd., a Utah limited partnership, referred to below as "Landlord" and **Park City Municipal Corporation** referred to below as "Tenant". For good and valuable consideration and the mutual observances of the terms and covenants below, the parties agree as follows:

1. Property. The Property affected by this agreement is located in Park City, Summit County, Utah, and is described as follows:

The building known as **1255 (Downstairs) Ironhorse Drive**, Park City, Utah, which contains approximately **8000** square feet, together with the right to use appurtenant parking areas, driveways and common areas associated with that space, all of which is referred to below as the Property.

2. Term. This Lease shall be in effect for a term of **1 year and 2 months** commencing on **May 1, 2010** and ending **June 30, 2011.** Tenant may take possession for purposes of completing Tenant Improvements immediately upon execution of this Lease, payment of initial deposits, and providing evidence of insurance.

3. Rent. Tenant agrees to pay rent for the property. The rent will be comprised of a Base Rent, and Additional Rent which includes property taxes, insurance, building maintenance, and subdivision common area fees. Rent will be computed and paid as follows:

(a) Tenant will pay Base Rent in the amount of **$158,662.00** from **May 1, 2010 to June 30, 2011.** This is payable in monthly installments of **$11,333.00** per month beginning **May 1, 2010 to June 30, 2011.**

(b) In addition to the Base Rent stated above, Tenant shall be responsible for the following costs and charges, which shall be treated as Additional Rent:

(1) An equitable apportionment of the assessments levied against the Property by the Owners Association under the Covenants, Conditions and Restrictions, which assessments are to provide those services and maintenance functions described in the Covenants, which include (or may include from time to time as the association sees fit) snow removal, landscape maintenance, water, sewer, and garbage collection fees. These fees are estimated at **$12,100.00**

mdw 10/27/09

per year for the current year. This is an estimate only, and Tenant is responsible for the actual charges, which are expected to increase over time.

(2) An equitable apportionment of the property taxes, special assessments, and improvement district assessments levied against the Property, including land and improvements. Tenant shall have the right to contest the amount of any such assessment, provided that Tenant shall first pay any assessments under protest. Tenant shall in no event allow the property taxes to be delinquent. Taxes are estimated at **$10,700.00** per year for the current year. This is an estimate only, and Tenant is responsible for the actual charges, which are expected to increase over time.

(3) An equitable apportionment of the costs of providing fire, casualty, flood, and public liability insurance on the Property as described below. Insurance costs are estimated at **$1200.00** per year for the current year. This is an estimate only, and Tenant is responsible for the actual charges, which are expected to increase over time.

Additional Rent is due and payable, as estimated, in advance on the same date as Base Rent. The failure to pay any item of Additional Rent when due is a failure to pay rent under this Lease, and will be treated as a Default under this Lease for which Landlord is entitled to any and all remedies available under law for the collection of rent or termination of the Lease. The items of Additional Rent will, in most cases, be billed to Landlord. Landlord will make an apportionment of these charges among all tenants in the Building, which shall be based on their proportionate share of the total leaseable space in the building (unless Tenant and Landlord otherwise agree in writing). Landlord will bill Tenant for one twelfth of the estimated Additional Rent each month; provided that this estimate is made only for convenience, and if actual Additional Rent expenses are greater or less than the estimate, Landlord shall be entitled to full reimbursement, or Tenant entitled to a refund of any surplus. Each installment of Additional Rent will be paid with the monthly payment of Base Rent. Additional Rent is estimated to be approximately **$24,000.00** per year, or **$2,000.00** per month at the start of this Lease. This is only an estimate, and Tenant is responsible for the actual charges of the items included in Additional Rent. Landlord may increase installments on 30 days written notice when Landlord learns of material changes in any item of Additional Rent.

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4. <u>Late Payment Penalty.</u> If Base Rent or the bill for Additional Rent is not paid by the tenth day of the month in which it is due, a late payment fee of **$200** will be assessed. In addition, interest will accrue at the rate of 1.5% monthly (18% per annum) on the unpaid balance owing, beginning on the tenth day of the month in which the installment is due, and continuing until fully paid. Subsequent payments will be applied first to interest and then to those items defined as Additional Rent, and last to the Base Rent.

5. <u>Security Deposit.</u> Tenant will pay Security Deposit of <u>**$10,000.00**</u> which will equal one month's rent due on the execution of this Lease. Landlord shall have the right to deduct any future Rent or Additional Rent from the Security Deposit upon Tenant's Default. Tenant agrees to maintain the Security Deposit throughout the term of the Lease, and in the event that Landlord expends any of the Security Deposit to cure a default in payments by Tenant, or to repair damages caused by Tenant, Tenant will be notified in writing. Tenant will have 5 business days to restore the Deposit to its original balance, and if Tenant fails to do so, Tenant will be in Default under the Lease, and Landlord shall be able to exercise all remedies available at law or in equity to collect the amount owed or terminate the Lease. At the end of the Lease term, if Tenant is not in Default and has surrendered the Property, Landlord will refund the Security Deposit to Tenant, less the costs of any repairs to the Property which should have been made by Tenant. The Security Deposit will not earn interest. Landlord may commingle the Security Deposit with other funds. Tenant may not opt to use security deposit in lieu of rent payment.

6. <u>Advancement of Funds by Landlord.</u> If any item of Additional Rent is not paid when due, Landlord shall have the right, but not the obligation, to pay the Additional Rent directly, and charge the amount paid to Tenant's account. Any such advancement of costs by Landlord shall accrue interest at the rate of 1.5% (18% per annum) from the date of payment until fully reimbursed by Tenant. Landlord will make a reasonable effort to notify Tenant of the Default, and allow Tenant a reasonable opportunity to cure the non-payment, but in no event will Landlord be required to allow the Property to go un-insured, taxes or other assessments to go delinquent, or otherwise place the Property in jeopardy while attempting to obtain payment through Tenant. The amount of any Advanced Funds will be treated as Additional Rent due from Tenant. Subsequent payments will be applied first to interest and then to those items defined as Additional Rent, and last to the Basic Rent.

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7. Utilities. All utilities are extended to the Property in sufficient capacity to meet Tenant's reasonable needs. Tenant is solely responsible for its utility service costs for gas, electric and telephone service. To the extent possible, utilities to the various spaces within the building will be separately metered, and Tenant will be responsible for any security deposits with the utility companies, and the costs of physical connection and installation of fixtures and appliances within its portion of the Building. Tenant will not terminate gas or electric service without giving Landlord two weeks' written notice, so that heat may be maintained in the buildings to prevent damage from freezing. Tenant will be responsible for any damages resulting to the building from the discontinuance of utility services during the Lease. Where it is impractical to provide separate meters or services, such as water and sewer services, Landlord will obtain service, and bill the proportionate costs of those services to Tenant as Additional Rent.

8. Operating Expenses. In addition to all of the foregoing, Tenant is solely responsible for janitorial service, re-lamping of light fixtures, hand snow removal, and all other services, supplies, and labor associated with the use and occupancy of the Property.

9. Insurance. (a) Landlord will obtain fire and property insurance on the Property for Landlord's benefit. The cost of this insurance will be apportioned among the various tenants as Additional Rent. Fire insurance shall be maintained at a level approved on an annual basis by Landlord, which shall be sufficient to provide full coverage without any co-insurance or participation by Landlord in the costs of replacement or repair of the building. Landlord's fire insurance will not cover any of Tenant's contents or Tenant Improvements. Tenant waives subrogation claims against Landlord for damage to Tenant's personal property, inventory, or loss of income in the event of a casualty loss to the Property. If required by Landlord's mortgage holder, Tenant will also pay for a proportionate share of Landlord's cost of providing flood insurance. Tenant agrees that it shall not keep, use, sell or offer for sale in or upon the Premises any article or material which may be prohibited by the standard form fire insurance policy.

(b) Landlord will obtain general liability insurance for those claims arising in the common areas of the Ironhorse Park project. The cost of this insurance will be apportioned among the various tenants as Additional Rent. Landlord's insurance will not cover claims arising within Tenant's Leased space or arising from Tenant's negligent or deliberate acts.

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(c) Tenant is solely responsible for all insurance on Tenant's business operations, contents, Tenant Improvements, personal property, and general liability. Tenant will provide commercial general liability insurance in the face amount of at least $500,000 per occurrence and $1 million aggregate, which shall be reviewed annually and adjusted as appropriate and customary for similar types of businesses in similar areas. Landlord and Landlord's mortgage holder will be named as an additional insured on all policies, and shall have the right to review and approve policies before they are placed. All insurance policies shall have a 30 cancellation or non-renewal notice provision giving advance notice to Landlord and Landlord's mortgage holder of the termination of coverage. If Tenant fails to obtain insurance, Landlord may purchase such insurance as it feels appropriate to protect its interest, and charge Tenant for the full cost of that insurance as Advanced Funds. Any insurance obtained by Landlord may reduce the scope of coverage to include only losses to the Landlord, and exclude any coverage of Tenant's personal property or liability. Tenant assigns its insurance proceeds to Landlord, but only to the extent necessary to restore any Tenant Improvements which would have become the property of Landlord at the end of the Lease (and which were not covered by Landlord's fire insurance). Landlord has no rights to insurance proceeds applicable to Tenant's personal property, contents, or business interruption coverage.

10. Use of Property. Unless otherwise agreed to in writing by Landlord, Tenant agrees that its use and occupancy of the property will be limited as follows: **City offices**.

(a) Tenant will make no structural alterations or material alterations, including construction or removal of partition walls, penetration of exterior walls or roofs without the prior written consent of Landlord.

(b) Tenant may make no exterior modifications to the Building without the written consent of Landlord, specifically including, but not limited to, the placement of signs on the exterior of the Building.

(c) Tenant will comply with all applicable building and fire codes, zoning and health codes, and all federal, state, and local laws and regulations concerning the use, storage and disposal of materials which may be classified as hazardous or toxic. Tenant will indemnify Landlord for any clean-up action or enforcement action brought under any environmental laws concerning or resulting from Tenant's use, storage, or disposal of any hazardous or toxic material on the property. This indemnity is specifically intended to survive the

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termination or expiration of the Lease.

(d) Tenant shall not conduct any business from the property that is deemed extra-hazardous, or will result in an increase in fire insurance premiums on the Property, on inability to obtain fire insurance at standard rates.

(e) Tenant agrees that it, and Tenant's employees, customers, or others will not leave any vehicle or other property or equipment parked outside of the building overnight. Parking areas will not be used for long- or short-term storage of vehicles, boats, campers, or other equipment. No vehicles will be repaired in the parking areas. Tenant agrees to pay any expenses incurred by Landlord in removing any such vehicles or property.

(f) Except as specifically provided below, all additions or improvements shall become the property of Landlord at the termination of the Lease, provided that trade fixtures and equipment installed by Tenant which can be removed without damage to the building may be removed at the expiration of the Lease. All removal must be completed prior to the last day of the Lease term. For the purposes of this lease, lights and light fixtures are not considered trade fixtures and any installation of lights or light fixtures shall be considered permanent fixtures and, upon installation, will become the property of the Landlord.

(g) The provisions and limitations of the Covenants, Conditions and Restrictions of the Ironhorse Park Commercial Subdivision are incorporated into this Lease, and Tenant agrees to occupy the Property in a manner that is in full compliance with those Covenants, Conditions, and Restrictions. Exterior signs must comply with the general signage plan approved by Landlord, Park City, and the Owners Association. The costs of exterior signs are borne entirely by Tenant.

(h) Upon the expiration of the Lease, Tenant will surrender the property to Landlord in substantially the same condition as existed on the date Tenant commenced doing business from the Property, normal wear and tear, removal of approved trade fixtures and equipment, and insured casualty losses excepted. Tenant shall commit no waste on the property. Tenant shall not use a painting technique commonly known as "faux painting" on any part of the property without first obtaining prior, written consent from the Landlord. If consent is obtained, it is understood that upon the expiration of the Lease, Tenant is responsible for removing the "faux painting" from the wall surfaces and returning them to the original surface.

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(i) Tenant will use the Property to conduct the following business, and any substantial change in the nature or character of the business will require prior consent of Landlord: **Park City Racquet Club.**

(j) Tenant has the right to occupy **40** parking spaces adjacent to the building. These are not reserved or specifically designated for Tenant's use, and will be used in common with the tenants and customers of other businesses in the building. No change in the nature of Tenant's business will be permitted which creates a demand for more than the allotted number of parking spaces under the Park City Land Management Code.

11. Hazardous Materials. (a) Tenant will not store, use, or dispose of Hazardous Materials or Toxic Wastes on the Property, (except in such limited quantities as are reasonable and customary in the routine operation of Tenant's business). For purposes of this Lease, "Hazardous Materials" means such materials, waste, contaminants or other substances designated or defined as toxic, dangerous to health, or otherwise hazardous in any applicable statute, ordinance, regulation or administrative rule adopted by any governmental authority with jurisdiction over the premises. It shall be Tenant's sole responsibility to remain informed about, and to comply with, all such statutes, ordinances, regulations and rules. Violation of any such statutes, ordinances, regulations or rules by Tenant shall constitute a breach of this Lease. Tenant shall not cause or permit any Hazardous Materials to be brought, kept or used upon the premises without the prior written consent of the Landlord, which may be withheld in its sole discretion.

(b) Tenant will comply with applicable federal, state, and local laws and regulations concerning the storage, use, and disposal of Hazardous Materials.

(c) Tenant will indemnify Landlord against any and all liability under the foregoing statutes or later enactments, against claims for personal injury, property damage, and clean-up actions or enforcement actions under the environmental laws of Utah or the United States. This indemnity will survive the termination of the Lease, and will apply even if Landlord has knowledge of and consented to the use, storage, or disposal of the Hazardous Materials.

(d) Any specialized pollution control equipment, sewage pretreatment or chemical recovery systems, specialized ventilation equipment required for Tenant to comply with environmental laws and regulations will be installed at

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Tenant's sole expense.

12. Maintenance of Structure. Tenant is solely responsible for the maintenance of the interior of its portion of the Building, including all thresholds, plumbing, heating, and other mechanical systems. Landlord is solely responsible for the maintenance of the exterior of the Building, including the roof and exterior walls, and the structural maintenance and integrity of the Building, including interior load-bearing walls and columns, unless such damage was caused by the acts or negligence of Tenant. With the exception of glass breakage resulting from Tenant's actions or negligence and acts of outside vandalism, Landlord is responsible for repair of exterior window glass. Landlord is responsible for mechanical systems that serve more than one Tenant.

13. Assignment. This Lease is not assignable in whole or in part without the advance written consent of Landlord. Landlord agrees that it will not unreasonably withhold consent to assignment of the Lease, provided that the proposed Assignee is credit worthy, and enters into guarantee and security agreements in form and substance similar to those entered into by Tenant and its principals in conjunction with this Lease, and the proposed tenancy complies with applicable zoning and the conditions of this Lease. The sale of Tenant's business, or sale of a controlling interest in that business, is deemed an assignment for purposes of this Lease. Tenant will notify Landlord of any proposed assignment or sale of Tenant's business in advance. Tenant shall have no right to sub-let the Property in whole or in part.

14. Sale of Property. This Lease shall be binding on the successors and assigns of Landlord in the event of a sale or transfer of the title to the underlying Property. No sale or transfer of title shall disturb Tenant's possession or quiet enjoyment of the Property.

15. Abatement or Termination Following Casualty Loss. In the event of a fire or other casualty loss which makes the property uninhabitable for a period of more than 60 days, Landlord shall have the option of terminating the Lease, or abating the rent during the actual period of repairs and extending the Lease term by an equal period. If the nature of the damage is such that the property cannot reasonably be fully restored to its condition prior to the loss within 120 days, Tenant may terminate the Lease by written notice to Landlord. All insurance proceeds are payable to Landlord in the event of a termination by Tenant, except for proceeds applicable to Tenant's fixtures, equipment, or other personal property. Early termination by Tenant under this provision will not relieve Tenant from any obligations arising prior to

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the date of termination, specifically including any past due Rent or Additional Rent, or violations of the environmental and hazardous waste provisions, which are all intended to survive until those obligations are fully satisfied. Early termination shall not relieve Tenant from any claims from Landlord or subrogation claims from Landlord's insurance carrier related to damage to the property caused by Tenants actions or negligence. Landlord is not liable to Tenant for lost profits, rent on temporary locations, or other costs incurred by Tenant as a result of the loss.

16. Remedies. (a) In the event of a monetary breach of this Lease, including non-payment of Rent or any item of Additional Rent, Landlord shall have all remedies available at law including the right to enter and re-take possession of the Property, or to re-let the Property on Tenant's account and hold Tenant liable for the balance of the Lease term, or an action against Tenant for the amounts owed. In the case of financial defaults, Landlord will give Tenant a written notice of the default, stating the nature of the breach and amount owed. Tenant shall have 5 days from the date of notice to pay all sums owing, and if not cured within 5 days, Landlord may exercise its legal and equitable remedies.

(b) In the event of breaches or defaults other than the payment of Rent, Landlord shall give Tenant 30 days written notice of the default, and if the condition complained of is not cured within 30 days (or when the conditions giving rise to the breach are such that the default cannot be reasonably cured within 30 days, Tenant has admitted the default and undertaken the work necessary to effect a cure within the 30 day notice period), Landlord shall have the right to exercise all available legal and equitable remedies against Tenant to enforce the terms of this Lease or re-possess the Property. Notwithstanding the time limits contained in this provision, Tenant agrees to take such actions as reasonable and necessary in the case of an emergency to secure the Property and prevent further damage until a permanent repair can be made.

(c) The obligations of Tenant under this Lease shall survive termination of Tenant's possession until fully paid. In addition to amounts due under this Lease, Tenant shall be liable for Landlord's reasonable attorney's fees and costs incurred in the enforcement of this Lease and collection of amounts owed.

17. Recording. Landlord and Tenant may record a Notice of Lease outlining the basic terms of this agreement, and record it in the office of the Summit County Recorder. The Notice shall request that notice of any foreclosure under Landlord's mortgage on the Property, or Tenant's leasehold

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mortgage, be sent to both parties to the Lease.

18. Non-Subordination. Landlord will not subordinate this Lease to any security agreements or leasehold mortgages entered into by Tenant for the purpose of financing Tenant Improvements to the Property. Any such security arrangements are fully subject to Tenant's faithful performance of this Lease. Landlord consents to Tenant placing Leasehold Mortgages on the Leasehold Estate for the purposes of financing Tenant Improvements, provided that any such Leasehold Mortgages acknowledge that they are subordinate to this Lease, and subject to all of its terms and conditions. Landlord will provide notice of default to any Leasehold Mortgagee who requests notice. Landlord will also provide statements of account to Leasehold Mortgagees showing Tenant's status under the Lease.

19. Tenant Improvements. (a) The Property is leased "as is." Tenant has inspected the property and finds it acceptable for Tenant's intended use, and all remodeling work necessary for Tenant's intended use will be performed at Tenant's expense. At the expiration of the Lease, Tenant may remove any trade fixtures that are of a type or nature that might reasonably be removed without significant damage to the Building. All lights, light fixtures, heating and air conditioning, plumbing, partitions, doors, and floor coverings are deemed to be fixtures, and will remain with the Building as property of Landlord upon the expiration of the Lease.

(b) All Tenant Improvements will be installed by properly licensed contractors, pursuant to permits issued by Park City at Tenant's expense. Tenant shall not permit any liens to attach to the property. If the aggregate cost of Tenant Improvements would reasonably be expected to exceed **$5,000.00**, Landlord may require a labor and material payment bond from Tenant or Tenant's contractor prior to commencement of work. Landlord will be permitted to review all plans and specifications for Tenant Improvements, and no work will begin without Landlord's consent. Tenant's contractor will provide Landlord with Certificates of Insurance showing the contractor to have general liability and workman's compensation insurance in amounts reasonably approved by Landlord and customary in the industry. Insurance on building materials, equipment, or fixtures stored on site, but not yet affixed to the building is the obligation of Tenant and/or the contractor, and Landlord shall have no liability for loss or damage.

(c) Tenant will not permit mechanics' liens related to Tenant's construction of Tenant Improvements attach to the property. In the event liens are filed, Landlord may give

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Tenant written notice to either remove the lien, or, in the alternative, to post an amount equal to twice the amount of the lien claim in escrow pending the resolution of the dispute with the lien claimant. If Tenant fails to do obtain the lien release or bond over it within 5 days, Tenant is in monetary default on the Lease, and Landlord shall have all remedies Available under the Lease, including termination of the Lease. Termination will not, however, absolve Tenant of the obligations to remove the lien or indemnify Landlord against the lien.

20. Landlord's Right to Inspect. Landlord shall have the right to inspect the Property and reasonable times to insure compliance with the Lease. Inspection during Tenant's normal business hours is permitted.

21. No Right to Renew. Tenant has no right to renew or extend the Lease, and at the end of the Lease term, Tenant will vacate the Property. If Tenant holds over, Tenant is a tenant at will.

22. No Waiver. Failure on the part of Landlord to complain of any action or non-action on the part of Tenant, no matter how long the same may continue, shall never be deemed to be a waiver by Landlord of any of its rights hereunder. Further, it is covenanted and agreed that no waiver at any time of any of the provisions hereof by Landlord shall be construed as a waiver at any subsequent time of the same provisions. The consent or approval by Landlord to or of any action by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent or approval to or of any subsequent similar acts by Tenant.

23. Condemnation. In the event that a portion of the Property is taken by a governmental entity for public purposes, the entire award shall be paid to Landlord, and there shall be no reduction in Rent, unless the portion of the Property taken materially damages Tenant's intended use of the Property. If the taking is such that it materially impairs Tenant's business, such as a loss of Building area, or a significant loss of parking, the award will be apportioned as the parties may agree at the time. In the event of a total taking, or a partial taking of such magnitude that the operation of Tenant's business with the remaining Property becomes commercially unreasonable, the award will be apportioned. Tenant shall have the right to appear on its own behalf in any condemnation suit to defend the value of the leasehold interest. If the parties are not able to agree on an apportionment of any award (and apportionment is not made in the condemnation proceeding) the apportionment will be

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submitted to binding arbitration under the rules of the American Arbitration Association, with each party to bear its own costs.

24. Notices. Notices that may be required from time to time under this Lease may be sent or delivered to the following addresses:

To Landlord:
Wintzer-Wolfe Properties, Ltd.
1040 Ironhorse Drive
P.O. Box 4199
Park City, Utah 84060

To Tenant:
Park City Municipal Corporation
P.O. Box 1480
Park City,UT 84060

Or delivered in person to the Property at **1255 (Downstairs) Ironhorse Drive**, Park City, Utah.

Notices are effective upon personal delivery, or three days after mailing, registered mail, return receipt requested, whether actually picked up or not. Either party may change its address or request additional notices be sent to others by written notice.

25. Covenant of Quiet Enjoyment. For so long as Tenant is faithfully performing its obligations under this Lease, Landlord promises to provide Tenant with quiet enjoyment of the Property. Landlord shall pay all mortgages placed on the Property by Landlord. Tenant shall have the right to pay rent to any mortgage holder if necessary to avoid foreclosure of Landlord's interest, and to deduct such payments from the Rent and Additional Rent due under this Lease.

26. Lease Subordinate to Landlord's Mortgage. In order to construct the Building on the Property, Landlord has, or will, place a deed of trust or mortgage on the Property to secure construction and long-term financing. Regardless of the order of recording of documents, Tenant agrees that this Lease shall be subordinate to, and subject to, Landlord's construction and first mortgage (or deed or trust) long-term financing of the construction of the Building. This Lease is not subordinate to any other financing Landlord may place on the Property for purposes other than the construction and long-term financing of the Building constructed for Tenant's benefit.

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27. Commissions. Tenant has not used a broker or agent, and will indemnify Landlord against any claims from brokers or agents claiming to represent Tenant in this transaction.

28. Invalidity of Particular Provision. If any term or provision of this Lease, or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

29. Governing Law. This Lease shall be governed exclusively by the provisions hereof and by the laws of the State of Utah.

30. Construction of Lease. The paragraph headings throughout this Lease are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Lease. If used, words of any gender used in the Lease shall be held to include any other gender, and words of singular number shall be held to include the plural when the context requires.

Dated this _____day of __________, 2009.

LANDLORD:
Wintzer-Wolfe Properties, Ltd.,
a Utah Limited Partnership,

By:______________________________
Mary C. Wintzer, its
General Partner

TENANT: Park City Municipal Corp.

By:______________________________
Tom B. Bakaly , City Manager

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RENT & SECURITY DEPOSIT ADDENDUM

FIRST MONTH'S PAYMENT WITH SIGNED LEASE

SECURITY DEPOSIT:

Upon signing lease new security deposit will be paid in the amount of: $13,333.00

RENT:

Base Rent from **May 1, 2010** to **June 30, 2011** $11,333.00

Total Sum: $158,662.00

Plus Additional Rent @ $2,000.00/month

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City Council
Staff Report

Subject:	**Park Silly Sunday Market - Update on Master Festival License and City Services Agreement**
Author:	**Tommy Youngblood**
Department	**Sustainability**
Date:	**May 27, 2010**
Type of Item:	**Administrative- Master Festival License**

Summary Recommendations:
Review the 2010 Supplemental Plans to the Master Festival License and City Services Agreement, conduct a public hearing, and approve the Plan, as conditioned, for the 2010 Park Silly Sunday Market. The plan as proposed includes use of Centennial Park and 5th Street between Main and Swede Alley as Expanded Use Areas South of Heber Ave.

Description:
Topic:
Supplemental Plan for 2010 Park Silly Sunday Market.

Background:
All substantial issues within the City Services Agreement entered into on February 25, 2010 between the Park City Municipal Corporation and Park Silly Sunday Market (PSSM) are being met and are being executed. There have been no major negative concerns as of this report. What follows is a summary of some of the specific items. As required, per contract requirements, staff will return before November 1, 2010 for an end of the season wrap report, and a mid-event update should City Council request it.

The following outlines Market basics for 2010:

1. The market hours will be from 10am to 5pm each Sunday starting June 13 through September 26.
2. Because the 4th of July Celebration falls on a Sunday in 2010 the PSSM will take place on Saturday July 3rd. There will be no market the weekend of August 7th & 8th during the Kimball Art Festival.
3. The footprint of the market will market remain on Main Street between Heber Avenue and 9th Street to include 9th & 7th Street (Exhibit A). PSSM has received approval from the representatives of the Town Lift Plaza to expand into their area.
4. Activity areas south of Heber Ave have been added at the following three locations:
    - **Farmers Pod:** Produce Vendors, Acoustic Musical Stage, Gourmet Food Vendor
      Location: 5th Street and Post Office Parking - (Upon approval from The United States Postal Service). The use of this area will be

specifically approved as an Expanded Use Area south of Heber as identified in the Contract.

- **Spiritual Pod:** Acoustic Musical Stage, Tarot Card Readings, Massages, etc.
  Location: Centennial Park

- **Music Stage**
  Location: Miner's Park

5. PSSM has received consent from the Park City Police and approval from the Utah Department of Alcohol & Beverage Control to expand the adult beverage area. This area will now include Main Street from 7th to 9th Street including portions of 9th and the Lower roundabout.
6. The main music and performance stage has been relocated and oriented away from adjacent residential areas. PSSM has conducted sound level testing in the area around Lower Main Street and 9th Street and the adjacent areas of Park Ave. All measurements were monitored by the Building Department and found to be below approved maximum levels.
7. A weekly check list has been created to measure and document the following: Stage and entertainment noise levels, estimated attendance numbers, public safety check-in, incident reports, and general weekly comments.
8. All other operational procedures are consistent with previous years.

Analysis:

Since the approval of the contract on February 25, 2010, all concerned parties have worked toward increasing the Silly Markets attendee circulation throughout Main Street while enhancing the Markets' attraction. Several items in the contract specified cooperation with non-governmental agencies as well other measureable benchmarks. Those that can be measured at this time are outlined below:

Expanded signage for Supporting Main Street Businesses

PSSM continues to work on signs to identify supporting Main Street businesses. These will be similar in size and location to the temporary flags used to identify locations for the Gallery Stroll. An operational plan, enforced by PSSM, to monitor their use will be approved.

Vendor Mix & Juried Categories
The PSSM currently has 134 paid vendors and 177 vendors total for the 2010 season. This is an increase of 1 paid vendor over the 2009 season. The contracted vendor mix requirements in the juried categories of Food & Jewelry have been met. The food category has reached its maximum of 14 vendors. The HMBA and Park City Restaurant Association have been given first rights of refusal for Food Vendors. PSSM continues to work with the HMBA to find the best mix & locations to reduce any direct competition or conflict. The weekly vendor space for an HMBA member, with full set-up, is booked for the season.

Expanded Market Activities
Staff finds the proposed, expanded activities meet the contractual obligations and therefore standards for an additional $10,000 of financial consideration. The goals identified in the contract include creating activities south of Heber that are “geared at bursts or pockets of activity that do not necessitate the closure of Main Street”; namely:

- Farmers Pod – 5th Street
- Spiritual Pod – Centennial Park
- Music Stage – Miners Plaza
- Roaming Buskers (musician or other entertainment)

Collaboration and Cross Promotional Activities

PSSM is in discussion on combining with local events and enhancing Main Street; notably for the 2010 season, incorporation of the Park City Wellness Festival. In previous years, the Wellness Festival has taken place at City Park. For the 2011 season the Classic Sports Car Show, which is has taken place on Lower Main Street would like to combine with PSSM for expanding programming on Main.

Additionally, PSSM continues to work with HMBA, Park City Chamber & and Park City Restaurant Association among other groups to jointly promote various summer activities and programs.

City Services & Financial Consideration

The following is a breakdown of the use of contracted monies in support of PSSM:

- $10,000 for expanded activities south of Heber Ave as described above
  Farmers Pod – 5th Street
  Spiritual Pod – Centennial Park
  Music Stage – Miners Plaza
  Roaming Buskers- various locations

- Per Contact the Park City Municipal Corporation agreed to put $10,000 annually into infrastructure, operational equipment, power upgrades or other Value in Kind. The City agreed to purchase approximately $22,000 in stage risers and $5,000 in power upgrades. PSSM agrees this will use most of the contractual obligations for the entire guaranteed first 3 years of the contract. This stage will remain City-owned and can be rented & used by other Park City festivals and special events, similar to our rental of the city owned bleachers.

- The 2010 estimated fee waiver amount on track to be on budget as outlined in the contract ($25,600).

- Per Contact the Park City Municipal Corporation agreed to put $40,000 annually into operations and promotion of the PSSM. This year upgrades include and expanded children's area, expanded adult beverage area, and expansion of 7th Street activities. Additional marketing and promotional activities will be outlined in the year end wrap-up.

Department Review:
The Transit, Parking, Streets, Sustainability, Police, Building, and Legal Departments have reviewed this plan. Their comments were included when developing the overall plan.

Significant Impacts:
Significant impacts of the Supplemental Plans would be consistent with the past years operation of the Park Silly Market. In addition to 5th Street closure and use of Centennial & Miner's Park.

Consequences of not taking recommended action:
Supplemental Plans for the 2010 Park Silly Market would not be allowed to be implemented as presented.

Alternatives:
Approve the Request:
Approve the Supplemental Plans to the Master Festival License and City Service Agreement with the Park Silly Sunday Market. **This is Staff's recommendation.**

Deny the Request:
Deny the Supplemental Plans to the Master Festival License and City Service Agreement, thereby not allowing any changes to the 2010 market from the 2009 market.

Modify the Request:
Modify the parameters of the Supplemental Plans to the Master Festival License and City Service Agreement with the Park Silly Sunday Market.

Continue the Item:
The City Council may continue the hearing for more information and discussion.

Recommendations:
Review the 2010 Supplemental Plans to the Master Festival License and City Services Agreement, conduct a public hearing, and approve the Plan, as conditioned, for the Park Silly Sunday Market as attached in a form approved by the City Attorney. The plan as proposed includes use of Centennial Park and 5th Street between Main and Swede Alley as Expanded Use Areas South of Heber Ave based on the following Findings of Fact, Conclusions of Law and Conditions of Approval.

<u>Findings of Fact:</u>

1. The Park Silly Sunday Market will be held each Sunday starting June 13 through September 26. Because the 4th of July Celebration falls on a Sunday in 2010 the PSSM will take place on Saturday July 3rd. There will be no market the weekend

of August 7th & 8th during the Kimball Art Festival. The market hours will be from 10am to 5pm

2. Parking for the anticipated crowd of 5000 people can be accommodated with the existing parking in and around the venue and the use of China Bridge parking structure. The conduct of the Park "Silly" Sunday Market will not substantially interrupt or prevent the safe and orderly movement of public transportation or other vehicular and pedestrian traffic in the area of its venue.
3. The event is oriented towards families and youth. The events associated with the Park "Silly" Sunday Market will not require the diversion of so great a number of police, fire, or other essential public employees from their normal duties as to prevent reasonable police, fire, or other public services protection to the remainder of the City.
4. The footprint of the market will market remain on Main Street between Heber Avenue and 9th Street to include 9th & 7th Street (Exhibit A). PSSM has received approval from the representatives of the Town Lift Plaza to expand into their area. Activity areas south of Heber Ave have been added at the 5th Street, Centennial Park and Miner's Park. In additional to various right of way areas programmed with acoustic music.
   The concentration of persons, vehicles, or animals will not unduly interfere with the movement of police, fire, ambulance, and other emergency vehicles on the streets or with the provision of other public health or safety services.

5. At this time, Two other Master Festival and Special Event License haves been issued for a Sunday when the market will occur:

2010 DATE	EVENT	A – Geographic Separation	B - Proposed Time & Duration	C – Anticipated Attendance
July 11	Food and Wine Classic	Various Locations	3:00pm – 9:00pm	2000
Sept 19	Tour de Suds	Park City Trail System	10:00am – 3:00pm	270

6. The size of the crowd and nature of the event will not create an imminent possibility of violent disorderly conduct likely to endanger public safety or cause significant property damage.
7. The applicant has been working with City Staff and applicable departments to address all event concerns. The Applicant demonstrates an ability and willingness to conduct the event pursuant to the terms and conditions of this Chapter and has not failed to conduct a previously authorized event in accordance with the law or the terms of a license, or both.
8. The event necessitates additional city staff resources be provided; namely Police, Special Events, Building Department and Streets.

Conclusions of Law:

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

Conditions of Approval:

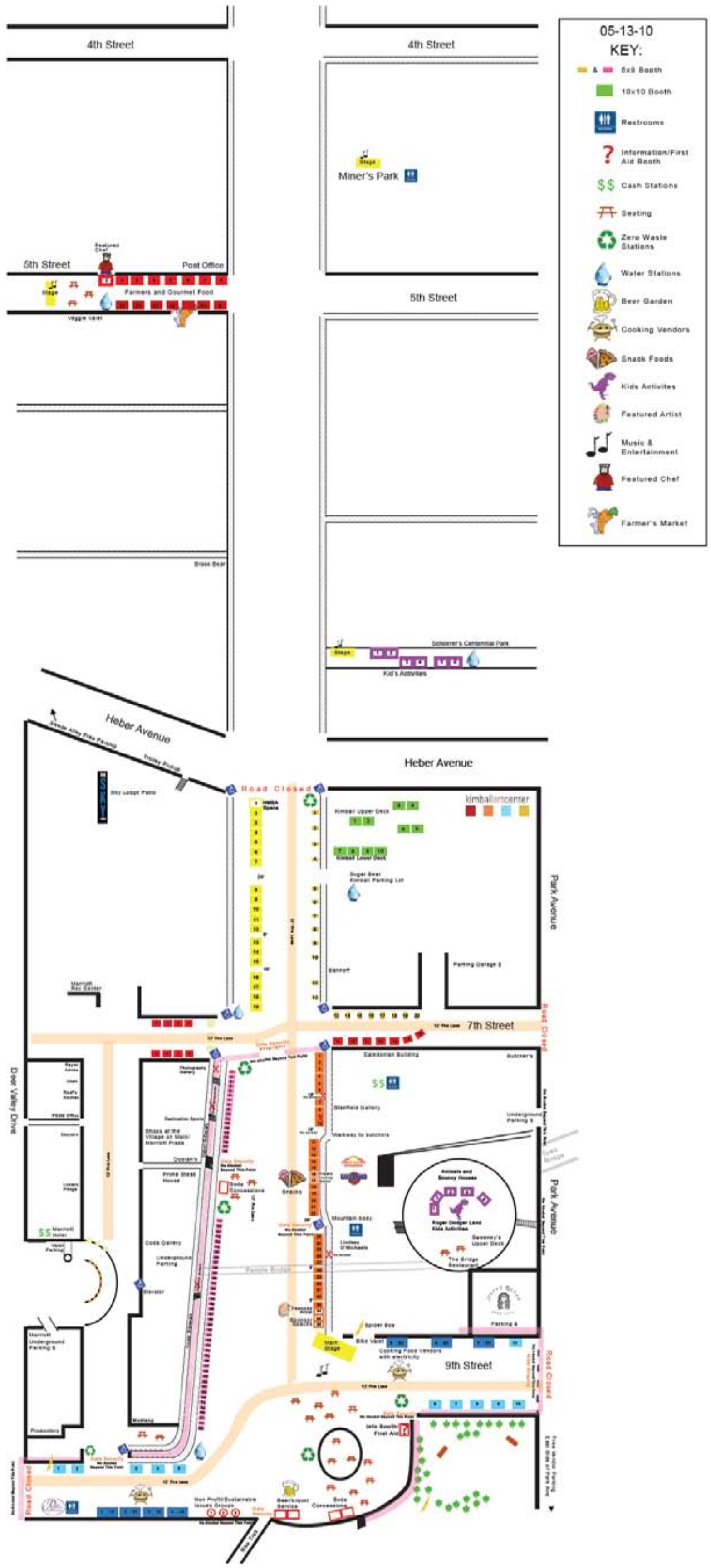
1. The applicant, at its cost, shall incorporate such measures as directed by Staff in order to ensure that any safety, health, or sanitation equipment, and services or facilities reasonably necessary to ensure that the event will be conducted with due regard for safety are provided.
2. Unless specifically approved by the Supplemental or Mid-Event Review, Expanded Market Activities or Expanded Location on Main Street south of Heber Avenue shall terminate by 6:30 pm on each Sunday. Main Street north of Heber Avenue shall reopen by 8:00 pm. Should the applicant not be able to open the street by that time, the closing time of the Market shall be adjusted to meet stated time limits.
3. A Fire Lane approved by the Fire Marshall will be maintained to provide access across Heber Avenue and Main Street at all time of Market operation. Applicant shall provide signage to indicate closures and detour options.
4. Applicant must obtain Relief from Noise Restrictions (6-3-11), as amended, for any set-up activity occurring before 9:00 am on any given Sunday.
5. Applicant shall comply with all UDABC regulations and obtain applicable approvals for the beer garden area and all other areas of compliance.
6. Applicant has met with Park City Police and is aware that event has grown to a level where it warrants more than routine patrol and the cost of additional Police will be incurred by the applicant unless waived by City Council.
7. All plans for tents, stages and other temporary structures shall be submitted to the Building Department for review and permitting by April 15 of each year.
8. The costs to provide additional City staff, as estimated in the report herein, will be incurred by the applicant, unless otherwise waived by the City Council.
9. The applicant will orient all temporary stages so as to minimize sound impacts to the neighborhood. Monitoring of the amplified shall be consistent with 4-8A-7, as amended; regulations for Public Outdoor Music Plazas. The General Regulations of this section indicate the following:
   a. 4-8A-7. GENERAL REGULATIONS**.**
10. The program manager, or his/her designee, shall provide on-site management for each event.
11. A sound technician shall provide on-site monitoring for each event with music, amplified or otherwise, and any amplified event.
12. Except as otherwise provided at Subsection 6(A) herein, for amplified events or music, the program manager shall be responsible to ensure that the sound system maintains the sound at an A-weighted sound level adjustment and maximum decibel level of 90, as measured twenty-five feet (25') in front of the stage. The data currently available to the City indicates that a maximum decibel level of 90 satisfies the purpose of this ordinance. The City may amend this ordinance consistent with newly acquired data.
13. All events shall be open to the public and free of charge.
14. The Police Department or other proper City official shall have access at all times to all Public Outdoor Music Plazas under this Chapter, and may make periodic inspection of said premises whether the officer or official is in uniform or plain clothes.
15. All events shall take place only on authorized Stages and shall have clean-up services directly following each event so as to leave the plazas in a clean and litter free manner.
16. If at any time, the vendor participation either north or south of Heber Avenue

independently or for the entire Market drops to below 75% of its highest point, the City Council shall conduct a review of the MFL at the first available Council meeting. Event staff and public safety shall provide an assessment of success of the event pursuant to the criteria listed in the Master Festival License, PCMC Title 4, Chapter 8 and whether the findings, conclusions and conditions are still correct and/or being implemented. Upon one or more findings that the MFL is no longer meeting the anticipated vendor/public participation levels justifying the street closure, the above MFL criteria, or conditions approval, the City Council may amend or revoke this approval accordingly.

17. As part of the Master Festival License, the applicant shall provide Utah State Tax Commission a confidential list of participating vendors before the event begins and at the end of each month of the season. Consistent with section 4-8-7 of the Municipal Code, concessions directly related to the event do not require a regular business license. The Utah State Tax Commission does require a Temporary Special Events Sales Tax License. Utah State Tax Commission will provide each vendor a Utah State Tax ID Number. PSSM shall require all participating vendors to provide and display their Special Event Permit.
18. Nothing herein shall limit use of Coalition Park by non-vendors in accordance with the Art in the Park Ordinance PCMC § 4-3A-7, as amended.
19. The applicant shall regularly review the vendor list to ensure the participants reflect the integrity of the Market's purpose and mission, and limit sales of mass produced goods.
20. Organizers shall return to Council no later than November 1 of each year to conduct a debrief of the past Market

<u>Attachments</u>
Exhibit A - 2010 Park Silly Market Site Map

Exhibit A



05-13-10
KEY:
5x8 Booth
10x10 Booth
Restrooms
Information/First Aid Booth
Cash Stations
Seating
Zero Waste Stations
Water Stations
Beer Garden
Cooking Vendors
Snack Foods
Kids Activites
Featured Artist
Music & Entertainment
Featured Chef
Farmer's Market
4th Street
4th Street
Miner's Park
5th Street
Post Office
Farmers and Gourmet Food
5th Street
Kid's Activities
Heber Avenue
Heber Avenue
Road Closed
Park Avenue
7th Street
Deer Valley Drive
Park Avenue
9th Street
Road Closed
Road Closed

City Council Staff Report

PLANNING DEPARTMENT

Subject:	**Park City Heights Annexation**
Author:	**Kirsten A. Whetstone, AICP**
Date:	**May 27, 2010**
Type of Item:	**Legislative**

Summary Recommendation

Staff recommends the City Council review the Park City Heights annexation and zoning request, conduct a public hearing, and consider approving the Annexation and Water Agreements. Staff recommends the Council consider adopting an Ordinance approving the annexation of 286.64 acres and zoning the property Community Transition (CT).

The purpose of this meeting is to:

- Conduct a public hearing.
- Review and consider approving the Annexation Agreement and associated Water Agreement.
- Adopt a final Park City Heights Annexation Ordinance annexing the property into Park City.
- Approve an amendment to the Official Park City zoning map zoning the property Community Transition (CT)

Description

Project Name:	Park City Heights Annexation
Applicant:	The Boyer Company and Park City Municipal Corporation
Location:	Southwest corner of the intersection of Highways 248 and 40
Proposed Zoning:	Community Transition (CT-MPD)
Current Zoning:	The property is zoned in Summit County as Rural Residential (RR) and Mountain Remote (MR)
Adjacent Land Uses:	Municipal open space; single family residential subdivisions; vacant parcel to the north zoned County- RR; and vacant parcel to the south zoned County- MR; IHC and the City Ice Arena/Quinn’s Fields Complex are on the northwest corner of the intersection.
Reason for Review:	Annexations require a recommendation from the Planning Commission with final action by the City Council
Disclosure:	**Park City is 50% owner with The Boyer Co. of the larger parcel to the south and 24 acres of the front open space. Park City owns approx. 40 acres, 20 within the open space on north and 20 at the north end of the development parcel, outright.**

Background

On April 9, 2008, the Planning Commission voted to forward a positive recommendation on the proposed 286.64 acre Park City Heights Annexation. All Planning Commission and City Council Staff reports on the Park City Heights Annexation are on file at the Park City Planning Department and identified in the Ordinance. At previous City Council meetings, the Council discussed the annexation agreement, water agreement, phasing plan, density proposal, concept development site plan, affordable housing issues, infrastructure cost sharing, and other items. On October 8, 2009, the public hearing was continued to a date uncertain.

On November 12, 2009, Council approved a land purchase agreement to acquire a 50% interest in approximately 200 acres of the annexation property. A condition of the Purchase and Sale Agreement with Boyer Company, the annexation petitioner, requires the parties to enter into a Co-Tenancy Agreement prior to closing. Prior to November 12th the City acquired the Talisker interest in the Annexation property (approximately 40 acres) and became a co-applicant.

On November 19, 2009, the Council conducted a public hearing and approved the Co-Tenancy Agreement. This agreement creates a 2 year window for additional public process, planning, and negotiation regarding the form the public/private partnership will take. If an agreement on the Development Plan for Park City Heights is not reached within 2 years, Boyer may exercise an option and the City will buy the remaining 50% interest in the property. If the property is annexed, Master Planned Development approval from the Planning Commission is required prior to any development or site work or building permit approvals.

Since November 2009, the City and Boyer Company have been working on amendments to the concept site plan to address the Planning Commission's recommendation on the annexation, as well as amendments to the affordable housing plan, water agreement, and overall annexation agreement. The proposed annexation plat and revised concept site plan are attached as Exhibits A and E. The Staff and the Applicants have finalized the annexation agreement, including a water agreement for the Council's consideration (see Exhibit D).

On May 12, 2010, the property was re-posted and legal notice was provided for a public hearing on this item on May 27, 2010.

City Council meeting on May 20th

On May 20th, the City Council was provided a brief update as to the progress of the annexation application.

Analysis

Density

The revised concept plan includes a reduction from a maximum of 200 to 160 Market Rate units (with a mix of lot sizes from 6,000 sf to10, 000 sf) and 79 Affordable units (with a mix of stacked condos, townhouses, and single family detached houses) for a total of 239 dwelling units. The Affordable units include 19 Affordable Unit Equivalents (AUEs) proposed to be transferred from IHC Lot 4. The total density ratio is 1 unit per acre, consistent with the proposed CT zone (for the 239 developable acres). If the 46 required affordable housing units (IHC and PC Heights obligations) are excluded from the density calculations, the net density ratio is 0.81 units per acre (193 units per 239 acres). The affordable units are proposed as a mix of multi-family and single family detached units, with an overall increase in the size of these units from 97,500 sf to 114,550 sf. The proposed market rate density reflects a 20% decrease in the number of units.

Conceptual Site Plan

The concept site plan has been revised to better address Planning Commission recommendations for greater integration of the affordable and market units, more clustering of units, enhancing backyards adjacent to open space, locating units 60' to 70' lower down the slope, and enhancing the neighborhood entry. Visual impacts are further minimized by moving development off of the ridge area closest to the rail trail. A winter tubing hill amenity is indicated on a portion of the interior neighborhood open space. Trail locations and connections are identified as well. A final site plan will be an element of the Master Planned Development.

The Annexation Agreement

The Annexation Agreement and Ordinance are intended to specifically address the Council's direction on the Park City Heights annexation, pertaining to affordable housing, residential density, trails, transportation improvements, and sustainable design to include water conservation, in addition to the usual subjects of annexation agreements and ordinances. This direction would be taken into consideration by the Planning Commission during review of a subsequent Master Planned Development for the property.

The Water Agreement and Phasing

The water agreement limits initial water delivery to the project by capping the number of initial UE that may be occupied until the Quinn's water treatment plant is completed. Phase I is limited to a maximum of 180,000 sf of residential development and shall not exceed 90 UEs or 90,000 gallons of water per day of demand.

Subsequent development is phased to provide time for the City to construct a water treatment plant capable of increasing the City's water source capacity by a minimum of 1,500 gallons per minute (gpm). The City anticipates the water treatment plant will be operational and capable of increasing the City's water source capacity by a minimum of 1,500 gpm on or before October 14, 2011. The agreement limits issuance of temporary or permanent certificates of occupancy to any development beyond Phase I to the date on which the water treatment plant is operational as stated.

Other notable elements of the water agreement include:

- Location and construction of a culinary water tank and culinary water distribution lines.
- Provision of rights of way for potential future City-owned water infrastructure including an additional raw water tank.
- Cost sharing of water systems and infrastructure.

Two options have been identified to connect future development to the City's water system (see Exhibit F). Option A includes a connection to the finished water line that will run from the water treatment plant to the Boot Hill pressure zone in Wyatt Earp Way that will be installed as a part of the Rail Trail Water Lines Project during the summer and fall of 2010. This connection would be located south of the Rail Trail and Silver Creek. Option A would serve phase I only and would require the installation of a water line from the water treatment plant to the connection south of the Rail Trail and Silver Creek for subsequent phases. This option is cheaper in the short term but will result in a second project that will cross the Rail Trail and Silver Creek resulting in higher costs and impact to the environment and the public. Option B includes installing a water line from the water treatment plant to a location south of the Rail Trail and Silver Creek in conjunction with the construction of the Rail Trail Water Lines Project during the summer and fall of 2010. Phase I of PCH would involve extending this line to the PCH distribution system. Subsequent PCH phases would involve extending it further. This option is more economical in the long term and would have less impact to the environment and the public as it would cross Silver Creek and the Rail Trail with another project. Staff recommends Option B and the Annexation Petitioners concur with this Option due to cost savings over the long term. The cost in Option B for installing a water line in conjunction with the Rail Trail Water Lines Project is an estimate and is a bid alternate in the Rail Trail Water Lines Project. Therefore, we will have an exact number for this after we open bids on June 23, 2010.

<u>Phasing</u>
Phase I is anticipated to include the IHC required affordable units and other affordable and market units that can be accommodated with the existing water infrastructure. Construction of the upsized water tank would not occur with this phase and infrastructure would be limited to that necessary to provide service to the phase I units. Anticipated timeframe is for the construction phase for Phase I to begin Spring 2011.

Phase II will be timed to market demand. The owners have confirmed that they would not proceed with bonding and/or installation of infrastructure without documentation of market feasibility and preliminary developer interest in the property. Given current economic climate it is likely that infrastructure for the bulk of Park City Heights would occur in 2012. These issues will be addressed in greater detail in the co-tenancy agreement, which is expected to come separately to Council within 30 days.

<u>Department Review</u>
The annexation application has been reviewed by the City's Planning, Engineering, Building, and Legal Departments.

<u>Process</u>
Annexations require Planning Commission recommendation and City Council adoption and become pending upon publication of ordinance and compliance with state code as. City Council action may be appealed to a court of competent jurisdiction per LMC Section 15-1-18.

If the annexation is approved with the proposed Community Transition (CT) zoning designation, then the concept plan will become the basis for a revised Master Planned Development application. Master Planned Developments require a public hearing and final action by the Planning Commission. A development agreement is required before any development work can begin.

A subdivision plat, to create legal lots of record, dedicate streets and easements, and identify open space parcels, trails, common areas, etc. is a requirement prior to site work and building permits. Subdivision plats are reviewed by the Planning Commission with final approval by the City Council.

Notice

Notice was published in the Park Record and posted according to requirements of the Land Management Code.

Public Input

Public input was received at public hearings conducted in 2008 and 2009, and reflected in previous meeting minutes. Public input has consistently requested that no through streets be permitted connecting the Park City Heights property to the Hidden Oaks/upper Deer Valley neighborhoods. Staff received an email from a resident in Solamere indicating that he had no objections to the annexation however, requests assurance that there will "never be direct access from this or any other development through the Oaks and thus Solamere."

Alternatives

- The Council may approved the annexation by adopting the Ordinance and approving the Annexation and Water Agreements, as proposed, or as amended.
- The Council may deny the annexation and provide direction for staff to provide findings for this decision.
- The Council may continue action on the annexation to a date certain.

Significant Impacts

As part of the annexation application a financial impact report was submitted and reviewed the Planning Commission and City Council at previous meetings. The most significant Impacts include dedication of open space, the opportunity to plan and develop affordable housing within the Park City limits, and development of the property under the Park City Land Management Code regulations.

Consequences of not taking the Suggested Recommendation

The Park City Heights property would remain within the Summit County's zoning jurisdiction. Development proposals for parcels within property would be reviewed and approved or denied by the Summit County Council.

Summary Recommendation

Staff recommends the City Council review the Park City Heights annexation and zoning request, conduct a public hearing, and consider approving the Annexation and Water Agreements. Staff recommends the Council consider adopting an Ordinance approving the annexation of 286.64 acres and zoning the property Community Transition (CT) according to the findings of fact and conclusions of law as stated in the attached Annexation Ordinance.

Ordinance 10-

AN ORDINANCE ANNEXING APPROXIMATELY 286.64 ACRES OF PROPERTY LOCATED AT THE SOUTHWEST CORNER OF THE SR248 AND US40 INTERCHANGE IN THE QUINN'S JUNCTION AREA, KNOWN AS THE PARK CITY HEIGHTS ANNEXATION, INTO THE CORPORATE LIMITS OF PARK CITY, UTAH, AND APPROVING AN ANNEXATION AGREEMENT AND A WATER AGREEMENT, AND AMENDING THE OFFICIAL ZONING MAP OF PARK CITY TO ZONE THE PROPERTY COMMUNITY TRANSITION (CT)

WHEREAS, on January 28, 2005, the majority property owner of the property known as the Park City Heights Annexation, as shown on the attached Annexation Plat (Exhibit A, the "Property"), petitioned the City Council for approval of an annexation into the Park City limits; and

WHEREAS, the Property is approximately 286.64 acres in size and is located southwest of the intersection of State Road 248 and US-40 as described in the attached Legal Description (Exhibit B); and

WHEREAS, the Property is included within the Park City Annexation Expansion Area, and is not included within any other municipal jurisdiction; and

WHEREAS, on February 16, 2005, additional information was included in the annexation submittal and the submittal was deemed complete; and

WHEREAS, the Park City Council accepted the Park City Heights petition for annexation on March 10, 2005; and

WHEREAS, the City reviewed the petition against the criteria stated in Sections 10-2-403 (2), (3), and (4) of the Utah Code, annotated 1953 as amended, and found the petition complied with all applicable criteria of the Utah Code; and

WHEREAS, On April 8, 2005, the City Recorder certified the annexation petition and delivered notice letters to the "affected entities" required by Utah Code, Section 10-2-405, giving notice that the petition had been certified and the required 30-day protest period had begun; and

WHEREAS, no protests were filed by any "affected entities" or other jurisdictions within the 30-day protest period and the petition was considered accepted on May 11, 2005; and

WHEREAS, the City Council established the Park City Heights Annexation Task Force (Resolution No. 13-06) on May 4, 2006, for purposes of formulating specific recommendations to the Planning Commission and City Council relating to the annexation's proposed zoning, density, land uses, affordable housing, transportation, and community economic/fiscal impacts; and

WHEREAS, the Task Force, on July 10, 2007, forwarded a unanimous positive recommendation to the Planning Commission to, among other things, zone the annexation area Community Transition (CT) and recommend a conceptual site layout; and

WHEREAS, the Planning Commission, after proper notice, conducted a public hearing on February 27, 2008. The public hearing was continued to March 26, 2008, where additional input was received; and

WHEREAS, on April 9, 2008, the Planning Commission conducted a public hearing and voted to forward to City Council a recommendation on the proposed annexation and also recommended that the property be zoned Community Transition (CT); and

WHEREAS, on April 24; May 22; June 5, 19, and 17; July 17; August 28; September 11 and 18; October 16, and December 18, 2008 the City Council conducted public hearings and discussed the annexation proposal; and

WHEREAS, on April 30, 2009, the City Council further discussed outstanding issues regarding conceptual site planning, density, affordable housing, and infrastructure cost sharing.

WHEREAS, on May 6, 2009, the property was re-posted and properly noticed for a public hearing on May 21, 2009, and the City Council conducted the public hearing and continued the hearing to June 4, 2009. Additional public hearings were held on June 25, July 9 and 30, August 20, September 3, and October 8, 2009, when the item was continued to a date uncertain.

WHEREAS, on May 12, 2010, the property was re-posted and properly noticed for a public hearing on May 27, 2010.

WHEREAS, on May 27, 2010, the City Council conducted a public hearing and took public testimony on the matter, as required by law; and

WHEREAS, the Council finds that the requested Community Transition (CT) zoning, is consistent with the Park City General Plan and Quinn's Junction Joint Planning Principles; and

WHEREAS, the requested CT zoning allows for residential density of up to one unit per acre subject to compliance with 1) Master Planned Development (MPD) requirements described in Section 15-6 of the Land Management Code (LMC) and 2) CT-MPD requirements described in Section 15-2.23-4 of the LMC; and

WHEREAS, an application for a Master Planned Development (the "Proposed MPD") on 239.58 acres of the annexation Property was submitted with the complete annexation petition; and

WHEREAS, an Annexation Agreement, between the City and Petitioner pursuant to the Land Management Code, Section 15-8-5 (C), setting forth further terms and conditions of the Annexation and Master Planned Development, including a Water Agreement, is herein included as Exhibit D;

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

SECTION 1. ANNEXATION APPROVAL. The Property is hereby annexed into the corporate limits of Park City, Utah according to the Annexation Plat executed in substantially the same form as is attached hereto as Exhibit A and according to the Findings of Fact, Conclusions of Law, and Conditions of Approval as stated below.

The Property so annexed shall enjoy the privileges of Park City as described in the Annexation Agreement attached as Exhibit D and shall be subject to all City levies and assessments as described in the terms of the Annexation Agreement.

The Property shall be subject to all City laws, rules and regulations upon the effective date of this Ordinance.

SECTION 2. ANNEXATION AGREEMENT. Council hereby authorizes the Mayor to execute the Annexation Agreement in substantially the same form as is attached hereto as Exhibit D and as approved by the City Attorney. The Annexation Agreement shall include an executed Water Agreement (as an attachment) between the City and Applicant to be recorded concurrently with the Annexation Agreement.

SECTION 3. COMPLIANCE WITH STATE LAW, GENERAL PLAN, AND ANNEXATION POLICY PLAN. This annexation meets the standards for annexation set forth in Title 10, Chapter 2 of the Utah Code, the Park City General Plan, and The Annexation Policy Plan - Land Management Code Chapter 8, Annexation. The CT zoning designation is consistent with the Park City General Plan and Annexation Policy Plan.

SECTION 4. OFFICIAL PARK CITY ZONING MAP AMENDMENT. The Official Park City Zoning Map is hereby amended to include said Property in the CT zoning district, as shown in Exhibit C.

SECTION 5. FINDINGS OF FACT, CONCLUSIONS OF LAW, AND CONDITIONS OF APPROVAL.

Findings of Fact

1. The property is subject to the Employee/Affordable Housing requirements of the Affordable Housing Guidelines and Standards Resolution 17-99. One Affordable Unit Equivalent equals 800 square feet.
2. Land uses proposed in the Proposed MPD include market rate residential units, affordable units, and required affordable housing units, as described in the Annexation Agreement. It is anticipated that the Petitioner will submit a revised MPD application to the Planning Commission for review and final action. Other support uses, as approved by the Planning Commission during the Master Planned Development review, consistent with the CT zone and Land Management Code, may be allowed. Final configuration and integration of the market rate and affordable units will be determined at the time of MPD review.
3. The proposed land uses are consistent with the purpose statement of the CT zone and shall be presented in the revised MPD as a clustered development preserving the natural setting and scenic entry corridor by providing significant open space and landscape

buffers between the development and highway corridor.

4. The revised MPD, when approved, shall substantially comply with the Annexation Agreement.
5. Parcel SS-92, a 24 acre parcel within the annexation area, is donated to the City for open space, public recreation and utility uses.
6. The annexation complies with the Quinn's Junction Joint Planning Principles in that the proposal results in significant public benefits due to the inclusion of a significant amount of affordable housing in a residential community with a range of housing types, and the proposed affordable housing relates to Park City's recreation and tourism industry.
7. The recitals above and findings of the Technical Committee dated July 10, 2007, are incorporated herein.
8. The requirement for 44.78 Affordable Unit Equivalents (AUEs) associated with the IHC Hospital, as described in the Intermountain Healthcare/USSA/Burbidge Annexation Agreement, will be transferred to and satisfied by the construction of said AUEs within the Property.

Conclusions of Law

1. The Annexation and Zoning Map amendment are consistent with the Park City Land Management Code and General Plan.
2. Approval of the Annexation and Zoning Map amendment does not adversely affect the health, safety, and welfare of the citizens of Park City.

Conditions of Approval

1. The Official Zoning Map shall be amended to include the Park City Heights Annexation property in the Community Transition (CT) Zoning District.
2. The Annexation Agreement shall be fully executed and recorded with the Annexation Plat.
3. The affordable housing density transferred from the IHC parcel is hereby permanently removed from within the IHC MPD and no affordable density shall be allowed on City-owned 5 acre parcel known as Lot 4 of the Subdivision Plat (Second Amended) for the Intermountain Healthcare Park City Medical Campus/USSA Headquarters and Training Facility.

SECTION 6. EFFECTIVE DATE. This Ordinance shall take effect upon publication of this Ordinance, recordation of the Annexation Plat and Annexation Agreement, and compliance with state annexation filing requirements, pursuant to the Utah Code Annotated Section 10-2-425.

PASSED AND ADOPTED this ___day of _______, 2010.

Exhibits to the Ordinance
Exhibit A- Annexation plat
Exhibit B- Legal Description
Exhibit C- Amended Zoning Map
Exhibit D- Annexation Agreement (Water Agreement included)
Exhibit E- Conceptual site plans (November 2009, May 2010)
Exhibit F- Water Line options

City Council
Staff Report

Subject: Park City Heights Annexation
Author: Kirsten A. Whetstone, AICP
Date: May 27, 2010
Type of Item: Legislative

PARK CITY 1884

PLANNING DEPARTMENT

Summary Recommendation
Staff recommends the City Council review the Park City Heights annexation and zoning request, conduct a public hearing, and consider approving the Annexation and Water Agreements. Staff recommends the Council consider adopting an Ordinance approving the annexation of 286.64 acres and zoning the property Community Transition (CT).

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- Review and consider approving the Annexation Agreement and associated Water Agreement.
- Adopt a final Park City Heights Annexation Ordinance annexing the property into Park City.
- Approve an amendment to the Official Park City zoning map zoning the property Community Transition (CT)

Description

Project Name:	Park City Heights Annexation
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Background

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<u>City Council meeting on May 20th</u>

On May 20th, the City Council was provided a brief update as to the progress of the annexation application.

Analysis

<u>Density</u>

The revised concept plan includes a reduction from a maximum of 200 to 160 Market Rate units (with a mix of lot sizes from 6,000 sf to10, 000 sf) and 79 Affordable units (with a mix of stacked condos, townhouses, and single family detached houses) for a total of 239 dwelling units. The Affordable units include 19 Affordable Unit Equivalents (AUEs) proposed to be transferred from IHC Lot 4. The total density ratio is 1 unit per acre, consistent with the proposed CT zone (for the 239 developable acres). If the 46 required affordable housing units (IHC and PC Heights obligations) are excluded from the density calculations, the net density ratio is 0.81 units per acre (193 units per 239 acres). The affordable units are proposed as a mix of multi-family and single family detached units, with an overall increase in the size of these units from 97,500 sf to 114,550 sf. The proposed market rate density reflects a 20% decrease in the number of units.

Conceptual Site Plan

The concept site plan has been revised to better address Planning Commission recommendations for greater integration of the affordable and market units, more clustering of units, enhancing backyards adjacent to open space, locating units 60' to 70' lower down the slope, and enhancing the neighborhood entry. Visual impacts are further minimized by moving development off of the ridge area closest to the rail trail. A winter tubing hill amenity is indicated on a portion of the interior neighborhood open space. Trail locations and connections are identified as well. A final site plan will be an element of the Master Planned Development.

The Annexation Agreement

The Annexation Agreement and Ordinance are intended to specifically address the Council's direction on the Park City Heights annexation, pertaining to affordable housing, residential density, trails, transportation improvements, and sustainable design to include water conservation, in addition to the usual subjects of annexation agreements and ordinances. This direction would be taken into consideration by the Planning Commission during review of a subsequent Master Planned Development for the property.

The Water Agreement and Phasing

The water agreement limits initial water delivery to the project by capping the number of initial UE that may be occupied until the Quinn's water treatment plant is completed. Phase I is limited to a maximum of 180,000 sf of residential development and shall not exceed 90 UEs or 90,000 gallons of water per day of demand.

Subsequent development is phased to provide time for the City to construct a water treatment plant capable of increasing the City's water source capacity by a minimum of 1,500 gallons per minute (gpm). The City anticipates the water treatment plant will be operational and capable of increasing the City's water source capacity by a minimum of 1,500 gpm on or before October 14, 2011. The agreement limits issuance of temporary or permanent certificates of occupancy to any development beyond Phase I to the date on which the water treatment plant is operational as stated.

Other notable elements of the water agreement include:

- Location and construction of a culinary water tank and culinary water distribution lines.
- Provision of rights of way for potential future City-owned water infrastructure including an additional raw water tank.
- Cost sharing of water systems and infrastructure.

Two options have been identified to connect future development to the City's water system (see Exhibit F). Option A includes a connection to the finished water line that will run from the water treatment plant to the Boot Hill pressure zone in Wyatt Earp Way that will be installed as a part of the Rail Trail Water Lines Project during the summer and fall of 2010. This connection would be located south of the Rail Trail and Silver Creek. Option A would serve phase I only and would require the installation of a water line from the water treatment plant to the connection south of the Rail Trail and Silver Creek for subsequent phases. This option is cheaper in the short term but will result in a second project that will cross the Rail Trail and Silver Creek resulting in higher costs and impact to the environment and the public. Option B includes installing a water line from the water treatment plant to a location south of the Rail Trail and Silver Creek in conjunction with the construction of the Rail Trail Water Lines Project during the summer and fall of 2010. Phase I of PCH would involve extending this line to the PCH distribution system. Subsequent PCH phases would involve extending it further. This option is more economical in the long term and would have less impact to the environment and the public as it would cross Silver Creek and the Rail Trail with another project. Staff recommends Option B and the Annexation Petitioners concur with this Option due to cost savings over the long term. The cost in Option B for installing a water line in conjunction with the Rail Trail Water Lines Project is an estimate and is a bid alternate in the Rail Trail Water Lines Project. Therefore, we will have an exact number for this after we open bids on June 23, 2010.

<u>Phasing</u>
Phase I is anticipated to include the IHC required affordable units and other affordable and market units that can be accommodated with the existing water infrastructure. Construction of the upsized water tank would not occur with this phase and infrastructure would be limited to that necessary to provide service to the phase I units. Anticipated timeframe is for the construction phase for Phase I to begin Spring 2011.

Phase II will be timed to market demand. The owners have confirmed that they would not proceed with bonding and/or installation of infrastructure without documentation of market feasibility and preliminary developer interest in the property. Given current economic climate it is likely that infrastructure for the bulk of Park City Heights would occur in 2012. These issues will be addressed in greater detail in the co-tenancy agreement, which is expected to come separately to Council within 30 days.

<u>Department Review</u>
The annexation application has been reviewed by the City's Planning, Engineering, Building, and Legal Departments.

Process
Annexations require Planning Commission recommendation and City Council adoption and become pending upon publication of ordinance and compliance with state code as. City Council action may be appealed to a court of competent jurisdiction per LMC Section 15-1-18.

If the annexation is approved with the proposed Community Transition (CT) zoning designation, then the concept plan will become the basis for a revised Master Planned Development application. Master Planned Developments require a public hearing and final action by the Planning Commission. A development agreement is required before any development work can begin.

A subdivision plat, to create legal lots of record, dedicate streets and easements, and identify open space parcels, trails, common areas, etc. is a requirement prior to site work and building permits. Subdivision plats are reviewed by the Planning Commission with final approval by the City Council.

Notice

Notice was published in the Park Record and posted according to requirements of the Land Management Code.

Public Input

Public input was received at public hearings conducted in 2008 and 2009, and reflected in previous meeting minutes. Public input has consistently requested that no through streets be permitted connecting the Park City Heights property to the Hidden Oaks/upper Deer Valley neighborhoods. Staff received an email from a resident in Solamere indicating that he had no objections to the annexation however, requests assurance that there will “never be direct access from this or any other development through the Oaks and thus Solamere.”

Alternatives

- The Council may approved the annexation by adopting the Ordinance and approving the Annexation and Water Agreements, as proposed, or as amended.
- The Council may deny the annexation and provide direction for staff to provide findings for this decision.
- The Council may continue action on the annexation to a date certain.

Significant Impacts

As part of the annexation application a financial impact report was submitted and reviewed the Planning Commission and City Council at previous meetings. The most significant Impacts include dedication of open space, the opportunity to plan and develop affordable housing within the Park City limits, and development of the property under the Park City Land Management Code regulations.

Consequences of not taking the Suggested Recommendation

The Park City Heights property would remain within the Summit County’s zoning jurisdiction. Development proposals for parcels within property would be reviewed and approved or denied by the Summit County Council.

Summary Recommendation

Staff recommends the City Council review the Park City Heights annexation and zoning request, conduct a public hearing, and consider approving the Annexation and Water Agreements. Staff recommends the Council consider adopting an Ordinance approving the annexation of 286.64 acres and zoning the property Community Transition (CT) according to the findings of fact and conclusions of law as stated in the attached Annexation Ordinance.

Ordinance 10-

AN ORDINANCE ANNEXING APPROXIMATELY 286.64 ACRES OF PROPERTY LOCATED AT THE SOUTHWEST CORNER OF THE SR248 AND US40 INTERCHANGE IN THE QUINN'S JUNCTION AREA, KNOWN AS THE PARK CITY HEIGHTS ANNEXATION, INTO THE CORPORATE LIMITS OF PARK CITY, UTAH, AND APPROVING AN ANNEXATION AGREEMENT AND A WATER AGREEMENT, AND AMENDING THE OFFICIAL ZONING MAP OF PARK CITY TO ZONE THE PROPERTY COMMUNITY TRANSITION (CT)

WHEREAS, on January 28, 2005, the majority property owner of the property known as the Park City Heights Annexation, as shown on the attached Annexation Plat (Exhibit A, the "Property"), petitioned the City Council for approval of an annexation into the Park City limits; and

WHEREAS, the Property is approximately 286.64 acres in size and is located southwest of the intersection of State Road 248 and US-40 as described in the attached Legal Description (Exhibit B); and

WHEREAS, the Property is included within the Park City Annexation Expansion Area, and is not included within any other municipal jurisdiction; and

WHEREAS, on February 16, 2005, additional information was included in the annexation submittal and the submittal was deemed complete; and

WHEREAS, the Park City Council accepted the Park City Heights petition for annexation on March 10, 2005; and

WHEREAS, the City reviewed the petition against the criteria stated in Sections 10-2-403 (2), (3), and (4) of the Utah Code, annotated 1953 as amended, and found the petition complied with all applicable criteria of the Utah Code; and

WHEREAS, On April 8, 2005, the City Recorder certified the annexation petition and delivered notice letters to the "affected entities" required by Utah Code, Section 10-2-405, giving notice that the petition had been certified and the required 30-day protest period had begun; and

WHEREAS, no protests were filed by any "affected entities" or other jurisdictions within the 30-day protest period and the petition was considered accepted on May 11, 2005; and

WHEREAS, the City Council established the Park City Heights Annexation Task Force (Resolution No. 13-06) on May 4, 2006, for purposes of formulating specific recommendations to the Planning Commission and City Council relating to the annexation's proposed zoning, density, land uses, affordable housing, transportation, and community economic/fiscal impacts; and

WHEREAS, the Task Force, on July 10, 2007, forwarded a unanimous positive recommendation to the Planning Commission to, among other things, zone the annexation area Community Transition (CT) and recommend a conceptual site layout; and

WHEREAS, the Planning Commission, after proper notice, conducted a public hearing on February 27, 2008. The public hearing was continued to March 26, 2008, where additional input was received; and

WHEREAS, on April 9, 2008, the Planning Commission conducted a public hearing and voted to forward to City Council a recommendation on the proposed annexation and also recommended that the property be zoned Community Transition (CT); and

WHEREAS, on April 24; May 22; June 5, 19, and 17; July 17; August 28; September 11 and 18; October 16, and December 18, 2008 the City Council conducted public hearings and discussed the annexation proposal; and

WHEREAS, on April 30, 2009, the City Council further discussed outstanding issues regarding conceptual site planning, density, affordable housing, and infrastructure cost sharing.

WHEREAS, on May 6, 2009, the property was re-posted and properly noticed for a public hearing on May 21, 2009, and the City Council conducted the public hearing and continued the hearing to June 4, 2009. Additional public hearings were held on June 25, July 9 and 30, August 20, September 3, and October 8, 2009, when the item was continued to a date uncertain.

WHEREAS, on May 12, 2010, the property was re-posted and properly noticed for a public hearing on May 27, 2010.

WHEREAS, on May 27, 2010, the City Council conducted a public hearing and took public testimony on the matter, as required by law; and

WHEREAS, the Council finds that the requested Community Transition (CT) zoning, is consistent with the Park City General Plan and Quinn's Junction Joint Planning Principles; and

WHEREAS, the requested CT zoning allows for residential density of up to one unit per acre subject to compliance with 1) Master Planned Development (MPD) requirements described in Section 15-6 of the Land Management Code (LMC) and 2) CT-MPD requirements described in Section 15-2.23-4 of the LMC; and

WHEREAS, an application for a Master Planned Development (the "Proposed MPD") on 239.58 acres of the annexation Property was submitted with the complete annexation petition; and

WHEREAS, an Annexation Agreement, between the City and Petitioner pursuant to the Land Management Code, Section 15-8-5 (C), setting forth further terms and conditions of the Annexation and Master Planned Development, including a Water Agreement, is herein included as Exhibit D;

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

SECTION 1. ANNEXATION APPROVAL. The Property is hereby annexed into the corporate limits of Park City, Utah according to the Annexation Plat executed in substantially the same form as is attached hereto as Exhibit A and according to the Findings of Fact, Conclusions of Law, and Conditions of Approval as stated below.

The Property so annexed shall enjoy the privileges of Park City as described in the Annexation Agreement attached as Exhibit D and shall be subject to all City levies and assessments as described in the terms of the Annexation Agreement.

The Property shall be subject to all City laws, rules and regulations upon the effective date of this Ordinance.

SECTION 2. ANNEXATION AGREEMENT. Council hereby authorizes the Mayor to execute the Annexation Agreement in substantially the same form as is attached hereto as Exhibit D and as approved by the City Attorney. The Annexation Agreement shall include an executed Water Agreement (as an attachment) between the City and Applicant to be recorded concurrently with the Annexation Agreement.

SECTION 3. COMPLIANCE WITH STATE LAW, GENERAL PLAN, AND ANNEXATION POLICY PLAN. This annexation meets the standards for annexation set forth in Title 10, Chapter 2 of the Utah Code, the Park City General Plan, and The Annexation Policy Plan - Land Management Code Chapter 8, Annexation. The CT zoning designation is consistent with the Park City General Plan and Annexation Policy Plan.

SECTION 4. OFFICIAL PARK CITY ZONING MAP AMENDMENT. The Official Park City Zoning Map is hereby amended to include said Property in the CT zoning district, as shown in Exhibit C.

SECTION 5. FINDINGS OF FACT, CONCLUSIONS OF LAW, AND CONDITIONS OF APPROVAL.

Findings of Fact

1. The property is subject to the Employee/Affordable Housing requirements of the Affordable Housing Guidelines and Standards Resolution 17-99. One Affordable Unit Equivalent equals 800 square feet.
2. Land uses proposed in the Proposed MPD include market rate residential units, affordable units, and required affordable housing units, as described in the Annexation Agreement. It is anticipated that the Petitioner will submit a revised MPD application to the Planning Commission for review and final action. Other support uses, as approved by the Planning Commission during the Master Planned Development review, consistent with the CT zone and Land Management Code, may be allowed. Final configuration and integration of the market rate and affordable units will be determined at the time of MPD review.
3. The proposed land uses are consistent with the purpose statement of the CT zone and shall be presented in the revised MPD as a clustered development preserving the natural setting and scenic entry corridor by providing significant open space and landscape

buffers between the development and highway corridor.

4. The revised MPD, when approved, shall substantially comply with the Annexation Agreement.
5. Parcel SS-92, a 24 acre parcel within the annexation area, is donated to the City for open space, public recreation and utility uses.
6. The annexation complies with the Quinn's Junction Joint Planning Principles in that the proposal results in significant public benefits due to the inclusion of a significant amount of affordable housing in a residential community with a range of housing types, and the proposed affordable housing relates to Park City's recreation and tourism industry.
7. The recitals above and findings of the Technical Committee dated July 10, 2007, are incorporated herein.
8. The requirement for 44.78 Affordable Unit Equivalents (AUEs) associated with the IHC Hospital, as described in the Intermountain Healthcare/USSA/Burbidge Annexation Agreement, will be transferred to and satisfied by the construction of said AUEs within the Property.

<u>Conclusions of Law</u>

1. The Annexation and Zoning Map amendment are consistent with the Park City Land Management Code and General Plan.
2. Approval of the Annexation and Zoning Map amendment does not adversely affect the health, safety, and welfare of the citizens of Park City.

<u>Conditions of Approval</u>

1. The Official Zoning Map shall be amended to include the Park City Heights Annexation property in the Community Transition (CT) Zoning District.
2. The Annexation Agreement shall be fully executed and recorded with the Annexation Plat.
3. The affordable housing density transferred from the IHC parcel is hereby permanently removed from within the IHC MPD and no affordable density shall be allowed on City-owned 5 acre parcel known as Lot 4 of the Subdivision Plat (Second Amended) for the Intermountain Healthcare Park City Medical Campus/USSA Headquarters and Training Facility.

<u>SECTION 6. EFFECTIVE DATE.</u> This Ordinance shall take effect upon publication of this Ordinance, recordation of the Annexation Plat and Annexation Agreement, and compliance with state annexation filing requirements, pursuant to the Utah Code Annotated Section 10-2-425.

PASSED AND ADOPTED this ___day of _______, 2010.

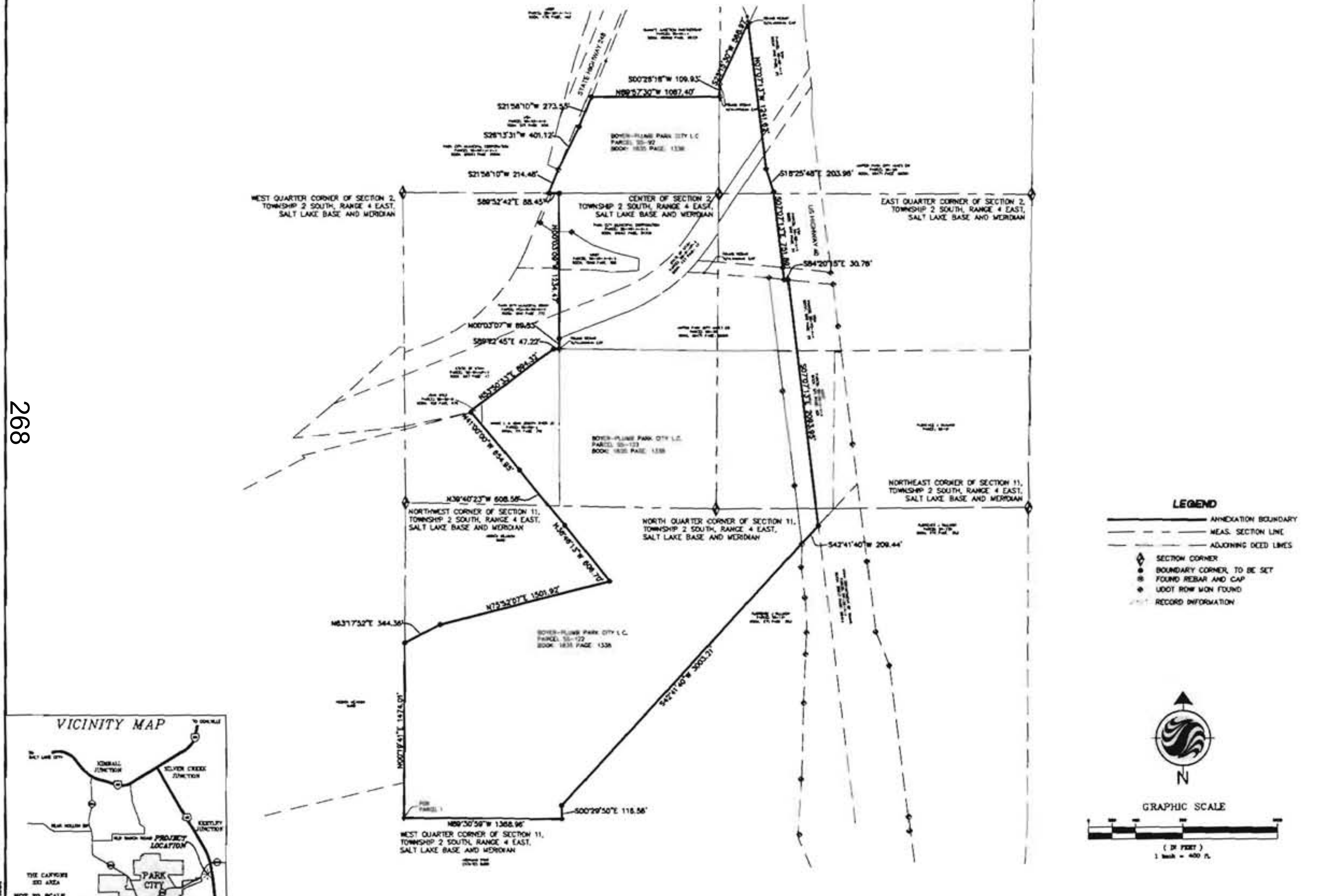
Exhibits to the Ordinance
Exhibit A- Annexation plat
Exhibit B- Legal Description
Exhibit C- Amended Zoning Map
Exhibit D- Annexation Agreement (Water Agreement included)
Exhibit E- Conceptual site plans (November 2009, May 2010)
Exhibit F- Water Line options

Exhibit A

ANNEXATION PLAT

AN ANNEXATION TO PARK CITY, SUMMIT COUNTY, UTAH

LOCATED IN A PART OF SECTION 2 AND 11,
TOWNSHIP 2 SOUTH, RANGE 4 EAST, SALT LAKE BASE & MERIDIAN
SUMMIT COUNTY, UTAH



SURVEYOR'S CERTIFICATE

I, Tyler E. Jenkins, do hereby certify that I am a Professional Land Surveyor, and that I hold Certificate No. 4938730 as prescribed under the laws of the State of Utah. I further certify that by authority of the Owners, I have made a survey of the tract of land shown on this plat and described below, and have subdivided said tract of land into lots and streets, hereafter to be known as

ANNEXATION PLAT

and that same has been surveyed and staked on the ground as shown on this plat.

BOUNDARY DESCRIPTION

LEGAL DESCRIPTION
Beginning at the West Quarter Corner of Section 11, Township 2 South, Range 4 East, Salt Lake Base and Meridian, and running thence along the west line of Section 11, North 00°19'41" East 1474.01 feet to the Hidden Meadow Subdivision Boundary; thence along said boundary the following five (5) courses: 1) North 63°17'52" East 344.36 feet; 2) North 75°52'07" East 1,501.92 feet; 3) North 38°48'13" West 606.70 feet; 4) North 39°40'23" West 608.58 feet; 5) North 41°00'00" West 654.95 feet; thence North 53°50'33" East 894.32 feet; thence South 89°22'45" East 47.22 feet; thence North 00°03'07" West 89.53 feet; thence North 00°03'09" West 1,234.47 feet; thence North 89°52'42" West 88.45 feet; thence North 21°58'10" East 214.48 feet; thence North 28°13'31" East 401.12 feet; thence North 21°58'10" East 273.53 feet; thence South 89°57'30" East 1,087.40 feet; thence North 00°28'18" East 109.93 feet; thence North 25°15'30" East 568.97 feet; thence South 07°07'13" East 1,241.82 feet; thence South 18°25'48" East 203.96 feet; thence South 07°07'13" East 751.89 feet; thence South 84°20'15" East 30.78 feet; thence South 07°07'13" East 2,093.95 feet; thence South 42°41'40" West 209.44 feet; thence continue along said line South 42°41'40" West 3,003.21 feet; thence South 00°29'50" East 118.58 feet; thence North 89°30'59" West 1,368.96 feet to the POINT OF BEGINNING.
Containing 286.64 acres, more or less.

Date ______ TYLER E. JENKINS PLS No. 4938730

ANNEXATION PLAT

LOCATED IN A PART OF SECTION 2 AND 30,
TOWNSHIP 2 SOUTH, RANGE 4 EAST, SALT LAKE BASE & MERIDIAN
SUMMIT COUNTY, UTAH

Stantec Consulting Inc.
3995 S 700 E Ste. 300
Salt Lake City, UT
84107-2540
Tel. 801.261.0090
Fax. 801.266.1671

Project Number	PM
186301827	TEJ
Filename	
01827v-sp	
Designed By	Drawn By
BAL	BAL
Checked By	Date
TEJ	08/30/07

No.	Revisions	By	Date

PLANNING COMMISSION
APPROVED BY THE PARK CITY PLANNING COMMISSION THIS___ DAY OF________ A.D. 20___
CHAIRPERSON

CERTIFICATE OF ATTEST
I CERTIFY THIS RECORD OF SURVEY MAP WAS APPROVED BY PARK CITY COUNCIL THIS___ DAY OF________ A.D. 20___
SUMMIT COUNTY ASSESSOR

ENGINEER CERTIFICATE
I, ________ PARK CITY ENGINEER HEREBY CERTIFY THAT THIS PLAT HAS BEEN EXAMINED BY THIS OFFICE AND IT IS CORRECT IN ACCORDANCE WITH INFORMATION ON FILE IN THIS OFFICE.
DATE PARK CITY ENGINEER

APPROVAL AS TO FORM
APPROVED AS TO FORM THIS______ DAY OF________ A.D. 20___
PARK CITY ATTORNEY

COUNCIL APPROVAL AND ACCEPTANCE
APPROVAL AND ACCEPTANCE BY THE PARK CITY COUNCIL THIS___ DAY OF________ A.D. 20___
MAYOR

RECORDED #
STATE OF UTAH, COUNTY OF SUMMIT, RECORDED AND FILED AT THE REQUEST OF ______
DATE ______ TIME ______ BOOK: ______ PAGE: ______
FEES COUNTY RECORDER

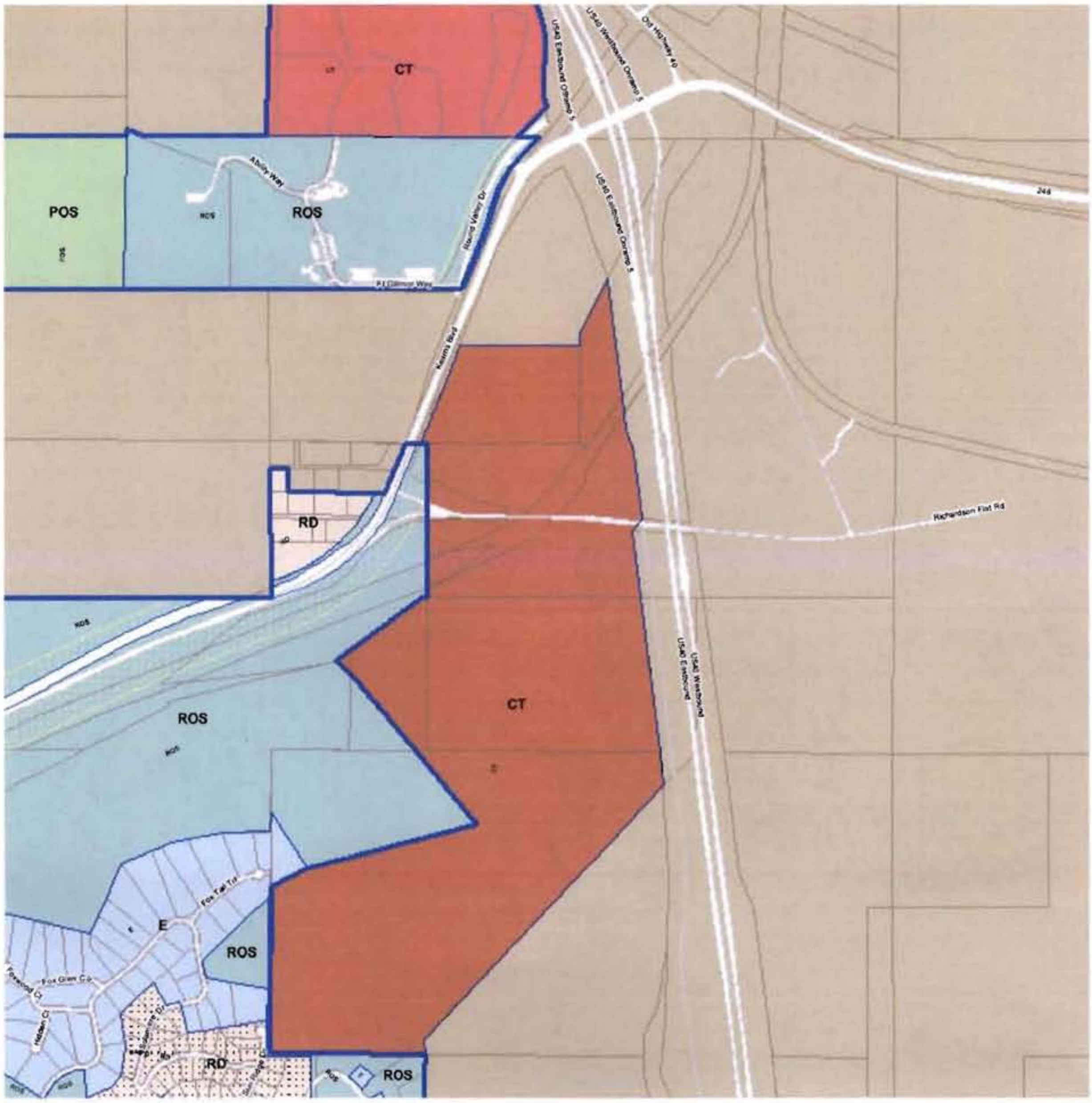
EXHIBIT B

LEGAL DESCRIPTION

Beginning at the West Quarter Corner of Section 11, Township 2 South, Range 4 East, Salt Lake Base and Meridian, and running thence along the west line of Section 11, North 00°19'41" East 1474.01 feet to the Hidden Meadow Subdivision Boundary; thence along said boundary the following five (5) courses: 1) North 63°17'52" East 344.36 feet; 2) North 75°52'07" East 1,501.92 feet; 3) North 38°46'13" West 606.70 feet; 4) North 39°40'23" West 608.58 feet; 5) North 41°00'00" West 654.95 feet; thence North 53°50'33" East 894.32 feet; thence South 89°22'45" East 47.22 feet; thence North 00°03'07" West 89.53 feet; thence North 00°03'09" West 1,234.47 feet; thence North 89°52'42" West 88.45 feet; thence North 21°56'10" East 214.48 feet; thence North 26°13'31" East 401.12 feet; thence North 21°56'10" East 273.53 feet; thence South 89°57'30" East 1,087.40 feet; thence North 00°26'18" East 109.93 feet; thence North 25°15'30" East 568.97 feet; thence South 07°07'13" East 1,241.62 feet; thence South 18°25'48" East 203.96 feet; thence South 07°07'13" East 751.89 feet; thence South 84°20'15" East 30.76 feet; thence South 07°07'13" East 2,093.95 feet; thence South 42°41'40" West 209.44 feet; thence continue along said line South 42°41'40" West 3,003.21 feet; thence South 00°29'50" East 116.56 feet; thence North 89°30'59" West 1,368.96 feet to the POINT OF BEGINNING.

Containing 286.64 acres, more or less.

Exhibit C



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

ANNEXATION AGREEMENT

~~This Annexation Agreement~~THIS ANNEXATION AGREEMENT (this "**Agreement**") is made by and between Park City Municipal Corporation (hereinafter, "**Park City**" or the "**City**") and Boyer Park City Junction, L.C. , a Utah liability company (hereinafter, "**Boyer**" or "**Petitioner**") to set forth the terms and conditions under which Park City will annex certain land owned by Petitioner, consisting of approximately 286.64 acres (which includes land owned by other landowners, as set forth in the next paragraph) and located in unincorporated Summit County, Utah, at the southwest corner of State Route 248 and Highway 40 (as further defined below, the "Petitioner's Property"), and known as Park City Heights Annexation, into the corporate limits of Park City and extend municipal services to the Property. The City and Boyer are sometimes collectively referred to in this Agreement as the "Parties" or individually as a "Party". This Agreement is made under authority of §§ 10-2-401 et. seq. of the Utah Code, Annotated 1953, as amended "**MLUDMA**").

WHEREAS, included in the 286.64 acre annexation Property are the following parcels: parcel 1- M. Bayer/J. Bayer (SS-89-A); parcel 2- Boyer (SS-122); parcels 3, 7, and 8- United Park City Mines (UPCM)/Talisker (SS-88); parcel 4- Utah Department of Transportation (UDOT) (SS-92-A-2-X); parcel 5- Park City Municipal Corporation (PCMC) (SS-92-A-X-X); and parcel 6- Boyer (SS-92). The annexation Property also includes the right-of-way of Old Dump Road through the Property and the State of Utah Parks and Recreation Rail Trail right-of-way through the Property.

WHEREAS, in furtherance of the foregoing, the Petitioner desires to annex the Property into the corporate limits of the City and, to that end, an annexation petition (the "**Annexation Petition**") for the Property was filed with the City on January 28, 2005. Additional information was included in the annexation petition and on February 16, 2005, the City deemed the application complete. The petition was accepted by the City on March 10, 2005.

WHEREAS, in connection with any such annexation (the "**Annexation**"), the Property is proposed to be zoned Community Transition **("CT Zone")**, a City zoning district that allows for low density, clustered development as part of a Master Planned Development as more fully described in the City's Land Management Code. The zoning district allows uses including, but not limited to, public/quasi-public institutional uses, public recreation uses, affordable/employee housing, residential, and open space land uses on the Property.

NOW, THEREFORE, in furtherance of the Annexation Petition, in consideration of Park City's agreement to annex Petitioner's property and in consideration of the mutual promises contained herein, as well as the mutual benefits to be derived here from, the Parties agree that the terms and conditions of Annexation shall be as follows:

1. **Property.** The property to be annexed is approximately 286.64 acres in size, as depicted on the annexation plat attached as Exhibit A (the "**Annexation Plat**") and as more fully described in the legal description attached as Exhibit B (hereafter referred to as the "**Property**").

2. **Zoning.** Upon Annexation, the Petitioner's Property will be zoned Community Transition District (CT). ~~– Master Planned Development ("**CT-MPD**"). **[All remaining property shall be zoned Community Transition District ("CT").]**~~

3. **Master Plan Approval; Phasing.** Pursuant to Land Management Code Section 15-8-3 (D), on July 5, 2007, a complete revised application for a Master Planned Development on 239.58 acres of the Property (as submitted, the "**MPD**") was filed with the City. Annexation parcels 1, 4, 5 as described above are not included in the MPD. The Petitioner plans to submit a revised MPD application. The allowable residential density of the MPD project area is 200 units. This maximum density does not include the approved affordable housing units ("**AUEs**") as specified in Paragraph 10 below. Additional units may be authorized pursuant to the MPD review process, up to the maximum residential bonus density allowed by Section 15-2.23-4(A) of the LMC. This Agreement does not represent approval or vesting of the submitted MPD or any subsequent MPD proposal. Rather, the MPD and the land use development of the Property shall be governed by the zoning designations provided herein and, shall be finalized (and, as necessary, amended) as soon as reasonably practicable following completion of the Annexation process pursuant to Utah Code Annotated § 10-2-425(5) (the "**Final MPD**"). Moreover, any substantive amendments to the MPD or this Agreement shall be processed in accordance with the Park City Land Management Code in effect at the time. Further, as part of the Final MPD and subdivision approval process, the phasing of the development of the Property shall be determined, to ensure the adequacy of public facilities that may be required to support any such development.

4. **Trails.** A condition precedent to subdivision approvals for the Property is the grant to the City of non-exclusive, public easements across the Petitioner's Property, and the construction of non-vehicular pedestrian trails as determined by the Planning Commission during the Final MPD and Subdivision Plat review process (collectively, the "**Trails**"). In any event, the trail easements shall include, but are not limited to, existing trails and those easements necessary to extend and/or relocate existing non-vehicular pedestrian trails to connect to other public trail easements existing or planned for the future on adjacent developed or undeveloped properties. Any obligations with respect to the construction of any such trails shall be governed by the terms and conditions of the Final MPD for the Property.

5. **Fire Prevention Measures.** Because of significant wild land interface issues on the Property, the Petitioner (or, as specified in connection with any such assignment, its assigns) agrees to implement a fire protection and emergency access plan, to be submitted prior to the issuance of any building permits, and to be reviewed and approved by the Fire Marshall and Chief Building Official for compliance with applicable building and fire codes.

6. **Roads and Road Design**. All streets and roads within and to the Property, which are to be dedicated to the City, shall be designed according to the City's road design standards or retained as private roads. The roads in the affordable housing area are anticipated to be public and shall be granted, conveyed and/or dedicated to the City for purposes of a public thoroughfare and, upon acceptance

thereof by the City, the maintenance and repair thereof shall be by the City. Unless bond funds are used in connection with the construction of the roads in the market rate housing area, such portion of the roads shall remain private and maintenance and repair of all such streets and roads shall remain with the Petitioner (or its assigns) including any Owner's Association, until such time as any such streets and roads shall be accepted by Park City pursuant to the City's applicable ordinances governing any such dedication (the "**Subdivision Ordinance**"). All roadways within the Property and subject to the Subdivision Ordinance (the "**Subdivision**") shall be not less than thirty (30) feet wide, back of curb to back of curb. The final determination of which roadways, or portions thereof, are to be publicly dedicated shall be made during the Subdivision Plat review process; provided that the terms and conditions of grading and constructing roadway access across any City property shall be agreed to as part of any Development Agreement approval process.

Sidewalks shall be included within the dedicated non-pavement right-of-way of all roads unless an alternate location is approved by the Planning Commission. Non-motorized paths separate from the road right-of-way may be preferable and determined by the Planning Commission.

The Development Agreement shall not propose a road or street connection from Park City Heights to The Oaks at Deer Valley Subdivision, Hidden Meadows Subdivision, or to the Morning Star Estates Subdivision. The two proposed single family lots with access onto Sunridge Court shall be restricted at the time of the Final MPD to single family uses, consistent with the uses allowed in the Oaks at Deer Valley Subdivision. These lots may, if approved by the Oaks at Deer Valley Subdivision, be included in the Oaks at Deer Valley HOA at the time of the Final Subdivision Plat approval.

7. **Sanitary Sewer, Line Extensions and Related Matters.** Construction and alignment of the sanitary sewer shall be established as part of the Final MPD and the Final Subdivision Plat for the Property (as accepted by the City and filed in the official real estate records of Summit County, Utah, the "**Subdivision Plat**"). The preferred alignment of the sanitary sewer shall be that alignment which results in the least visual impact and site disturbance while meeting the site design and construction requirements of the Snyderville Basin Water Reclamation District. Further, as part of the Development Agreement, the Petitioner (or, as specified in connection with any such assignment, its assigns) shall enter into a latecomer's agreement to reimburse the City for a portion of its costs in extending sewer facilities adjacent to the Property.

8. **Water Rights and Water Source Capacity.** The 1992 Pre-Annexation and Settlement Agreement conveyed 235.5 acre-feet of water rights to the City for the Park City Heights property and memorialized the fact that development on that property would be treated as if it had dedicated water rights to the City. Accordingly, the LMC Section 15-8-5 (C) (1) requirement to dedicate paper water rights is satisfied by Boyer.

9. **Water Impact Fees and Other Water Facilities and Systems Costs.** Certain water facilities and systems internal to Petitioner's Property shall be required to be constructed and, to the extent to be dedicated to the City, easements therefore granted to the City, all of which shall be determined, and agreed to, by the affected parties and the City during the Final Development Agreement and final Subdivision review process (the "**Water Facilities and Systems**"). Any and all such Water Facilities and Systems shall be constructed to not less than the specifications reasonably required by the City Engineer. A Water Agreement, between the City and the Petitioner substantially in the form

attached hereto as Exhibit D, shall be executed ~~as part of~~pursuant to this Annexation Agreement, to be recorded concurrently.

In connection with the Development Agreement and subdivision approval process, on-site storm runoff detention facilities, or approved alternatives, as approved by the Park City Engineer, may be required. The timing for the construction of such storm run-off improvements shall be determined at the time of final Subdivision Plat and Final Development Agreement approval (the "**Storm Detention Facilities**").

10. **Affordable Housing Requirement**. Affordable/employee housing shall be provided in a manner consistent with the conditions of the Final MPD, with the understanding and agreement of the parties that:

a. The base Employee/Affordable Housing requirement for the ~~Boyer~~ development associated with the Park City Heights Annexation and Final MPD will be determined as defined in the City's Land Management Code and in a manner consistent with Affordable Housing Resolution 17-99 and the CT Zone. This requirement shall be satisfied by the construction of said AUEs within the Property. These AUEs do not count towards the 160 unit maximum residential ~~density for~~ market rate ~~units~~unit density.

b. The requirement for 44.78 Affordable Unit Equivalents (AUE's) associated with the IHC Hospital, as described in the Intermountain Healthcare/USSA/Burbidge Annexation Agreement, will be transferred to and satisfied by the construction of said AUEs within the Property. These AUEs, currently configured in 17.91 Unit Equivalents, do not count towards the 160 unit maximum residential market rate unit density as set forth above.

~~c.~~ **~~[The AUE requirement for development associated with the Montage Hotel under the Amended and Restated Development Agreement for Flagstaff Mountain is 20 AUE's. This requirement, as described in the Amended and Restated Development Agreement, may be satisfied with construction of these AUE's within Property. These AUEs, currently configured in 8 Unit Equivalents, do not count towards the 160 unit maximum residential density for market rate units.~~**

~~d.~~ **~~The Employee/Affordable Housing Phasing Plan of the Flagstaff Mountain Development Agreement further identifies the 20-acre Quinn's Junction parcel that is part of this Annexation Agreement as a potential location for other affordable housing requirements outlined in the Flagstaff Development Agreement. The intent of the Employee/ Affordable Housing Phasing Plan of the Flagstaff Mountain Development Agreement is to first explore and locate as many units as possible on other parcels currently within the City. The remaining units, up to a maximum of 64.175 AUEs, may be located in the Park City Heights Final MPD. These AUEs, currently configured in 25.67 Unit Equivalents, do not count towards the 148 unit maximum residential density above. If additional AUEs are approved on the other parcels within the City, they shall be subtracted from the maximum of 64.175 AUEs, except that: i) for each of the pending 29 AUE currently applied for to be built within the City that is approved, Talisker may build an attainable unit not to exceed~~**

~~**1300 square feet within the Park City Heights MPD; and ii) the 8 AUEs at Prospector Condominiums may be exchanged for AUEs within the Park City Heights MPD. Any additional AUEs or attainable housing must count towards the 148 unit maximum residential density above, unless additional density is approved as part of revised MPD that complies with LMC 15-2.23-1(A)(B)(J) and (K). If attainable units are added, the pricing and restrictions of such units are subject to approval by the City as an amendment to the Employee/Affordable Housing Phasing Plan of the Flagstaff Mountain Development Agreement. [Issue for City response: are subparagraphs (c) and (d) still included?]**~~

c. ~~e.]~~Affordable units shall be made available for occupancy on approximately the same schedule as or prior to a project's market rate units or lots; except that Certificates of Occupancy (temporary or permanent) for the last ten percent of the market units shall be withheld until Certificates of Occupancy have been issued for all of the inclusionary units (subparagraph (a) above). A schedule setting forth the phasing of the total number of market units in the proposed MPD, along with a schedule setting forth the phasing of the required inclusionary units (subparagraph (a) above) shall be approved as part of the Final MPD prior to the issuance of a building permit for either the affordable or market rate units.

11. **Sustainable Development requirements**. All construction within the Final MPD shall utilize sustainable site design, development and building practices and otherwise comply with requirements of the CT Zone. Unless otherwise approved in the final MPD in compliance with the current Environmental/ Sustainability Element of the General Plan, each home in the development must reach a score of 100 on the Build Green Checklist (Exhibit C) ***OR*** reach LEED for Homes Silver Rating (minimum 60 points).

In addition to the builder achieving the aforementioned points on the Build Green or LEED for Homes checklists, to achieve water conservation goals, the builder must either:

- Achieve a minimum of 20 points within section XXXVIII (Resource Conservation: Water of the Build Green Checklist); OR

- Achieve a combined 10 points within the Sustainable Sites: 2. Landscaping and the Water Efficiency sections of LEED for Homes Checklist.

Points achieved in these resource conservation categories will count towards the overall score.

12. **Planning Review Fees.** ~~Boyer~~Owner, as to its development portion of the annexed Property, shall be responsible for all standard and customary, and generally-applicable planning, building, subdivision and construction inspection fees imposed by the City in accordance with the Land Management Code.

13. **Impact and Building Fees.** All property owners within the annexed property shall be responsible for all standard and customary, and generally-applicable, fees, such as development, impact, park and recreation land acquisition, building permit and plan check fees due and payable for

construction on the Property at the time of application for any building permits. In the event that additional inspections of roads and structures are required, based on the Geotechnical report prepared by GHS Geotechnical Consultants, Inc. dated June 9, 2006 and supplemental report dated March, 2008, these additional fees shall be borne by the Petitioner.

14. **Acceptance of Public Improvements.** Subject to fulfillment of all the conditions of the Subdivision Ordinance and, further, Park City's final approval of the construction of any such public improvements, those roads, streets, water facilities, utilities, and easements as may be agreed by Parties in connection with the Final MPD and Subdivision Plat review and approval process (the "**Public Improvements**"), shall be conveyed and dedicated to the City, for public purposes. Following any such dedication, Park City shall be responsible for the maintenance, repair and replacement of any and all such Public Improvements.

15. **Snow Removal and Storage.** Other than as may be necessary or appropriate for the Trails, Park City shall not be obligated to remove snow from private roads, streets or similar improvements within the Property, until acceptance of the dedication thereof to the City pursuant to the City's Subdivision Ordinance. Park City shall not be obligated to remove snow from private roads, streets, or other similar private improvements to be further identified on the final subdivision plat.

16. **Fiscal Impact Analysis.** The Fiscal Impact Analysis, prepared for the Petitioner by Lodestar West, Inc. and dated June 6, 2007, was reviewed by the Park City Heights Annexation Task Force and forwarded to the Planning Commission for further review. The Fiscal Impact Analysis concludes that the Annexation will result in an overall positive impact on the City. The analysis includes revenue and cost assumptions related to the Annexation and development of the Property, concludes that there will be a net fiscal gain to the School District for the market rate units and a net fiscal loss to the School District for the affordable housing portion of the development, however, if aggregate property taxes to the District generated from local sources are not adequate to cover the expenditures required for the budget, then additional State funds would be redistributed per the State Code, to compensate for the shortfall. The fiscal Impact Analysis is hereby accepted and approved by the City as part of this Agreement.

17. **Traffic Mitigation**. A comprehensive traffic review and analysis of the Property and surrounding properties, including existing and future traffic and circulation conditions was performed by Petitioner's traffic consultant, Hales Engineering, dated June 7, 2007 attached as Exhibit E. The mitigation measures (including traffic calming) outlined in the Hales Engineering, June 7, 2007, Park City Heights Traffic Impact Study, shall be implemented in a manner consistent with the Final MPD. The Parties anticipate that the Petitioner (or, as specified in connection with any such assignment, its assigns) shall bear all financial costs, except land acquisition costs, for the construction of a signalized intersection on State Road 248 and the connection of that intersection with a roadway to the Property, as shown in the Traffic Impact Study. Construction of this intersection, and its connection with Richardson Flat Road shall meet all applicable Utah Department of Transportation and Park City Municipal Corporation standards and, at a minimum, shall include the improvements detailed in a-d below:

a. A southbound left turn lane, deceleration lane and taper shall be constructed on SR-248 to accommodate more than 10 vehicles per hour making left-hand turning movements.

b. A northbound right turn pocket, deceleration lane and taper shall be constructed on SR-248 to accommodate more than 10 vehicles per hour making right-hand turning movements.

c. A westbound to northbound right turn acceleration lane and taper shall be constructed on SR-248 to accommodate more than 50 vehicles per hour. When the intersection is signalized, this improvement would not be necessary.

d. The Old Dump Road (Richardson Flat Road) shall be built to Park City Municipal Corp. standards at a minimum width of 39 feet back-of-gutter to back of gutter within a 66 foot right-of-way. This width is not inclusive of turn pockets or the improvements described in 1-3 below) to the easternmost Park City Heights intersection at the expense of the Petitioner. Turn pockets shall be constructed on Richardson Flat Road at each of the Property's intersections with the Richardson Flat Road. These turn pockets will be constructed per standards set forth in the Manual of Uniform Traffic Control Devices (MUTCD) and/or by the American Association of Highway Transportation Officials (AASHTO). The Richardson Flat Road at its intersection with SR-248 will be of sufficient paved width to accommodate (at the stop bar):

i. 18" wide eastbound lane tapered per standards set forth in the MUTCD and/or by the AASHTO.

ii. 12' wide westbound left-hand/thru traffic lane (with adjoining right turn lane) for a minimum of 150', then tapered per standards set forth in the MUTCD and/or by the AASHTO.

iii. 5' wide bike lanes.

e. The cost sharing methodology (between Petitioner and any assigns) for the above projects shall be agreed to by the Petitioner and assigns prior to Final MPD approval. The cost sharing formula and timing for construction of the above improvements shall be detailed in the Final MPD document.

18. **Effective Date.** This Agreement is effective upon recordation of the annexation plat and the filing and recordation of the annexation ordinance.

~~18.~~19. **Governing Law; Jurisdiction and Venue.** The laws of the State of Utah shall govern this Agreement. ~~Jurisdiction~~The City and Boyer agree that jurisdiction and venue are proper in Summit County.

~~19.~~20. **Real Covenant, Equitable Servitude.** This Agreement constitutes a real covenant and an equitable servitude on the Property. The terms of this Agreement touch and concern and both benefit and burden the Property. The benefits and burdens of this Agreement run with the land, and are intended to bind all successors in interest to any portion of the Property. This Agreement, a certified copy of the ordinance approving the Annexation, and the Annexation Plat shall be recorded in the County Recorder's Office of Summit County, Utah.

~~20.~~21. **Assignment.** Neither this Agreement nor any of the provisions, terms or conditions hereof may be assigned to any other party, individual or entity without assigning the rights as well as the responsibilities under this Agreement and without the prior written consent of the City, which consent shall not be unreasonably withheld, conditioned or delayed. Any such request for assignment may be made by letter addressed to the City and the prior written consent of the City may also be evidenced by letter from the City to Petitioner or its successors or assigns; provided that, notwithstanding the foregoing, the City hereby consents to the assignment of the rights and responsibilities, and the benefits, of this Agreement, in whole or in part, to Boyer upon written notice to the City; and provided that, in connection with and to the extent of any such assignment, Petitioner shall not have any further rights or responsibilities under this Agreement as and to the extent accruing from and after the date of any such assignment.

~~21.~~22. **Compliance with City Code.** Notwithstanding Paragraph 17 of this Agreement, from the time the Park City Council (the "**City Council**") formally approves this Agreement and upon completion of the Annexation by recordation of the annexation plat, the Property shall be subject to compliance with any and all City Codes and Regulations pertaining to the Property.

~~22.~~23. **Full Agreement.** This Agreement, together with the recitals and exhibits attached to this Agreement (which are incorporated in and made a part of this Agreement by this reference), and the written agreements expressly referenced herein, contain the full and complete agreement of the Parties regarding the Annexation of the Property into the City and there are no other agreements in regard to the Annexation of the Property. Only a written instrument signed by all Parties, or their successors or assigns, may amend this Agreement.

~~23.~~24. **No Joint Venture, Partnership or Third Party Rights**. This Agreement does not create any joint venture, partnership, undertaking or business arrangement among the Parties. Except as otherwise specified herein, this Agreement, the rights and benefits under this Agreement, and the terms or conditions hereof, shall not inure to the benefit of any third party.

~~24.~~25. **Vested Rights.** Subject to the provisions of this Agreement, Petitioner (or its assigns) shall have the right to develop and construct the proposed Project in accordance with the uses, densities, intensities, and configuration of development approved in the Final MPD when approved, subject to and in compliance with other applicable ordinances and regulations of Park City.

~~25.~~26. **Nature of Obligations of Petitioner**. Boyer is liable for performance of the obligations imposed under this Agreement only with respect to the portion of property which it owns and shall not have any liability with respect to the portion of the property owned by the other Party. Boyer agrees to cooperate with each other to coordinate performance of all of their respective obligations under this Agreement.

(Signatures begin on following page)

PARK CITY MUNICIPAL CORPORATION,
a political subdivision of the State of Utah

By: ______________________________
Dana Williams, Mayor

Dated this ______ day of ____________, 2010.

ATTEST:

____
Janet Scott, City Recorder

Dated this ______ day of __________, 2010.

APPROVED AS TO FORM:

____
Mark Harrington, City Attorney

Dated this ______ day of __________, 2010.

~~**Boyer Park City Junction, L.C.,**~~
BOYER PARK CITY JUNCTION, L.C.,
A Utah liability company, by its manager

The Boyer Company, L.C.,
a Utah limited liability company

By:______________________
Name: ____________________
Its: ______________________

Dated this____ day of ______________, 2010

Exhibits-
A. Annexation Plat
B. Legal Description
C. Build Green Checklist
D. Water Agreement
E. Hales Engineering Report

<u>EXHIBIT A</u>
<u>TO</u>
<u>ANNEXATION AGREEMENT</u>

[Attach Annexation Plat]

See Exhibit A to Staff Report and Ordinance

EXHIBIT B
TO
ANNEXATION AGREEMENT
[Attach Legal Description]

See Exhibit B to Staff report and Ordinance

EXHIBIT C
TO
ANNEXATION AGREEMENT

[Attach Build Green Checklist]

BUILT GREEN
BUILT BETTER

	2007 Built Green® Checklist VERSION 2007.2	Point Value	Check Builder's Selected Options Here	Documents REQUIRED at Time of Random Inspection
I. READ FIRST	Builders are **required** to choose **one of the three methods** (items #1, #2 or #3 below) of meeting the Energy Efficiency Minimum Requirement. Note that item #2 requires a higher level of testing than required by the program's random verification process, and that item #3, ENERGY STAR®, exceeds the "minimum" requirement; hence option #2 and #3 are awarded points while option #1 is not. **Note that item #4 provides additional points, but is NOT a method of compliance under the Energy Efficiency Requirement.** **REQUIRED CATEGORIES:** Builders are **required to select at least one option from each of the indicated categories**: X. Energy Efficiency: Mechanical Heating & Cooling Systems; XI. Energy Efficiency: Air Distribution Systems; XII. Health and Safety: Improved Indoor Air Quality; XIII. Health and Safety: Moisture Management; XVI. Energy Efficiency: Lighting; XVIII. Material Resource Efficiency: Framing; XXIII. Resource Conservation: Water. However, there is no required minimum number of points for these categories. Required categories are identified in the Checklist. **The ➔ symbol denotes those categories which are required.** Additionally, **the ⇨symbol denotes that there are additional requirements** which must be met in order to comply with and receive points for a particular item. Builders are **required to provide the corresponding verification documents** where noted in the far right column at the time of random verification inspection. Points will not be awarded unless proper documentation is provided where required. Making note of those requirements and collecting those documents from the outset will improve the process and help ensure successful completion of random verification. 5% of all registered homes will be randomly verified for compliance at the builder's expense by a Built Green approved rater of the builder's choice. The 2007 Checklist is effective on homes permitted on or after January 1, 2007. Homes must be registered at time of permit issuance. Each home is required to have a **minimum total of 75 points** from the Checklist. Each home is required to be duly **registered with the program**. ***NOTE: Full explanations, requirements, graphics, charts and links to accompany this Checklist can be found in the Guide to the Built Green Checklist, located online @ www.builtgreen.org, available to all members, or for sale through the Built Green program**			Field Verification = inspection and verification at time of random rating

	2007 **Built Green® Checklist** VERSION 2007.2	Point Value	Check Builder's Selected Options Here	Documents REQUIRED at Time of Random Inspection
	II. MINIMUM ENERGY EFFICIENCY REQUIREMENT **➔ REQUIRED CATEGORY - MUST SELECT AT LEAST ONE OPTION**			
1 Revised 2/08/07	RESNET-accredited HERS Rating of 85 points or less when using the expanded HERS "INDEX" score based on the 2006 HERS Reference Home verified on a 5% random basis as required by the program's random verification process. ⇨ 5% sampling must include at least one rating of each product type (examples of product types include: single family detached, condo and townhome) and from-plans ratings from each plan type or product with a change in energy efficient features within the product type. ⇨ MUST see Guide for full requirements	0		Rating Certificate
2 Revised 2/08/07	RESNET-accredited HERS Rating of 85 points or less when using the expanded HERS "INDEX" score based on the 2006 HERS Reference Home verified on a 15% or higher random basis in order to take these points. ⇨ 15% sampling must include at least one rating of each product type (examples of product types include: single family detached, condo and townhome) and from-plans ratings from each plan type or product with a change in energy efficient features within the product type. ⇨ MUST see Guide for full requirements	3		Rating Certificate & Rater Letter
3 Revised 2/08/07	House meets **ENERGY STAR®** criteria by either the Prescriptive or Performance paths as outlined by the US Environmental Protection Agency (Cannot combine with item #2 "RESNET-accredited") ☐ Additional 3 points if homes are tested on a 100% basis – 3 pts	5		Rating Certificate & Rater Letter
4	House meets 2005 Federal Residential Energy Efficiency Tax Credit of $2,000, available under the Energy Policy Act of 2005. See following website for additional information: http://www.energytaxincentives.org/tiap-new-homes.html **Note*** This item provides additional points, but is NOT a method of compliance under the Minimum Energy Efficiency Requirement	2		Rating Certificate & IRS Form 8908
	III. SITE PROTECTION			
5	Trees and natural features on site protected during construction by completing ALL of the following: ☐ Develop a tree/plant preservation plan with no disturbance zone clearly delineated on drawings ☐ Execute plan by minimizing disturbance of and damage to trees/plants designated for protection through installation of fencing ☐ Avoid trenching, significant change in grade and compaction of soil in critical root zones	4		Site/Landscape Plan and photos
6	Existing trees and vegetation designated for preservation are prepared for the impacts of construction by a Certified Arborist through pruning, root pruning, fertilization and watering	4		Invoice or Scope of Work
7	Save and reuse all site topsoil, protecting from erosion prior to redistribution	1		Photo
8	Leave undisturbed at least 40% of previously undeveloped lot area (on lots larger than 1/3 acre)	2		Site/Landscape Plan
	IV. ENERGY EFFICIENCY: SITE DESIGN & ORIENTATION			
9	Use sun-tempered design to reduce heating and cooling needs of building by completing ALL of the following: ⇨ Requires item #39 "Overhangs…" ☐ Home orientation allows solar heating (long dimension is w/in 30 degrees of solar south) ☐ South glass area is between 5-7% of total finished floor area (FFA) ☐ West glass area is ≤ 2% of total FFA ☐ East glass area is ≤ 4% of total FFA ☐ North glass area is ≤ 4% of total FFA	7		Detailed building take-off with glass area
10	Home designed for passive solar heating by contributing ≥ 33% of the home's annual heating needs ⇨ Requires item #39 "Overhang…", AND ⇨ Requires item #9 "Use sun-tempered design…"	3		Whole building energy performance simulation report
11	Provide designated location and rough-in on south roof area for future hot water heating and photovoltaics (PV) by completing ALL of the following: See Guide for further details ☐ Provide minimum of 200 square feet of clear (free of penetrations, stacks, vents, etc.) and un-shaded roof area 30° of solar south ☐ Provide rough in of piping (both electrical conduit and insulated water piping) from roof (attic area) to utility/mechanical area ☐ Provide minimum area ≥ 6 square feet near electrical service panel/breaker box for future solar equipment ☐ Provide ≥10 square foot area in mechanical room for future solar hot water tank	6		Indicate designated area on plans & field verification

	2007 Built Green® Checklist VERSION 2007.2	**Point Value**	**Check Builder's Selected Options Here**	**Documents REQUIRED at Time of Random Inspection**
	V. ENERGY EFFICIENCY: RENEWABLE ENERGY			
12	Active solar thermal heating system installed, providing ≥ 20% of homes annual heating	12		Whole building energy performance simulation report
13	Solar electric system or other onsite renewable energy source (such as photovoltaics, wind, etc.), provides the following of the home's electrical needs: ⇨ Cannot take in combination with item #11 "Provide designated location…" unless ALL requirements of #11 are satisfied ☐ ≥ 10% - 8 pts ☐ ≥ 25% - 10 pts ☐ ≥ 50% - 15 pts	Varies		Whole building energy performance simulation report
14	Solar water heating system provides 50% or more of the home's hot water heating needs ⇨ Cannot take in combination with item #11 "Provide designated location…" unless ALL requirements of #11 are satisfied	10		Whole building energy performance simulation report
15	50% of total installed outdoor lighting (walkway, area, and other outdoor lighting) is solar powered (photovoltaic) based on fixture count.	2		Product Data and/or Field Verification
16	Provide buyer the first year enrollment costs of 100% of electric power provided by Xcel Energy WindSource Program or other local utility. See Guide for further information.	2		Builder letter
17	Renewable/clean fuels. Biodiesel (B20 or better), propane, hybrid, E-85 or CNG fuel is used for builder fleets or contractor vehicles. 1 point per vehicle, (max. 5 pts)	Varies		Builder letter
	VI. ENERGY EFFICIENCY: FOUNDATION SYSTEMS			
18	Reinforced structural concrete slab, supported by structural piers or footings (creating a void space between the earth and slab for potential movement of soils) with minimum R-6 rigid insulation below concrete slab	5		Subcontractor letter
19	Rigid insulation forms that provide permanent insulation to the foundation (ICFs)	6		Spec Sheet
20	Frost-protected shallow foundation: (choose only one) See Guide for further details ☐ Min R-10 insulation installed to a depth of 4' below grade (in climate zones 5 and lower) ☐ Min R-10 insulation installed to a depth of 6' below grade (in climate zones 6 and higher)	5		Spec sheet
21	Insulated foundation with rigid R-10 foam insulation from footer to top of wall	5		Photo
22	Full height interior <u>below</u> grade basement wall insulation, and/or crawl space insulation, R-11 or higher (R-13 or higher if insulation is installed in framed cavities)	2		Field Verification
23	Full height interior <u>above</u> grade crawl space insulation, R-19 or higher	1		Field Verification
	VII. ENERGY EFFICIENCY: THERMAL ENVELOPE			
24	Home has blown insulation on 85% or more of above grade wall, floor and ceiling area, such as: (choose only one) ☐ Cellulose ☐ Fiberglass ☐ Non-toxic spray foam ☐ Rock wool	6		Builder Spec Sheet or Insulation Certificate
25	R-3.5 or better insulated exterior wall sheathing on 75% or more exterior wall area ⇨ Cannot combine with item #113 "reinforced cementitious foam formed above grade walls (ICFs) …"	6		Builder Spec Sheet or photos

	2007 Built Green® Checklist VERSION 2007.2	Point Value	Check Builder's Selected Options Here	Documents REQUIRED at Time of Random Inspection
26	Insulated headers: Minimum R-10, on all exterior headers including load bearing exterior windows and doors	3		Builder letter or spec sheet
27	Raised heels of 6" or more on trusses to provide for full-height insulation over top wall plate. (choose only one) ☐ 6" – 3 pts ☐ 8" – 4 pts ☐ 10" – 5 pts	Varies		Builder spec sheet
28	Advanced Rim Joist Insulation. This item can be achieved by one of the following: See Guide for diagrams and further descriptions ☐ Using an engineered, SIP-like product for rim section ☐ Installing an inch or more of rigid foam on the exterior face of the rim joist, integrated with the drainage plane ☐ Using a combination of rigid foam sealed with spray foam ☐ Using high-density spray foam insulation on the interior bays of the floor joists.	3		Photo documentation or third-party field verification
29	Where vapor retarders are required by code, variable-permeance or "smart" products are used. See Guide to the Built Green Checklist for details	3		Photo documentation or third-party field verification
30	Advanced insulation package. Points awarded according to components listed below: ☐ ≥ R20 in wall cavities – 3 pts. ☐ ≥ R38 in ALL attics/ceilings, including vaulted ceilings (in climate zones 5 and under) – 3 pts. OR ☐ ≥ R49 In ALL attics/ceilings, including vaulted ceilings (in climate zones 6 and higher) – 3 pts. ☐ ≥ R13 continuous insulation in basement (cannot take pts. for framed cavities) – 2 pts. ☐ ≥ R10 under slab edge – 1 pt. ☐ ≥ R-10 under entire slab (includes at and below grade) – 2 pts.	Varies		Insulation Certificate and/or photo's of below grade foundation applications
31	Insulation quality control: high-quality installation is confirmed by one of three methods: (Choose only one) ☐ Contractor is certified under the NAHB's certified installer program – 1 pt. ☐ Insulation is inspected by a third-party during pre-drywall inspection (Type I Installation, per National Home Energy Rating Standards) – 3 pts. ☐ Insulation is inspected by a third-party during pre-drywall inspection (Type II Installation, per National Home Energy Rating Standards) –2 pt. ☐ Builder demonstrates in-house inspection process through verified documentation, or other equivalent contractor certification program – 1 pt.	Varies		Contractor Certificate, HERS Provider documentation
32	Advanced sealing package in addition to basic sealing practices, must complete ALL of the following: ☐ Seal at top and bottom plates and at all exterior wall corners ☐ Seal all attic penetrations, & install weather stripped attic hatch, insulated to equivalent attic R-value, with secure closure mechanism ☐ Seal at all mechanical penetrations with foam or caulk (both interior and exterior walls) ☐ Seal around all windows and doors with caulk, foam or other insulating materials (i.e. chinking)	4		Builder Spec sheet or Photo
33	No recessed can lights installed in building's insulated ceiling/thermal envelope	3		Field Verification
34	ALL recessed can lights, including between all floors, are air tight and insulation contact rated	2		Builder Spec Sheet
35	Blower door test verifies one of the following: (choose only one) ⇨ Requires item #61 "Design and install a whole building ventilation system", AND ⇨ Requires ALL mechanical equipment/combustion appliances be closed combustion, i.e. direct-vent or power vented exhaust, including furnace/boiler, hot water heater, fireplaces, etc. ☐ 0.35 ACH or less – 2 pts. ☐ 0.25 ACH or less – 4 pts. ☐ 0.15 ACH or less – 6 pts.	Varies		Infiltration test report
	VIII. ENERGY EFFICIENCY: WINDOWS & DOORS			
36	Low-E, NFRC Rated window and glass doors comprise =/>90% of total above-grade glass area (choose only one) ☐ U=0.35 or lower – 4 pts. ☐ U=0.30 or lower – 8 pts	Varies		NFRC cert./label
37	ALL basement windows are Low-E, NFRC rated at U=0.35 or lower, NO metal bucks	2		NFRC cert./label

	2007 **Built Green® Checklist** VERSION 2007.2	Point Value	Check Builder's Selected Options Here	Documents REQUIRED at Time of Random Inspection
38	Exterior doors (excluding glass doors), choose one or both of the following: ☐ Exterior doors Insulated to R-5 or greater (excludes house to garage door) – 2 pts. ☐ House to garage door insulated to R-5 or greater – 1 pt.	Varies		Product Literature
	IX. ENERGY EFFICIENCY: LOW-ENERGY COOLING STRATEGIES			
39	Overhangs and/or fixed shading elements designed to provide seasonal shading on =/>50% of south facing glass area (e.g., two foot overhang, between one and two feet above south windows). See Guide to the Built Green Checklist for detailed explanation and chart	6		Solar Calculations
40	Strategies to reduce heat gain and/or heat loss on south, east or west facades. (max 3 points) ☐ Exterior-mounted sunscreens or operable shutters ☐ Operable insulated window coverings ☐ Operable awnings ☐ Other architectural elements (such as covered porches)	3		Field Verification
41	Whole house fan installed with a minimum R-19 insulated seasonal cover and instructions provided to homeowner on safe operation of unit	5		Product Literature
42	ENERGY STAR® qualified ceiling fans installed. (1 point per fan, max 4 pts) ☐ add points if ENERGY STAR® ceiling fan light kit is provided – (1 pt per light kit, max 4 pts)	Varies		Product Literature
REQ.	**X. ENERGY EFFICIENCY: MECHANICAL HEATING & COOLING SYSTEMS** **➔ REQUIRED CATEGORY - MUST SELECT AT LEAST ONE OPTION**			
43	HVAC equipment sized according to ACCA Manual J 8th edition (or equivalent) room by room heat load calculation. Calculations shall be based on 99% Outdoor temperatures published in the ASHRAE Handbook of fundamental for the home's location or most representative city	6		Load calculation document
44	ENERGY STAR® qualified furnace or boiler with sealed combustion air: (choose only one) Furnaces: ☐ ≥ 90% AFUE – 8 pts. ☐ ≥ 92% AFUE – 9 pts. ☐ ≥ 94% AFUE – 10 pts. Boilers: ☐ ≥ 85% AFUE – 8 pts ☐ ≥ 87% AFUE – 9 pts. ☐ ≥ 90% AFUE – 10 pts.	Varies		Spec sheet or Energy Guide
45	Furnace and/or boiler centrally located (center 1/3rd of house envelope/footprint), ⇨ Requires no air handling equipment, return ducts or un-sealed supply ducts in garage, AND ⇨ Requires #57 "Total duct leakage…"	4		Field Verification
46	Electronically commutated motor (ECM) on air handler/furnace	8		Product Literature
47	Baseboard or in-floor heating system installed per requirements listed in Guide to the Built Green Checklist ⇨ Requires item #43 "HVAC equipment sized according to ACCA Manual J…", AND ⇨ Requires item # 44 "ENERGY STAR qualified furnace or boiler …"	11		Specs and Photos
48	Ground-source heat pump system, either radiant or air-ducted, for space heating with a coefficient of performance (COP) of: ⇨ If system uses refrigerant, must be non-HCFC based, to take this point ☐ ≥ 3.3 COP – 10 pts. ☐ ≥ 3.6 COP – 15 pts.	Varies		Manual J Calc. And ARI Certificate
49	Central air conditioner or ground source heat pump, with an equipment matched SEER level, as determined by an ARI coil/condenser equipment match, a Thermal expansion valve (TXV), and maximum over-sizing of units is < 15% of Manual J. ⇨ Requires item #43 "HVAC equipment sized according to ACCA Manual J…" ☐ ≥ 13 SEER – 3 pts ☐ ≥14 SEER – 4 pts ☐ ≥16 SEER – 5 pts. ☐ ≥18 SEER – 6 pts. ☐ If unit above contains non-HCFC refrigerant (i.e. R-410A, Puron or other), add additional – 4 pts.	Varies		Manual J Calc. And ARI Certificate

	2007 **Built Green® Checklist** VERSION 2007.2	Point Value	Check Builder's Selected Options Here	Documents REQUIRED at Time of Random Inspection
50	Zoning utilizing two or more thermostats controlling separate heating and/or cooling zones from a single system, or zoning using two or more separate systems ⇨ Requires item #57 "Total duct leakage …" IF using a forced air systems AND if ducts are located outside conditioned space	2		Field Verification
51	Energy Star® programmable thermostat	1		Product literature
REQ.	**XI. ENERGY EFFICIENCY: HVAC DISTRIBUTION SYSTEMS** **➔ REQUIRED CATEGORY - MUST SELECT AT LEAST ONE OPTION (Homes with non-ducted HVAC systems are exempted from this requirement)**			
52	Ducts sized and installed in accordance with room-by-room loads calculations for sizing ductwork using ACCA Manual D	6		Load calculation document
53	No panned joist spaces or building cavities used for return air; i.e. fully ducted return systems are required	3		Spec sheet or field verification
54	ALL ductwork joints and penetrations sealed with either: (choose only one) ☐ Low toxic mastic ☐ Aerosolized sealant system	2		Spec sheet & field verification
55	Any ducts outside conditioned space are sealed with mastic and insulated to a minimum ≥ R-8 (supply) and ≥ R-8 (return). ⇨ Requires item #57 "Total duct leakage…"	2		Field Verification
56	Provide pressure relief to all rooms having a door other than baths, kitchens, closets and pantries by using means other than door undercuts (e.g. transfer grilles, dedicated returns, etc.)	4		Field Verification
57	Total duct leakage is demonstrated to not exceed: (choose only one) ☐ 10% of rated high fan flow, if ALL ducts and Air Handler are located WITHIN the conditioned space ☐ 5% of rated high fan flow if ANY ducts or Air Handler are located OUTSIDE the conditioned envelope	10		Test results
58	Fire-safe temporary heating and drying system is used during construction that does not introduce moisture or toxins into the work environment (no Salamanders)	4		Builder letter
59	Seal off all ducts during construction or clean HVAC ducts and coils before occupancy	2		Photos and/or invoice
REQ.	**XII. HEALTH AND SAFETY: IMPROVED INDOOR AIR QUALITY** **➔ REQUIRED CATEGORY - MUST SELECT AT LEAST ONE OPTION**			
60	House meets American Lung Association Health House standards	13		Certificate
61	Design and install a whole building ventilation system that complies with ASHRAE standard 62.2 – 2003, "Ventilation and Acceptable Indoor Air Quality in Low-Rise Residential Buildings". Total ventilation air (cubic feet per minute/CFM) shall be calculated by the following equation: CFM = (total # of bedrooms + 1) X (7.5 CFM) + (0.01 X total conditioned square feet). ⇨ See Guide to the Built Green Checklist for detailed explanation and chart	6		Ventilation Calculation and Rater or Contractor Verification
62	Heat recovery ventilator (HRV) or air-to-air heat exchanger ⇨ Requires item #61 "Design and install a whole building ventilation system…"	4		Field Verification
63	Domestic water heating equipment meets one of the following: ⇨ Electric does not qualify ☐ Power-direct vent – 4 pts, OR ☐ Sealed-combustion – 5 pts	Varies		Spec sheet
64	ALL Fireplaces and/stoves in home must meet the following criteria to take this point ⇨ MUST see Guide for full requirements on EACH item ☐ Gas fireplaces are power or direct vent AND must have an electronic ignition ☐ Factory built, wood burning fireplaces must be EPA certified ☐ Pellet or other solid fuel burning stoves must meet ASTM E1509 –04 ☐ Wood stove and fireplace inserts must be EPA certified	4		Spec sheet
65	Install an integrated whole house HEPA filter, must be connected to ductwork with dedicated exhaust/supply points	6		Spec sheet & field verification

	2007 Built Green® Checklist VERSION 2007.2	Point Value	Check Builder's Selected Options Here	Documents REQUIRED at Time of Random Inspection
66	HVAC filters rated MERV 8 at 295 feet per minute or higher according to ASHRAE 52.2-1999. HVAC equipment shall be able to accommodate pressure drop from filter selected for the system	4		Spec sheet
67	Active or passive radon mitigation installed to EPA guidelines	5		Subcontractor letter
68	Energy Star® low sone (less than 1.5) exhaust fans (2 points per fan, max. 6 points)	2		Spec sheet
69	Exhaust fan in garage rated for continuous operation, minimum 100 CFM exhaust, on timer, with either occupant sensor or wired to garage door opener or other means of automatic activation	4		Spec sheet & field verification
70	Garage detached from all living areas. As an alternative, attached garage is isolated from house by extensive air-sealing, with pressure diagnostic at 45 Pa or greater, verified by testing. MUST meet the following criteria to take this point: See Guide for further details ☐ No air handling equipment, return ducts or un-sealed supply ducts in garage ☐ Any sleeping area above garage requires a carbon monoxide detector	5		Pressure test #
71	Provide kitchen range hood (including appliance range hood combinations) vented to the exterior capable of exhausting at least 100 CFM (Per ASHRAE 62.2, 2003) See Guide for further details ☐ If equipment is capable of exhausting ≥ 400 CFM, THEN ⇨ Requires ALL sealed combustion appliances	3		Product data
72	Install hardwired carbon monoxide detector outside main sleeping areas that meets the Canadian Standards Association's "Standard for Residential Carbon Monoxide Alarming Devices" (CSA 6.19-01), or Laboratory UL 2034 or equivalent	4		Product data and field verification
73	Central Vacuum (canister unit) installed outside conditioned space rated at 500 air watts or greater and including an electric motor-driven floor brush.	4		Field verification
74	All carpet throughout the home meets one of the following criteria: ☐ Carpet must comply with the Carpet and Rug Institute's (CRI's) Green Label Plus program (low VOC carpet and pad), OR ☐ No carpets installed in 100% of home (i.e. hard-surfaced flooring)	2		Spec sheet
75	Insulation used throughout the house meets the indoor air quality standards of GreenGuard, SCS, California 1350, or Berkeley Labs. See Guide for further details	2		Product data
76	UV Light installed in supply duct system above A/C coil	3		Spec sheet
77	OSB produced with non-formaldehyde based adhesives used for sub floor	2		MSDS
78	OSB produced with non-formaldehyde based adhesives used for sheathing	2		MSDS
79	Ceramic tile installed with low toxic adhesives and plasticizer-free grout	3		MSDS
80	Only low toxicity, solvent-free adhesives used throughout. Standard is less than 150 grams/liter of VOCs	3		MSDS
81	Cabinet finish coat done with water based finishes containing VOC content of less than 250 grams per liter	4		MSDS
82	Water-based urethane finishes on wood floors	3		Product data
83	Water-based lacquer finishes on woodwork	3		Product data
84	All panel ends, edges and cuts of any particle board must be sealed with impermeable water-based sealer prior to painting	2		MSDS on sealer and builder letter
85	Insulation used throughout house contains no formaldehyde binders	1		MSDS
86	All wall, ceiling and trim paints have zero to minimal VOC content. (trim excluded for zero-VOC requirement) ☐ Interior paints/coatings: (walls & ceilings) ≤ 5 grams/liter of VOCs – 3 pts ☐ Interior paints/coatings: interior satin, semi-gloss or high-gloss ≤ 150 grams/liter AND/OR interior flat/eggshell ≤ 50 grams/liter of VOCs – 2 pts	Varies		MSDS

	2007 Built Green® Checklist VERSION 2007.2	Point Value	Check Builder's Selected Options Here	Documents REQUIRED at Time of Random Inspection
	☐ Exterior paints: flat exterior ≤ 100 grams/liter AND/OR exterior satin, semi-gloss or high-gloss ≤ 200 grams/liter of VOCs – 1 pt			
REQ.	**XIII. HEALTH AND SAFETY: MOISTURE MANAGEMENT** **➔ REQUIRED CATEGORY - MUST SELECT AT LEAST ONE OPTION**			
87	Sill plate sealed with foam sill gasket to act as capillary break	2		Photo or field verification
88	Full exterior drainage plane integrated shingle-style with pan-flashed and face–flashed door and window openings, as designated in EEBA's "Water Management Guide", or equivalent	8		Builder specs, plans/details and photos
89	Implementation of proper roof flashing and moisture management techniques, to include ALL of the following: ☐ Installation of drip edge at the entire perimeter of the roof ☐ Flashing where sloped roofs meet gable wall ends/all vertical walls (integrated into drainage plane) ☐ Use of kick-out flashings at wall eave intersections (integrated into drainage plane) ☐ At wall/roof intersections maintain ≥ 2" clearance between wall cladding and roofing materials.	5		Builder Specs and photos
90	Smooth, non-granular self-adhering roof underlayment on the following: ☐ Eaves extending 24" past exterior wall plane, and on all valleys, and roof penetrations – 4 pts ☐ Entire roof area – 6 pts	Varies		Spec Sheet
91	Downspout Extensions. Downspouts discharge at least 5 feet away from foundation, measured perpendicular to the foundation wall; landscaping edging does not interfere with discharge; tip-up hooks are removed prior to closing. Buried downspouts <u>must</u> be day-lighted	2		Field verification
92	A capillary break and vapor barrier located under concrete basement floor slabs, to include each of the following: ☐ Install 3" to 4" of course gravel under entire slab area to act as a capillary break ☐ Install 6 mil polyethylene on top of gravel in direct contact with concrete floor to act as a vapor barrier	3		Photos
93	Conditioned at-grade insulated crawl space with an airtight, minimum 10 mil continuously sealed ground cover. ⇨ Requires item #63 "sealed combustion gas water heating equipment" ⇨ Must see Guide to the Built Green Checklist for additional requirements	4		Field verification
94	Conditioned below-grade crawl space with an airtight, minimum 10 mil continuously sealed ground cover. ⇨ Requires item #63 "sealed combustion gas water heating equipment" ⇨ Must see Guide to the Built Green Checklist for additional venting and other requirements	4		Field verification
	XIV. ENERGY EFFICIENCY: WATER HEATING			
95	Ground-source (desuperheater) and/or waste heat recovery water heating	4		Spec Sheet
96	Side arm water heater off of <u>sealed combustion</u> boiler with AFUE ≥ 85% ⇨ Cannot combine with item #63 "sealed combustion gas water heating equipment"	6		Field verification
97	Tankless water heater with .80 EF or greater. Minimum flow of 5.3 GPM with 50-degree temperature rise ⇨ Requires item #63 "sealed combustion gas water heating equipment"	8		Spec Sheet
98	Water heaters with energy factors (EF) equal to or greater than the following: (choose only one) Gas Water Heaters: ☐ EF ≥ .62 (tank-type water heaters) – 1 pt. ⇨ Requires item #63 "sealed combustion gas water heating equipment" Electric Water Heaters: ☐ EF ≥ .92 (tank-type water heaters) – 1 pt.	1		Spec Sheet or Energy Guide
99	Insulate all hot water lines to all locations with standard flexible pipe insulation of R-3 or better	2		Spec Sheet
100	Install efficient hot water delivery system by one of the following methods: ⇨ Requires item #99 "insulate all hot water lines… R-3 or better" See Guide for further details ☐ Water heater is within 20' pipe feet of ALL hot water fixtures ☐ Central manifold "home-run" distribution system. Trunk line from water heater to central manifold shall be ≤ 10' feet, and all branch lines shall be	3		Field Verification or photos

	2007 **Built Green® Checklist** VERSION 2007.2	Point Value	Check Builder's Selected Options Here	Documents REQUIRED at Time of Random Inspection
	< 1/2 " in diameter ☐ Structured plumbing system with hot water circulation loop run to within 10' feet of all hot water fixtures (all branch lines shall be ≤ 10')			
101	Drain wastewater heat recovery system installed	3		Spec Sheet
	XV. ENERGY EFFICIENCY: APPLIANCES			
102	Dishwasher is an **ENERGY STAR**® labeled product	3		Label
103	Refrigerator is an **ENERGY STAR**® labeled product	3		Label
104	All gas kitchen appliances are equipped with electronic ignition ⇨ Requires item #71 "provide kitchen range hood vented to the exterior…"	2		Field verification
REQ.	**XVI. ENERGY EFFICIENCY: LIGHTING** **➔ REQUIRED CATEGORY - MUST SELECT AT LEAST ONE OPTION**			
105	At least a minimum portion of the hard-wired fixtures are supplied with ENERGY STAR®-qualified self-ballasted compact fluorescent screw-based bulbs (CFLs). Choose only one ☐ 10% of all installed fixtures are supplied with bulbs that meet the requirement, 1 pt; **OR** ☐ 20% of all installed fixtures are supplied with bulbs that meet the requirement, 3 pts Percentage to be based on fixture count; track lights should be counted based on the number of "heads". See Guide to the Built Green Checklist for additional details and resources	Varies		Builder spec or label
106	Lighting efficiency package employed to reduce lighting energy usage. Points awarded according to package(s) listed below: ☐ 50% of the installed hard-wired fixtures in high-use rooms (kitchen, dining room, living room, family room, bathrooms, halls and stairways) are ENERGY STAR®**-**qualified, 5 pts; ☐ 25% of total number of fixtures in medium/low-use rooms (bedrooms, den, office, basement, laundry room, garage, closets, and all other rooms) are ENERGY STAR®**-**qualified, 2 pts; ☐ 50% of total number of outdoor fixtures (outdoor lighting affixed to the home or free-standing poles except for landscape and solar lighting) are ENERGY STAR®**-**qualified, 2 pts; ☐ Comply with the ENERGY STAR® Advanced Lighting Package (ALP), 9 pts. The ALP is all three of the items immediately above and also requires that all ceiling fans in the home be ENERGY STAR®**-**qualified. Note: The above 3 items may be used in combination with each other and awarded cumulative points. The 4th item above excludes gaining points for the above 3 items. Percentage to be based on total fixture count in the identified use-based room categories; track lights should be counted based on the number of "heads". See Guide to the Built Green Checklist for additional details and resources and self certification form	Varies		Builder spec or product label; ENERGY STAR® ALP requires ENERGY STAR® ALP Builder Verification Form (self-certification)
107	Advanced Lighting and Automation Control System capable of unified automation control of lighting loads.	3		Spec sheet
108	Tubular skylights are installed in interior areas such as bathrooms, hallways, and kitchens that receive limited daylight. One point is available per unit, with a (max 2 pts)	1		Field Verification
	XVII. MATERIAL RESOURCE EFFICIENCY: FOUNDATION			
109	Non-solvent based damp proofing	2		Product data
110	Aluminum foundation forms used	1		Builder or Subcontractor letter
111	Foundation form release agents are non-toxic, contain no VOCs, and are biodegradable	2		Spec sheet
112	Recycled-content expansion joint filler	1		Product data

	2007 **Built Green® Checklist** VERSION 2007.2	Point Value	Check Builder's Selected Options Here	Documents REQUIRED at Time of Random Inspection
REQ.	**XVIII. MATERIAL RESOURCE EFFICIENCY: FRAMING** **➔ REQUIRED CATEGORY - MUST SELECT AT LEAST ONE OPTION**			
113	Reinforced cementitious foam-formed above grade walls (ICFs, or insulated concrete forms)	10		Plans or Photo
114	Structural insulated panels (SIPs) used for 75% or more of walls	7		Plans or Photo
115	Structural insulated panels (SIPs) used for 75% or more of roof	7		Plans or Photo
116	Engineered alternative wall systems as approved by local code	5		Plans or Photo
117	Dimensional or engineered lumber from third-party certified sustainably-harvested sources used for 100% the following: ☐ Floor framing – 2 pts ☐ Wall framing – 2 pts ☐ Roof framing – 2 pts	Varies		Certificate
118	Engineered alternative replaces large dimension solid lumber (2x10 or greater) in 90% or more of the following areas: ☐ Floor systems (i.e. trusses, joists) – 2 pts ☐ Roof structure (i.e. trusses, joists) – 2 pts	Varies		Spec sheet or field verification
119	Reduced framing package includes ALL of the following: ☐ 24. O.C. on all studs at interior non-bearing walls ☐ 3-stud exterior corners capable of being insulated ☐ No headers in non-bearing interior walls	3		Builder plans & photos
120	Advanced framing techniques (OVE, optimum value engineering) employed to reduce/conserve <u>structural</u> framing and lumber. Points awarded according to components listed below: ☐ Roof trusses, wall studs, floor framing spaced 24" on center (stacked framing) – 4 pts ☐ Aligning all door and window openings with stud spacing – 1 pt ☐ Single top plates – 1 pt ☐ Ladder-backed framing or alternate at all partition wall connections – 1 pt ☐ 2 stud exterior wall corners utilizing drywall clips or alternate means of fastening (NO California corners) – 2 pts ☐ Headers – no headers on non-bearing walls; for bearing walls, insulate and size for actual load conditions – 2 pts	Varies		Building plans & photos
121	Engineered lumber products used for the following: ☐ ≥ 50% beams – 2 pts ☐ ALL load-bearing window and door headers – 1 pt ☐ ALL plate and rim joist material – 2 pts ☐ ≥ 10% of stud wall framing – 1 pt	Varies		Spec sheet or field verification
122	Finger-jointed material used for the following: ☐ Plate material – 2 pts ☐ Stud material for 90% of wall framing – 2 pts	Varies		Spec sheet or field verification
123	Recycled-content sheathing where sheer corners and sheer walls are not required (minimum 50% post consumer content by weight) ⇨ OSB does <u>NOT</u> qualify for this point	1		Product literature
124	Non-structural elements of decking materials with the following: ⇨ Choose only one: ☐ ≥ 50% or greater recycled content by weight – 3 pts ☐ ≥ 80% or greater recycled content by weight – 4 pts ☐ Add points for ≥ 25% post-consumer recycled material – 1 pt	Varies		Product data

	2007 Built Green® Checklist VERSION 2007.2	Point Value	Check Builder's Selected Options Here	Documents REQUIRED at Time of Random Inspection
	☐ Add points if product is 100% recyclable (≥ 50% of decking material must be from post-consumer recycled sources to take this point) – 1 pt			
125	All decking materials made from third-party certified sustainably-harvested lumber	3		Certificate
	XIX. MATERIAL RESOURCE EFFICIENCY: SUB-FLOOR			
126	Natural cork or 100% recycled or recovered content underlayment	3		Product data
127	Plywood or Oriented Strand Board (OSB) made from sustainably harvested sources for sub-flooring	1		Certificate
	XX. MATERIAL RESOURCE EFFICIENCY: ROOFING			
128	Minimum 40-year roofing material, including concrete, slate, clay or metal ⇨ Cannot combine points with any other roofing material	6		Spec Sheet
129	Asphalt composition shingle (organic or fiberglass based) roofing material must meet one of the following: ⇨ Cannot combine points with any other roofing material ☐ 40-year roofing material – 2 pts ☐ 50-year roofing material – 4 pts	Varies		Spec Sheet
130	Recycled-content roofing material with Class-A fire rating, with =/>50% post consumer content ⇨ Cannot combine points with any other roofing material ☐ 40-year roofing material – 4 pts ☐ 50-year roofing material – 6 pts	Varies		Spec Sheet
131	Installation of minimum # 30 roofing felt on entire roof	2		Spec Sheet
	XXI. MATERIAL RESOURCE EFFICIENCY: INSULATION			
132	Insulation is certified by a third party to contain at least: (choose only one) ☐ Minimum 75% recycled content (≤ 70% must be post consumer) – 2 pts ☐ Minimum 25% recycled content (≤ 20% must be post consumer) – 1 pt	Varies		Product data
133	HCFC-free foam insulation used for spray foam, ICF blocks, SIPs or rigid insulation	1		Product data
	XXII. MATERIAL RESOURCE EFFICIENCY: WINDOWS & DOORS			
134	Window frames made from third-party certified sustainably harvested wood	2		Certificate or product data
135	Tropical hardwoods, if used anywhere in the home, are from third party certified sustainably harvested wood	2		Product data
136	Doors in home must use non-urea formaldehyde based binders, and constitute one or all of the following: (1 pt per door, max 4 pts) ☐ Recycled content doors (≥ 25% post consumer) ☐ Recovered content doors (e.g. agri-fiber, re-milled wood products) ☐ Reclaimed/reused doors	1		Product data
137	Doors made from third-party certified sustainably harvested wood (1 pt per door, max 4 pts)	1		Certificate
	XXIII. MATERIAL RESOURCE EFFICIENCY: EXTERIOR WALL FINISHES			
138	Wall finish material comprises 50% or more of the exterior wall area, with proper drainage plane installation and/ or manufacturer's specifications regarding drainage plane. (Choose only one) ⇨ Requires item#145 "50% of façade material…") ⇨ See Guide to the Built Green Checklist for proper drainage plane installation	6		Spec sheet & Photo

	2007 **Built Green® Checklist** VERSION 2007.2	Point Value	Check Builder's Selected Options Here	Documents REQUIRED at Time of Random Inspection
	☐ Indigenous stone (500 mile radius) ☐ Locally produced brick (500 mile radius)			
139	Wall finish material comprises 50% or more of the exterior wall area, with proper drainage plane installation and/ or manufacturer's specifications regarding drainage plane. (Choose only one) ⇨ See Guide to the Built Green Checklist for proper drainage plane installation ☐ Natural or synthetic stucco (EIFS) – 3 pts ☐ Molded cementitious stone – 3 pts	Varies		Spec sheet & Photo
140	Fiber cement fascia and soffits	2		Spec sheet
141	Wood siding is 100% from third-party certified sustainably harvested sources on 50% or more of exterior wall area, with proper drainage plane installation, primed on all six (6) sides of the material, and maintains a minimum ¼" air gap between the siding material and the sheathing and drainage plane material	3		Certificate, spec sheet and photos
142	Fiber cement siding on 50% or more of exterior wall area with proper drainage plane installation and/or manufacturer's specifications regarding drainage plane. See Guide to the Built Green Checklist for proper drainage plane installation	3		Spec sheet
143	Recycled and/or recovered-content siding (minimum 50% pre- or post-consumer) on 50% or more of exterior wall area	1		Product data
144	Recycled and/or recovered-content fascia, soffits or trim (minimum 50% pre- or post-consumer)	1		Product data
145	50% of façade material is regionally produced (within 500 mile radius)	1		Product data
	XXIV. MATERIAL RESOURCE EFFICIENCY: INTERIOR FINISH FLOOR			
146	Natural fiber carpet (e.g. wool, sisal, etc.) made with non-SB latex backing ☐ ≥ 25% of carpeted floor area – 2 pts ☐ ≥ 50% of carpeted floor area – 4 pts	Varies		Product data
147	Domestic wood flooring from reused/recovered or re-milled sources ☐ ≥ 25% of hard surface floor area – 3 pts ☐ ≥ 50% of hard surface floor area – 6 pts	Varies		Product data
148	Natural linoleum in place of any vinyl sheet flooring or vinyl composition tile, with low toxic adhesives or backing ☐ ≥ 10% of hard surface floor area – 2 pts ☐ ≥ 25% of hard surface floor area – 4 pts	Varies		Product data
149	Wood flooring made from third-party certified sustainably harvested sources ☐ ≥ 25% of hard surface floor area – 3 pts ☐ ≥ 50% of hard surface floor area – 6 pts	Varies		Certificate
150	Bamboo in place of hardwood ☐ ≥ 25% of hard surface floor area – 3 pts ☐ ≥ 50% of hard surface floor area – 6 pts	Varies		Product data
151	Cork flooring in place of hardwood or tile ☐ ≥ 10% of hard surface floor area – 2 pts ☐ ≥ 25% of hard surface floor area – 4 pts	Varies		Product data
152	100% of carpet pad in house is made from the following: (choose only one) ☐ Recycled content textile, carpet, carpet cushion or tire waste (rebond still qualifies) – 1 pt ☐ Natural fiber (wool felt, etc.) or 100% post consumer recycled content carpet pad – 2 pts	Varies		Product data

	2007 **Built Green® Checklist** VERSION 2007.2	Point Value	Check Builder's Selected Options Here	Documents REQUIRED at Time of Random Inspection
153	Recycled-content carpet, ≥ 25% post consumer recycled content ☐ ≥ 50% of carpeted floor area – 1 pt ☐ 100% of carpeted floor area – 2 pts	Varies		Product data
154	Ceramic or glass tile is 50% or more post consumer recycled-content	2		Product data
	XXV. MATERIAL RESOURCE EFFICIENCY: CABINETRY AND TRIM			
155	Cabinets and drawer boxes are made from materials that contain no added urea-formaldehyde resins and are made from the following: ☐ Agri-fiber material – 4 pts ☐ SCS or CPA/EPP Certified Composition wood used in cabinets (i.e., particle/fiber board, MDF) – 3 pts SCS = "Scientific Certification Systems" CPA/EPP = "Composite Panel Association's "Environmentally Preferable Product"	Varies		Product data
156	Shelving and/or Countertops are made from materials that contain no added urea-formaldehyde resins and are made from the following: ☐ Agri-fiber material – 3 pts ☐ SCS or CPA/EPP Certified Composition wood used in shelving and/or countertops (i.e., particle/fiber board, MDF) – 2 pts SCS = "Scientific Certification Systems" CPA/EPP = "Composite Panel Association's "Environmentally Preferable Product"	Varies		Product data
157	Cabinet frames, doors and drawer fronts with low-VOC finishes (≤ 250 grams/liter), made from one or all of the following: (choose only one) ☐ 100% reclaimed or salvaged wood ☐ 100% agri-fiber composite material (w/ no added urea-formaldehyde resins) ☐ 100% bamboo or other rapidly renewable resource ☐ Third-party certified sustainably harvested sources	4		Product data or Certificate
158	Trim made from the following materials: ☐ SCS Certified Composition wood used for trim (i.e. fiber board/MDF) – 2 pts ☐ Finger-jointed trim – 1 pt	Varies		Product data
159	Solid hardwood trim from third-party certified sustainably harvested sources	2		Certificate
	XXVI. MATERIAL RESOURCE EFFICIENCY: MATERIALS REDUCTION & RE-USE			
160	Home size. Choose only one: ☐ House does not exceed 2000 square feet of conditioned area (excluding crawl space) – 10 pts ☐ House does not exceed 1500 square feet of conditioned area (excluding crawl space) – 15 pts	Varies		Builder plans
161	Specify salvaged, reclaimed or refurbished materials for 5% of structural materials	5		Spec sheet
162	Specify salvaged, reclaimed or refurbished materials for 5% of finish materials, not including flooring ⇨ Cannot combine with #147 "domestic wood flooring from reused/recovered …"	5		Spec sheet
163	Paints or finishes with recycled-content and VOC content of ≤ 200 grams/liter	1		Product data
	XXVII. MATERIAL RESOURCE EFFICIENCY: CONSTRUCTION WASTE REDUCTION & RECYCLING			
164	Minimize jobsite waste by sending to the landfill NO MORE than 2.0 lbs per square foot of conditioned floor area (which roughly equates to: 13 cubic yards per 1,000 square feet), through one or more of the following: Max pts. 8 ☐ Reducing material waste through efficient material procurement/building practices – 6pts ☐ Demonstrating an onsite recycling and/or reuse program – 6pts ☐ Utilizing a waste hauler with a solid waste management and recycling plan (waste diversion records required) – 6pts ☐ Use of an on-site grinder – 2 pts ⇨ See Guide for additional information	Varies		Builder letter/plan or waste diversion record
165	Built-in recycling center with two or more bins	3		Field verification or invoice

	2007 Built Green® Checklist VERSION 2007.2	**Point Value**	**Check Builder's Selected Options Here**	**Documents REQUIRED at Time of Random Inspection**
REQ.	**XXVIII. RESOURCE CONSERVATION: WATER** **➔ REQUIRED CATEGORY - MUST SELECT AT LEAST ONE OPTION**			
166	Clothes washer meets one (or both) of the following requirements: ☐ ENERGY STAR® labeled product – 3 pts ☐ Add pts for washers which meet the Consortium for Energy Efficiency (CEE) Tier 3B with a water factor of < 5.5 – 3 pts	Varies		Label
167	Install a hot water demand controlled recirculation pump. A manual control or occupant sensor switch shall operate the pump with an automatic sensor shut-off.	3		Spec Sheet
168	Bathroom faucets fitted with aerator restricting flow to 1.8 gpm or less	1		Field Verification
169	Kitchen faucet fitted with aerator restricting flow to 2.0 gpm	1		Field Verification
170	Showerheads installed are low-flow (less than ≤ 2.0 gpm) (1 point for each showerhead)	1		Field Verification
171	Dual-flush gravity, pressure or vacuum assist toilet averaging 1.1 gpf <u>with a performance factor ≥ 400 grams/flush</u>. (3 points for each installed, max 9 pts) ⇨ Performance standards referenced in the MaP test 7th or later Editions. See Guide to the Checklist for MaP Test reference ☐ Dual-flush gravity toilet ☐ Pressure or vacuum assist toilet	3		Spec Sheet
172	Standard and High Efficiency Toilets (HET) meet the following: ⇨ Performance standards referenced in the MaP test 7th or later Editions. See Guide to the Checklist for MaP Test reference ☐ ≤ 1.6 Gallons Per Flush toilets <u>with a performance factor ≥ 400 grams/flush</u> – 1 pt per toilet (max 3) ☐ ≤ 1.3 GPF toilets <u>with a performance factor greater than ≥ 400 grams/flush</u> – 2 pts per toilet (max 6)	Varies		Spec Sheet
173	Landscape is designed based on a water budget with a maximum of 15 gal/sq. ft. per year when fully established, in addition to natural precipitation. Copy of water budget should be provided to homeowner or available in HOA documents. See http://www.greenco.org/downloadables/Water%20Budgeting.pdf for water budget calculations	8		Copy of water budget
174	Soil amendment must include ALL of the following: ☐ Install at least three cubic yards of soil amendment per 1000 square feet of installed landscape area, based on soil analysis. ☐ Amendment must be tilled 4-6" below the surface	4		Invoice
175	Efficient irrigation system, must including ALL of the following: ☐ Installed irrigation system is designed for the efficient distribution of water, based on hydrozones ☐ Turf and bedding areas are zoned separately ☐ Shrubs and trees are irrigated with non-spray irrigation systems such as drip irrigation and subsurface irrigation	4		Subcontractor letter
176	Installed irrigation system controls include at least one of the following: ☐ Soil moisture, rain sensor, or other irrigation efficiency device – 2 pts ☐ Evapotranspiration (ET) controllers that allow flexible programming to adjust watering schedules to the historical needs of plant types – 3 pts ☐ Evapotranspiration (ET) device features "real-time" feedback (i.e., radio, internet or pager signals from a weather station) – 1 pt	Varies		Landscaper or Irrigation Contractor Letter
177	Irrigation system is equipped with a master valve that prevents the mainline and zone valves from being pressurized unless the irrigation controller initiates an irrigation cycle. (This is NOT a typical back-flow prevention device)	1		Spec sheet
178	Pop-up sprinklers are equipped with pressure-compensating heads and check valves. All systems should be designed and installed with head-to-head spacing of sprinklers and nozzles with matched precipitation rates for each zone	2		Subcontractor letter
179	Installed bedding areas are mulched to a depth of 3" ☐ Additional point if mulch or compost is generated from on-site construction or tree trim waste – 1 pt	2		Builder Letter
180	Install practical turf areas and turf alternatives following Xeriscape principles (See http://www.water.denver.co.gov/xeriscapeinfo/xeriscapeframe.html for Xeriscape details). ☐ Turf should not be installed in narrow strips less than 8 ft wide – 1 pt	Varies		Subcontractor

2007
Built Green® Checklist
VERSION 2007.2

	2007 Built Green® Checklist VERSION 2007.2	Point Value	Check Builder's Selected Options Here	Documents REQUIRED at Time of Random Inspection
	☐ Turf should not be installed on slopes greater than 4:1 or in areas that are difficult to efficiently irrigate and manage – 1 pt ☐ Native or low water-use plantings – 1 pt ☐ Cool season turf grass, buffalo grass, blue grama grass, turf-type tall fescue and fine fescues– 1 pt			letter
181	Permeable materials comprise 40% of areas for all walkways, patios and driveways	2		Product data
182	Rainwater directed toward landscaping where practical. Landscapes receiving redirected water must be at least five feet from the building foundation	1		Field verification
183	Irrigation system is designed by a Certified Irrigation Designer (CID) and installed by a Certified Irrigation Contractor (CIC) or Certified Landscape Technician (CLT). See http://www.irrigation.org to search for professionals in your area	2		Certificate
184	Installed irrigation system is certified by a Certified Landscape Irrigation Auditor (CLIA). See http://www.irrigation.org to search for professionals in your area	2		Certificate
185	Provide a list of drought tolerant plants to homebuyers. Add an additional point if water-wise landscaping is incorporated on a model home in this development	1		Copy
186	Provide homebuyers with at least 3 sample water-wise landscaping and irrigation sketch plans (when landscaping is not installed)	3		Copies
	75 POINTS MINIMUM REQUIRED. Enter your point total here.			

EXHIBIT D
TO
ANNEXATION AGREEMENT
[Attach Water Agreement]

WATER AGREEMENT (05/20/10 DRAFT)

This WATER AGREEMENT (the "Agreement") is made and entered into as of the ___ day of ________, 2010, by and between PARK CITY MUNICIPAL CORPORATION, a political subdivision of the State of Utah (the "City"); Boyer Park City Junction L.C., (individually, a "Party" and, collectively, the "Parties").

RECITALS

A. Boyer and City each own certain real property located in Summit County, State of Utah, as more particularly described and shown in attached Exhibit "A" (the "the Property"); and

B. Boyer and City intend to improve the property in phases, as described below, for residential development (the "Project"), which is within the annexation area for Park City Heights ("PCH"); and

C. The Parties have concurrently herewith entered into an Annexation Agreement, dated May ____, 2010, (the "Annexation Agreement"), under which the City agrees to annex the Property into the corporate limits of the City and extend municipal services to the Property and the Project; and

D. Under the Annexation Agreement, the Parties agree to enter into this separate Water Agreement for the purpose of implementing Sections ___ of the Annexation Agreement relating to, among other matters, the design and construction of and payment for the "Water Delivery System," as defined in this Water Agreement and as may be further defined in any future written agreement addressing that definition;

NOW, WHEREFORE, in consideration of the terms and conditions of this Agreement, as well as the mutual benefits to be derived from those terms and conditions, the Parties agree as follows:

AGREEMENT

1. Water Delivery System and Project Peak Daily Demand. The Parties agree to cooperate in the construction of a Water Delivery System, as defined in this Water Agreement, which will be adequate to meet the water demand of the Project as phased while also providing additional capacity to the City for the delivery of water to customers outside of the Property. The City shall and subject to the terms of the Water Agreement and the Annexation Agreement hereby agrees to provide culinary water and irrigation water sufficient to meet the projected peak daily water demand for the use and development of the Project as phased, subject to the terms and restrictions contained in, or as may be adopted as part of, the Water Code, Title 13 of the Municipal Code of Park City, including emergency and drought restrictions. The Water Delivery System shall also be capable of delivering water at flows and pressures per R309-105-9 of the Utah Department of Environmental Quality Rules for Public Drinking Water Systems. The

Parties understand, acknowledge and agree that the peak daily water demand for the Project shall not exceed 350 gallons per minute. Attached hereto and incorporated herein as "Exhibit B" is a "Project Density Calculation by Developer" which sets out an allowable residential density for Market Units and Affordable Unit Equivalents ("AUEs"). Except as otherwise specified in this Water Agreement or the Annexation Agreement, or any future written agreement, the City shall have no further obligation to provide any water, water rights, source capacity and/or infrastructure to the Project or the Property.

2. Initial Certificates of Occupancy.

   a. Initial Building Permits. Boyer and city agree that the Project may be developed in phases. The Parties understand and agree that City is in the process of designing and constructing a water treatment plant. If the first phase of development ("Phase 1") is prior to the plant becoming operational, Boyer and City agree that Phase I of the Project shall be limited to a maximum of one-hundred eighty-thousand (180,000) square feet of residential development and that Phase I shall not exceed the lesser of ninety (90) Unit Equivalents, or ninety-thousand (90,000) gallons per day of demand. Phase I service area shall be limited to locations and elevations serviceable off of the Boot Hill Pressure Zone. A hydraulic model will be required to determine these development boundaries.

   b. Subsequent Phases. Boyer and City understand and agree that City is unable to meet the water demand beyond Phase I of the Project without the water treatment plant being operational and capable of increasing City's water source capacity by a minimum of one-thousand five-hundred gallons per minute (1,500 gpm). Boyer and City further understand and agree that City anticipates the water treatment plant will be operational and capable of increasing City's water source capacity by a minimum of one-thousand five-hundred gallons per minute (1,500 gpm) on or before October 14, 2011. Accordingly, Boyer and City understand and agree that City will not issue a temporary or permanent certificate of occupancy to any development beyond Phase I of the Project prior to the date on which the water treatment plant is operational and capable of increasing City's water source capacity by a minimum of one-thousand five-hundred gallons per minute (1,500 gpm),

   c. Upon the water treatment plant being operational and capable of increasing City's water source capacity by a minimum of one-thousand five-hundred gallons per minute (1,500 gpm), the limitation in paragraphs 2(a-b) shall not apply.

3. Water Delivery System Infrastructure. Boyer shall provide as-built drawings of the infrastructure identified below and GPS coordinates for all water surface features. The City Water Department shall have access to the construction sites at all times.

   a. Phase I Infrastructure. Concurrent with the construction of Phase I, Boyer shall design and construct a water transmission line that will run parallel to water lines included in the Rail Trail Water Lines Project from the water treatment plant to the existing dirt road south of the Rail Trail and Silver Creek. This segment of the

b. Culinary Water Tank. Concurrent with the construction of Phase II, Boyer shall design and construct a Culinary Water Tank, together with all required transmission lines, pumps, valves, valve vaults, access roads, and other appurtenances, within the PCH Property subject to City's approval. The purpose of the tank is to provide fire suppression and operational storage for the Project.

c. Culinary Water Distribution Line. Concurrent with the construction of Phase II, Boyer and City shall design and construct a Culinary Water Distribution Line, together with all required, valves, and other appurtenances, for the purpose of conveying culinary water from the Culinary Water Tank to the entire Project. At this time, the connection to the Boot Hill and Fairway Hills Pressure zones shall be terminated and abandoned. The design and construction of the water distribution line shall be subject to City's approval.

d. Culinary Water Transmission Line. Concurrent with the construction of Phase II, Boyer Plumb and UPK shall design and construct a culinary water transmission line extension from Phase I, together with all required pumps, valves, and other appurtenances, for the purpose of conveying treated water from the City's proposed water treatment plant to the Culinary Water Tank.

e. Snow Park – Oaks Water Transmission Line. Concurrent with the construction of Phase II, Boyer and City shall design and construct of the Snow Park – Oaks Water Transmission Line, together with all required pumps, valves, and other appurtenances, for the purpose of conveying water from the Snow Park pressure zone to the Water Delivery System. The design and construction of the water transmission line shall be subject to City's approval.

4. <u>Cost of Water Delivery System</u>. The Parties agree that, pursuant to the terms of the Annexation Agreement and this Water Agreement:

a. Culinary Water Tank. Boyer shall pay all costs associated with the design and construction of the Culinary Water Tank and all related pumps, valves, pipes,

b. Culinary Water Distribution Line. Boyer shall pay all costs associated with the design and construction of the Culinary Water Distribution Line and all related pumps, valves, and other appurtenances.

c. Culinary Water Transmission Line. Boyer shall pay all costs associated with the design and construction of the Culinary Water Transmission Line and all related pumps, valves, and other appurtenances. Within thirty (30) days of the completion of Culinary Water Transmission Line, the Parties shall determine the incremental costs incurred by Boyer over and above the cost of having designed and constructed the required culinary water transmission line size as determined during design (minimum of eight (8) inch). The incremental cost of the actual Culinary Water Transmission Line, which the Parties understand and agree may be larger than the required Project size (minimum of eight (8) inches), shall represent City's ratable share of the cost of design and construction of the Culinary Water Transmission Line. City shall pay Boyer its ratable share of the costs of the Culinary Water Transmission Line within thirty (30) days of approval by the City Engineer, following request for inspection pursuant to the Subdivision Ordinance and associated public improvement guarantee that this improvement is complete. No costs in excess of the estimated cost of construction used for the public improvement guarantee shall be part of the City reimbursement unless approved in advance and in writing by the City.

d. Snow Park – Oaks Water Transmission Line. Boyer shall pay all costs associated with the design and construction of the Snow Park – Oaks Water Transmission Line and all related pumps, valves, and other appurtenances. Within thirty (30) days of the completion of Snow Park - Oaks Water Transmission Line, the Parties shall determine the incremental costs incurred by Boyer over and above the cost of having designed and constructed the required transmission line size as determined during design (minimum of eight (8) inch). The incremental cost increase of the actual Snow Park –Oaks Water Transmission Line, which the Parties understand and agree may be larger than the required Project size (minimum of eight (8) inches), shall represent City's ratable share of the cost of design and construction of that line. City shall pay Boyer its ratable share of the costs of the Snow Park – Oaks Water Transmission Line within thirty (30) days of approval by the City Engineer, following request for inspection pursuant to the Subdivision Ordinance and associated public improvement guarantee that this improvement is complete. No costs in excess of the estimated cost of construction used for the public improvement guarantee shall be part of the City reimbursement unless approved in advance and in writing by the City.

e. Incremental costs as defined by this section shall include the incremental cost of inches of increased trench width from upsizing the pipe diameter (incremental additional backfill, excavation, if any, haul off, if any, and import of suitable backfill, if any) and the incremental material cost of the pipe itself.

5. <u>Specifications of Water Delivery System</u>. Subject to the terms and conditions of the Annexation Agreement and this Water Agreement or otherwise agreed in writing, Boyer shall submit all required plans and specifications to City for approval and, thereafter, shall construct and install such approved Water Delivery System within the Project subject to the terms of this Water Agreement.

6. <u>Conveyance of Easements</u>. Boyer shall convey such easements to City as needed, as subdivision platting occurs, for the location of culinary pipelines as defined in the Annexation Agreement and this Water Agreement. Boyer and City agree that all easements conveyed for these purposes shall be in accordance with the limitations and conditions of the City approved utility plan.

7. <u>Conveyance of Property</u>. Boyer shall convey its interest in property in fee to City within the PCH annexation boundary, as needed and as approved by the City, for the location of the Culinary Water Tank, and City's proposed water treatment plant as defined in the Annexation Agreement and as further depicted in the approximate location and drawing attached to this Water Agreement as Exhibit B, provided that such conveyance and location does not diminish (i) the densities described in the Annexation Agreement, or (ii) the ability to secure MPD approvals and permits related to such densities Boyer agrees that all property conveyed for these purposes shall be free from financial liens.

8. <u>Miscellaneous.</u> The Parties further agree as follows:

   a. Binding Terms; Entire Agreement. The terms, covenants and conditions herein contained shall be binding upon and inure to the benefit of the successors, transferees and assigns of the Parties. This Agreement and the exhibits attached hereto constitute the entire agreement among all the Parties hereto with respect to the subject matter hereof, incorporates all prior agreements, and may only be modified by a subsequent writing duly executed by the Parties.

   b. No Public Dedication. Nothing contained in this Agreement shall, or shall be deemed to, constitute a gift or dedication of any part of the PCH Property to the general public or for the benefit of the general public or for any public purpose whatsoever, it being the intention of the Parties that this Agreement will be strictly limited to and for the purposes expressed herein.

   c. Waivers. No waiver of any of the provisions of this Agreement shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver be a continuing waiver. Except as expressly provided in this Agreement, no waiver shall be binding unless executed in writing by the Party making the waiver. Any Party

d. Interpretation; Recitals. This Agreement shall be interpreted and construed only by the contents hereof, and there shall be no presumption or standard of construction in favor of or against any Party. The recitals stated above and the exhibits attached to this Agreement shall be and hereby are incorporated in and an integral part of this Agreement by this reference.

e. Governing Law; Captions. This Agreement shall be construed and enforced in accordance with, and governed by, the law of the State of Utah. The captions in this Agreement are for convenience only and do not constitute a part of the provisions hereof.

f. Applicability. If any term or provision of this Agreement or the application of it to any person, entity or circumstance shall to any extent be invalid and unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each term and provision of this Agreement shall be valid and shall be enforced to the extent permitted by law.

g. Authority; Further Assurances. Each Party hereto represents and warrants that it has the requisite corporate power and authority to enter into and perform this Agreement and that, to their respective, current, actual knowledge, the same will not contravene or result in the violation of any agreement, law, rule, or regulation to which any such Party may be subject. Each Party to this Agreement shall use reasonable efforts and exercise reasonable diligence to accomplish and effect the transactions contemplated and, to that end, shall execute and deliver all such further instruments and documents as may be reasonably requested by the other Party in order to fully carry out the transactions contemplated by this Agreement.

h. No Third Party Beneficiaries. Nothing in this Agreement is intended to or shall create an enforceable right, claim or cause of action by any third person, entity or party against any Party to this Agreement.

i. Counterparts; No Recording. This Agreement may be executed by facsimile and in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement may not be recorded in the official real estate records of Summit County, Utah, or elsewhere, without the express, written consent of the Parties.

j. Force Majeure. If any Party is delayed or prevented from performance of any act required hereunder by reason of a "force majeure" event, and such Party is otherwise without fault, then performance of such act shall be excused for the period of the delay. For purposes of this Agreement, "force majeure" shall mean

k. Notices. Unless otherwise designated in writing, all notices, demands and other communications under this Agreement shall be in writing and mailed by first class registered or certified mail, postage prepaid, sent by receipted hand delivery, sent by nationally-recognized, overnight courier, sent by confirmed facsimile and, in any case, shall be addressed as set forth in the Annexation Agreement for each such Party (or their legal counsel).

l. Relationship of Parties; Limitation of Liability. Nothing herein contained shall be deemed or construed as creating a relationship of principal and agent, partnership or joint venture among the Parties, or any of them, it being agreed that neither any provision contained herein, nor any acts of the Parties hereto shall be deemed to create any relationship between the Parties except as otherwise specified in this Agreement.

m. Remedies Cumulative; No Waiver; Injunctive Relief. The various rights and remedies herein contained and reserved to each of the Parties shall not be considered as exclusive of any other right or remedy of such Party, but shall be construed as cumulative and shall be in addition to every other remedy now or hereafter existing at law, in equity, or by statute. No delay or omission of the right to exercise any power by any Party shall impair any such right or power, or be construed as a waiver of any default or as acquiescence therein. Further, the Parties agree and acknowledge that a nondefaulting Party may not have an adequate remedy at law by reason of any breach of default of the terms or conditions of this Agreement and, as such, the nondefaulting Party shall be entitled to injunctive or similar relief from any breach or anticipated or threatened breach of this Agreement by the defaulting Party, in addition to and without waiver of any other remedies available at law or in equity.

DATED as of the ___ day of _________, 2010.

[signatures on following page]

PARK CITY MUNICIPAL CORPORATION,
a political subdivision of the State of Utah

By: ______________________________________
Dana Williams, Mayor

Dated this ______ day of ____________, 2010.

ATTEST:

____
Janet Scott, City Recorder

Dated this ______ day of __________, 2010

APPROVED AS TO FORM:

____
Thomas A. Daley, Sr., Deputy City Attorney

Dated this ______ day of __________, 2010.

BOYER PARK CITY JUNCTION, L.C.
A Utah liability company, by its manager

The Boyer Company, L.C.,
a Utah limited liability company

By:________________________
Name: ____________________
Its: _______________________

Dated this____ day of ______________, 2010

(Exhibits to be provided under separate cover)

EXHIBIT E
TO
ANNEXATION AGREEMENT
[Attach Hales Engineering Traffic Report]

UNDER SEPARATE COVER

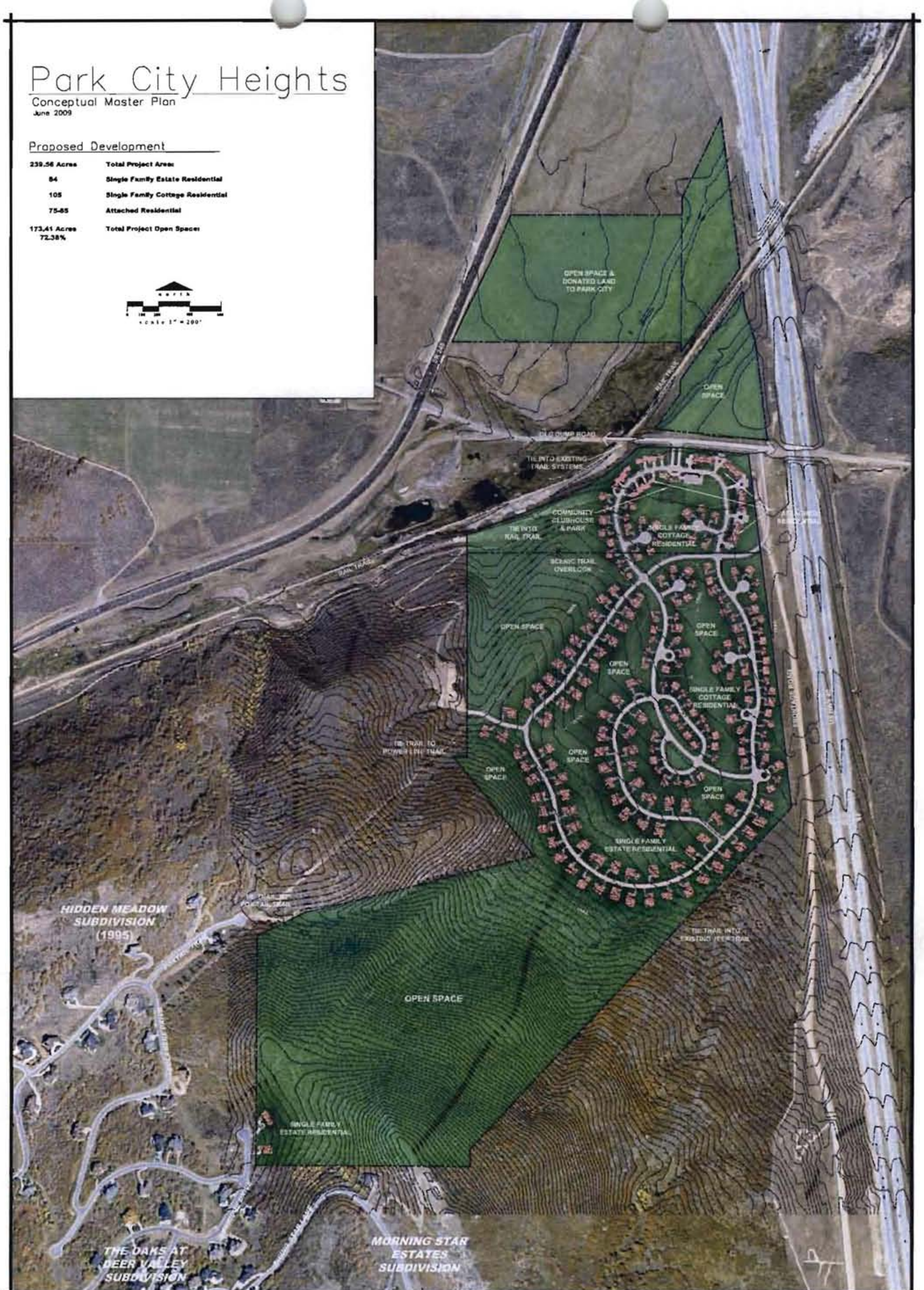

Park City Heights
Conceptual Master Plan
June 2009
Proposed Development
239.56 Acres Total Project Area:
84 Single Family Estate Residential
105 Single Family Cottage Residential
75-85 Attached Residential
173.41 Acres 72.38% Total Project Open Space:
north
scale 1" = 200'
OPEN SPACE
COMMUNITY CLUBHOUSE & PARK
SINGLE FAMILY COTTAGE RESIDENTIAL
SINGLE FAMILY ESTATE RESIDENTIAL
HIDDEN MEADOW SUBDIVISION (1995)
THE OAKS AT DEER VALLEY SUBDIVISION
MORNING STAR ESTATES SUBDIVISION

Exhibit E


OPEN SPACE
OLD DUMP ROAD
TIE INTO EXISTING TRAIL SYSTEMS
COMMUNITY CLUBHOUSE & PARK
MULTI-FAMILY AFFORDABLE HOUSING
TIE INTO RAIL TRAIL
SINGLE FAMILY COTTAGE RESIDENTIAL
SCENIC TRAIL OVERLOOK
TRAIL
OPEN SPACE
OPEN SPACE
TRAIL
OPEN SPACE
SINGLE FAMILY COTTAGE RESIDENTIAL
TUBING RUN
TRAIL
FRONTAGE ROAD
TIE TRAIL TO POWER LINE TRAIL
OPEN SPACE
OPEN SPACE
OPEN SPACE
SINGLE FAMILY ESTATE RESIDENTIAL
TRAIL
TIE TRAIL INTO EXISTING JEEP TRAIL

Table 1-1

Cost Estimate

Park City Heights Water Supply System

WATER SUPPLY SYSTEM IMPROVEMENT	***OPTION A***	***OPTION B***
RAIL TRAIL WATERLINE		
• Waterline Tee at Jeep Road	$10,000	
• Waterline Stub from Quinn's WTP to Jeep Rd.		$170,000
SUBTOTAL	**$10,000**	**$170,000**
PARK CITY HEIGHTS PHASE 1		
• Waterline from Tee to PCH Phase 1, w/ connection to Boothill & Fairway Hills Water Tanks	$560,000	
• Waterline from Jeep Rd. Stub to PCH Phase 1, w/ connection to Boothill & Fairway Hills Water Tanks		$560,000
PHASE 1 SUBTOTAL	**$560,000**	**$560,000**
PARK CITY HEIGHTS PHASE 2		
• Waterline from WTP to Jeep Road	$290,000	
• Waterline from PCH Ph 1 to PCH Water Tank	$850,000	$850,000
• Waterline from PCH Water Tank Neck Zone	$1,150,000	$1,150,000
• PCH Water Storage Tank, 600,000 gallons	$900,000	$900,000
• Water distribution line from PCH Water Tank to Ph 2	$180,000	$180,000
• Pumping System Improvements at WTP	$300,000	$300,000
PHASE 2 SUBTOTAL	**$3,670,000**	**$3,175,000**
TOTAL (RTWL, PH 1, & PH 2)	**$4,240,000**	**$3,950,000**
SUPPLEMENTAL PCH WATER STORAGE TANK CAPACITY, (600KG TO 1MG TOTAL STORAGE CAPACITY (total capacity as recommended in the Water Master Plan)	$500,000	$500,000

Option A reflects the installation of a 'tee & valve only' on the Boothill Water Line during the Rail Trail Waterline Construction and defers construction of the waterline from the WTP to the Jeep Road until Park City Heights Phase 2 construction.

Option B reflects the installation of the waterline from the WTP to the Jeep Road concurrent with the Rail Trail Waterline Construction.

Exhibit F

Park City Heights
Existing Dirt Road
Option B - Installed w/ Rail Trail Waterlines
Option A - Installed w/ PCH Ph2
Connect W/L Stub to PCH Development W/L
Option A - Tee Installed w/ Rail Trail Waterlines
Silver Creek
Quinns WTP
Richardson Flat Rd
248
Kearns Blvd
Image State of Utah
© 2010 Google
©2009 Google
888 ft
Imagery Date: Mar 5, 2006
40°40'17.85" N 111°28'03.40" W elev 6695 ft
Eye alt 9883 ft