PARK CITY COUNCIL WORK SESSION NOTES
SUMMIT COUNTY, UTAH
DECEMBER 21, 2006

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

Tom Bakaly, City Manager; Tom Daley, City Attorney; Myles Rademan, Public Affairs Director; Jerry Gibbs, Public Works Director; Kathy Lundborg, Water Manager; Brooks Robinson, Principal Planner; Max Paap, Special Events Facilitator; Alison Butz, Projects Manager

1. **Council questions/comments.** Joe Kernan suggested items for the visioning session: departmental performance measurement methods, and allowing citizen-members to serve on the Traffic Calming and Neighborhood Enhancement Committees. Marianne Cone requested that the historic inventory be included. Manager Bakaly noted he would add their suggestions to the outline.

Roger Harlan wished everyone a restful Christmas break. He had attended a meeting at the School District offices regarding students parking in our neighborhoods and it was helpful to understand the School District's philosophy. He stressed that the City has a mandated interest in the safety and welfare of residents and attempts to help residents may impact the style of parking that some students have become accustomed to.

Candace Erickson reported that Recycle Utah has appointed three new board members. Their facility use continues to increase and services have expanded. At the Board of Health meeting, they reviewed the $4,000,000 budget for Summit County. She discussed the numerous services they provide and noted they also receive Federal and State Grants.

Jim Hier had attended the Marsac Munchout and thanked Staff for the delightful lunch.

Marianne Cone had attended the Share the Road Committee meeting. They are a dynamic group of people who share a common goal, and are working very hard.

Mayor Dana Williams announced the City had received road signs from EPA announcing Park City's designation as a National Green Power City and thanked the community for their participation in renewable energy program. He stated 13 applications were submitted for the new COSAC group. Council members agreed that Mayor Williams and Jim Hier, as the Council Liaisons, should review the applications and select the new members. He also reported that Rocky Mountain Power had partnered with several groups in Park City over the past year: Arts Kids, Kimball Art Center, National Ability Center, Chamber of Commerce, Park City Conservancy Association, Performing Arts Foundation and Swaner Nature Preserve.

Mayor Williams had met with an artist/filmmaker who hopes to photograph an aerial message using local schoolchildren. The filmmaker has begun the permitting process through Special Events Department. He announced that he and his wife were honored to receive a formal invitation from the Chinese government to join the student exchange program in China in October.

2. Citizen satisfaction survey. Public Affairs Director Myles Rademan explained that Insight Research had conducted a citizen satisfaction survey in September 2006, very similar to the 2003 survey. This is a scientific survey based on interviews with 400 Park City residents. Of the 400 people surveyed, only 37% (148 people) reported having contact with the City or its Staff during the past year.

Ray Briscoe, Insight Research, reviewed the demographics of respondents noting that 50% had lived in the City for under ten years and 50% for over ten years. Eighty-four percent were registered votes and 71% said they voted in the last election. Age groups were fairly balanced with 25% under 39, 25% in 40s, 25% in 50s and 25% over 60 years of age. Incomes ranged from 8% who earned less than $35,000 to 42% who earned more than $100,000 per year. Seventy-five percent were homeowners.

Thirty-seven percent reported having contact with City Staff in the past year. The Library, Golf Course, Other, City Hall, Recreation and Building departments were the most contacted departments. Eighty-two percent of respondents reported receiving courteous and fair treatment. Library, Parks, Trails, Recreation and Special Events received the highest satisfaction ratings for City services. Fifty-one percent of respondents used the City's website and 76% of users reported it was useful. Seventy-one percent felt the City's communications were excellent or good, and 55% felt the amount of communication was satisfactory. Sixty-eight percent felt the City should be more involved in providing affordable housing and nearly 85% believe sustainability issues were vital or important.

Mr. Briscoe reported that satisfaction with City Services had improved in 2006 in all areas, except by residents who had been here less than ten years. He stated the City was making a serious effort and was succeeding.

Joe Kernan asked if other resort towns conducted similar surveys. Myles Rademan indicated he has sent a message to CAST (Colorado Association of Ski Towns) members, but had not yet received responses.

Manager Tom Bakaly stated Council would discuss benchmarking and performance measures during Visioning. Building on the success of comparing financial indicators, we want to determine if the CAST group would be interested in comparing customer service and employee engagement surveys. Joe Kernan expressed interest in knowing whether those communities have local newspapers, radio and television stations. He asked how the survey information would be used. Manager Bakaly stated it provides a source of information for Council as they consider service levels and budget prioritization. Candace Erickson recalled that following the 2003 survey Staff began sending weekly press releases to communicate what Council was doing.

Mr. Kernan referred to the listing of services provided by the City, which were separated into good and excellent scores and those that scored between fair and good. He suggested that the higher scoring services were desired services, such as library, parks, trails, and recreation programs that supported our resort town and residents, while the lower scoring services seemed to be required services, such as building, planning, water, snow removal and streets. He asked Manager Bakaly what his goal would be for an average score for all the departments, and for scores for individual departments.

Manager Bakaly responded that customer service satisfaction is a huge component of being the best-managed resort town and compared to 2003, the survey shows growth in the area. It is a good sign when more than 50% of responses are good or excellent, but he would like to see responses closer to 70-80%. It was important to keep in mind that the survey measured customer service satisfaction as seen by 37% of 400 respondents, or 148 people. He believed the scores were good; they were good in comparison to prior years; and being able to benchmark against other resort towns would be beneficial.

Candace Erickson pointed out that people dealing with the Planning and Building Departments, and Planning Commission, were not likely to be pleased unless they were allowed to build anything they wanted. She was not overly concerned because we would have a very unattractive town if everyone had been satisfied.

Manager Bakaly felt it would be important to compare Park City with other resort towns. If they received high scores for Planning or Public Safety, for example, we may want to know why to understand that better. However, it will be important to ask the same questions.

Mr. Kernan commented that Council members supported affordable housing, which received high scores in the survey. As they discuss future affordable housing, they should remember the group of respondents who elected them, and move forward.

Marianne Cone asked how they explained "sustainability" during the surveys. Mr. Briscoe stated they told people "whatever it means to you."

Myles Rademan mentioned that website survey results indicated 88-90% customer satisfaction in 2002, 2004 and 2006.

3. Wind turbine update. Project Manager Alison Butz stated the City had submitted a grant request for $30,000 from Rocky Mountain Power to help fund the Quinn's wind project and had not only received $30,000 for Quinn's, but an additional $70,000 to conduct a feasibility study for alternative energy sources that would benefit the City such as solar, biomass, and geothermal. Staff requested authorization to execute the grant.
She reported that deed restrictions on the recreation complex land did not allow overhead utilizes. Since Staff was unsuccessful in attempts to modify those restrictions they would like to consider alternate City-owned sites in the vicinity of the ice rink because the wind turbines must be located close to a power source. Staff would like to work with a group from the University of Utah to conduct site analysis on wind potential.

Jim Hier expressed opposition to placing wind turbines on land purchased with open space bonds, as well as reservations about placing power generators in ROS, POS or other open space classifications determined in the future. He favored using the $70,000 to explore other opportunities that are less visible. Ms. Butz commented that Staff had proceeded with Land Management Code amendments in the ROS zone to allow wind turbines, based on Council direction at a previous meeting. Mr. Hier believed open space classifications allow essential utility placement, but he did not consider this type of project to be essential.

Candace Erickson agreed about lands purchased with open space, but felt that one or two may be acceptable on ROS lands. She was concerned about ridgeline issues. She thanked Staff for continuing to pursue this and was thrilled we could look beyond wind.

Roger Harlan expressed caution about placing anything near the highway, but he was not opposed to placing a minimal number (3-5) on open space if it were viable.

Ms. Butz explained the application addressed land surrounding the ice arena, and was not limited to specific locations although it must be within the City limits. She explained the U of U could conduct hand testing at this time, but pole-mounted anemometers would require administrative Conditional Use Permits under the proposed Land Management Code amendments. Marianne Cone expressed concern about permanent installation on open space lands.

Joe Kernan concurred with Ms. Erickson and Mr. Harlan and agreed to placement of a demonstration project wherever it worked best, as long it was not on a hilltop. He was curious how many houses a large wind farm could power. Mayor Williams noted the Evanston wind farm had 80 turbines that produce enough power for 48,000 houses at

12 m.p.h. Mr. Kernan was interested in seeing what could be accomplished for $70,000. Ms. Butz envisioned a broader scope for the preliminary analysis, followed with further refinement and direction in order to proceed with the study.

Mr. Hier believed that any possible code changes to allow windmills on portions of open space would be so restrictive they would be difficult to implement. He stressed that open space lands were purchased to protect entry and view corridors, and the sense of arrival to our resort community. He clarified he was not opposed to wind power, but was opposed to wind turbines on purchased open space land.

Mayor Williams concurred regarding the purchased open space lands, but felt that ROS was different. He felt it was critical and it was time to step up and take action. He commented that one type of anemometer sent current into the air to measure wind resistance and did not require towers.

Ms. Butz clarified there was no deadline on the use of the grants, but acceptance they must be accepted today. She had an acceptance letter ready if Council provided that direction.

Manager Bakaly clarified that the majority of Council was willing to accept both grants but we would be judicious in spending until we worked out specific locations. Council concurred.

4. Walk-able communities update. Jonathan Weidenhamer, introduced members of the consulting team: Lindsay Ferrari, Wilkinson-Ferrari, PR and communications; Matt Rifkin, Interplan, traffic engineering; Mark Vlasic, Landmark Design, project manager.

Mr. Weidenhamer stressed the two goals of the study: update the Trails Master Plan; and bring a list of walkable/bikeable projects, with a set of criteria, to Council for prioritization during CIP budget discussions. He added that the Trails Master Plan was an interdependent part of the City's overall Transportation Strategic Plan and every action taken for walkability may create reactions and impacts on streets and traffic.

Lindsay Ferrari, Wilkinson, Ferrari & Co. explained the survey provided a tool to receive a more representative view from the public at large, since public meetings tend to attract the same people. Through Dan Jones, they contacted 259 Park City residents, 92% of whom were full-time residents, 59% have lived here 10 or more years, and 34% have children at home. Walkability/bikeability ranked second of five issues (water quality, paths and sidewalks, street repairs, recreation, and transit). They found that people are willing to use the system recreationally, but otherwise only for very short distances, and they must be convenient and safe. Sixty-eight percent use trails frequently but seventy percent of people with children would not let their children walk further than one mile to school. When asked what would make Park City more pedestrian friendly, paths and linkages to existing system, and safer crossings, received the highest scores. Jim Hier disclosed he had participated in the telephone survey.

Mr. Weidenhamer stated Shelley Weiss had collected 40 surveys, with results similar to the telephone surveys. Ms. Ferrari noted that transportation ranked higher in these surveys.

Mark Vlasic, Landmark Design, discussed two other information-gathering components of their study: 1) workshops, which focused on specific problem areas; and 2) middle-school classroom survey, which identified the importance of connections to public transit system. He stated they were developing a list of projects that would enable the City to create a comprehensive system. Mr. Vlasic stated they were soliciting e-mail throughout the process at www.ldi.ut-com and follow-up meetings will be held to allow the public to review prioritized projects.
Mayor Williams commented that safe routes to school was a big concern; but pointed out areas where existing sidewalks were unused. He asked how the consultants weight those issues. Matt Rifkin, Interplan, reported they would develop criteria, including cost efficiency and usage, in order to rank the potential projects. Mayor Williams expressed concern about the desire of people who don't live in a particular area to have trails constructed in front yard rights-of-way. Mr. Rifkin explained they will initiate a two-step screening process to identify good ideas and develop a subset where they can do additional work to determine what the costs would be. They would submit a list of projects, along with a list of constituents that may be affected, and the projects will be vetted through an open process. Costs would be accountable based on impacts.

Joe Kernan asked if they would evaluate effectiveness of existing pathways to determine whether they should be maintained or upgraded. Jon Weidenhamer stated they would incorporate existing policies on trail maintenance, snowplowing, and lighting, into the criteria they consider.

Mr. Kernan asked what was typically done for residents if a pathway was placed in their yard. Attorney Tom Daley explained that the City could do that in the public right-of-way without compensation. Manager Bakaly referred to recent legislation limiting the ability to use eminent domain to obtain land for trails. Mark Vlasic mentioned softer approaches that might be appropriate depending on the public's willingness to cooperate.

Council members thanked the consultants for the update and stated they were moving in the right direction.

Review of regular meeting

1. **Sundance MFL**. There was no discussion.

2. **UMPC/PCMR Annexation Agreement.** Joe Kernan identified language on page 17 of the Development Agreement that was unclear and suggested that an exhibit delineating the roads be included. Principal Planner Brooks Robinson explained the redlines refer to Twisted Branch Road which parallels the existing Guardsman Road from Empire Day Lodge into the Red Cloud neighborhood. After a brief discussion, Staff and Council concurred that Exhibit H identified Twisted Branch Road as a private road to be constructed to City standards, with the potential of becoming a public road, if the other road is abandoned, other than whatever access rights might be available to Brighton Estates. The language is consistent with a joint letter submitted to UDOT by Park City and Wasatch County regarding the permit that could one day allow it to be public.

Principal Planner Robinson distributed revised language for the conservation easement noting that the Staff recommendation was to continue the discussion to a future meeting. Marianne Cone requested accurate mapping and Mr. Robinson stated they would receive a more definitive map.
Roger Harlan remarked that rights were granted to access subsurface oil, gas or other minerals, but he wondered if there were ways to extract those without a road net work system. Mr. Robinson explained that mining activity was an allowed use. He suggested they might have the ability to use the Ontario Shaft 3, or other shafts from the historic mining era.

Marianne Cone referred to the general engineering services contract and asked why so many projects needed to be upgraded. Water Manager Kathy Lundborg explained that new development was straining the pumps and there was no backup for them. Water user fees covered much of the expense, although some were tied to impact fees.

Prepared by Sharon Bauman, Analyst II

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
DECEMBER 21, 2006

I ROLL CALL

Mayor Dana Williams called the regular meeting of the City Council to order at approximately 6 p.m. at the Marsac Municipal Building on Thursday, December 21, 2006. Members in attendance were Dana Williams, Marianne Cone, Candace Erickson, Roger Harlan, Jim Hier, and Joe Kernan. Staff present was Tom Bakaly, City Manager; Tom Daley, Assistant City Attorney; Max Paap, Special Events Manager; Alison Butz, Special Project Contractor; Kirsten Whetstone, Planner; Scott Robertson, Interim IT Manager; and Brooks Robinson, Planner.

II COMMUNICATIONS AND DISCLOSURES FROM COUNCIL AND STAFF

Council disclosures - Joe Kernan disclosed his recycling contract relationship with Sundance Institute, Royal Street, Talisker, PCMR, and Powdr Corp. Candace Erickson stated that her husband is doing work for a consultant hired by Talisker. She indicated that she is a seasonal employee of PCMR and Jim Hier added that his wife is now employed by the resort.

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

1. Fireworks permit – Max Paap advised that a fireworks permit has been issued by the Building Department to the Park City Performing Arts Center for a New Year's Eve party to be held at 2636 Aspen Springs Drive.

2. Electronic voting – Kathy Dopp, election reform enthusiast, advised that the National Institute of Standards and Technology has stated that DRE systems cannot be secured. The Institute is recommending that all voting systems be software independent and supports optical scan paper ballots. This position was adopted by the Technical Guidelines Development Committee of the U S Election Assistance Commission. She discussed in detail failures throughout the Country from the last election and explained serious shortfalls in Utah's manual audit procedure. Ms. Dopp explained her appeal before the State Records Board because vote count information has not been made public and she expressed concerns about lenient state law standards for destroying election materials. HAVA does not apply to municipal elections and because of the expense, many cities and counties in Utah are planning on using hand-counted paper ballots or optical scan paper ballots. She strongly recommended using paper, implementing manual audits, and spoke about preserving the efforts of her group in promoting the integrity of federal elections. Ms. Dopp asked that Council make a decision to not use electronic voting equipment.

Roger Harlan felt that more energy should be directed toward achieving higher voter turn-out, and didn't share her beliefs about conspiracies relating to electronic equipment. No system is perfect and paper ballots will not prevent fraud. Kathy Dopp agreed that paper ballots can also be tampered with; however, one person can undetectably rig an entire electronic election. With Utah's current procedures and lack of openness, there would be no way to detect electronic fraud. She agreed with Mr. Harlan's comments about low voter turn-out and the benefits of having a voting system in place that citizens can trust. Other members felt that a decision can not be made without obtaining information from Summit County and the City Manager suggested holding a work session on this issue.

IV CONSENT AGENDA PUBLIC HEARINGS

1. Amendment to the Park City General Plan to include a general description of, planning objectives and action items for the Park Bonanza District (properties bounded by Kearns Boulevard, Park Avenue, Deer Valley Drive, and Bonanza Drive, including properties fronting the east side of Bonanza Drive) **(motion to continue to January 25, 2007)** – The Mayor requested a motion. Roger Harlan, "I so move". Marianne Cone seconded. Motion unanimously carried.

2. Ordinance amending Title 11, Buildings and Building Regulations, to update building, mechanical, plumbing, electrical, housing, fuel gas, energy, and fire codes of the Municipal Code of Park City, Utah – In response to a question from Ms. Erickson about the fiscal impact of approximately $2 per square foot, Chief Building Official explained that costs depend on the orientation of the building. The Mayor opened the public hearing and with no comments, closed the hearing.

3. Ordinance approving amendments to the Land Management Code of Park City, Utah, to reflect re-organization of the Community Development Department, to comport with revisions to the Utah Code, and to address substantive amendments for Chapter 8, Annexation, and Chapter 15, Definitions – Planner Kirsten Whetstone explained that the minor change to the annexation section deals with processing so that the review can be held contemporaneously with the City Council and Planning Commission. The amendments to Chapter 15 reflect housekeeping changes, i.e., wording, moving text so the document is more readable, and adding definitions. The Mayor opened the public hearing. With no comments from the audience, the public hearing was closed.

4. Authorization to staff to execute a grant, in a form approved by the City Attorney, from Rocky Mountain Power for $30,000 to fund a specific wind project at Quinns Junction and $70,000 to fund a feasibility study – Alison Butz referred to her work session presentation and asked if there are further questions from Council or the audience. The Mayor briefly discussed the grant for the benefit of the public and opened the public hearing. With no comments rendered, the public hearing was closed.

5. Authorization to staff to execute the 2007 Supplemental Plans to the Master Festival License and City Services Agreement with the Sundance Institute, in a form approved by the City Attorney – Max Paap, Special Events Manager, explained that a public process is provided for any changes from the previous year's Film Festival. The proposed 2007 traffic mitigation plan has been reviewed by Council, including Main Street drop and load zones, and the Festival parking system. Ms. Erickson referred to a number of suggestions raised a couple of weeks ago and asked if they were considered for this year's final traffic/parking plan. Tom Bakaly clarified that this year reflects changes, including unlimited access per day in the $20 surface lot for China Bridge permit holders and if the garage is not being used the second half of the Festival, staff will look into opening up parking to permit holders. Ms. Erickson asked about lowering the charge for Main Street businesses for guaranteed spots which prompted discussion. Mr. Bakaly indicated that this is something that can return to Council for 2008. Marianne Cone commended Mountain Trails' walk-ability initiative for Sundance this year. The Mayor opened the public hearing and with no comments, closed the hearing.

V CONSENT AGENDA

Marianne Cone, "I move we approve the ordinances and authorize contacts as noted in Items 1 through 6". Joe Kernan seconded. Motion unanimously carried.

1. Ordinance amending Title 11, Buildings and Building Regulations, to update building, mechanical, plumbing, electrical, housing, fuel gas, energy, and fire codes of the Municipal Code of Park City, Utah – See staff report and public hearing comments.

2. Ordinance approving amendments to the Land Management Code of Park City, Utah, to reflect re-organization of the Community Development Department, to comport with revisions to the Utah Code, and to address substantive amendments for Chapter 8, Annexation, and Chapter 15, Definitions – See staff report and public hearing comments.

3. Authorization to staff to execute a grant, in a form approved by the City Attorney, from Rocky Mountain Power for $30,000 to fund a specific wind project at Quinns Junction and $70,000 to fund a feasibility study - See staff report, work session, and public hearing comments.

4. Authorization to staff to execute the 2007 Supplemental Plans to the Master Festival License and City Services Agreement with the Sundance Institute, in a form approved by the City Attorney– See staff report and public hearing comments.

5. Authorize contract with Marsh USA Risk & Insurance Services for standard broker services for a one year period, January 1, 2007 through December 31, 2007 in the amount of $10,000 – See staff report.

6. Authorize the following Insurance premium payments for public entity liability, workers compensation, property, and crime insurance covering a one-year period from January 1, 2007 through January 1, 2008:

- $115,164 to States Self-Insurers Risk Retention Group, Inc. ("States") for public entity broad form liability insurance;
- $137,941.46 to Workers Compensation Fund ("WCF") for workers compensation insurance;
- $58,853 to Lloyds of London for property insurance;
- $5,758 to Zurich American for boiler/machinery insurance;
- $3,589 to Travelers for Public Officials Employee Dishonesty (Crime) (annual installment, policy period 1/1/05 to 1/1/08);
- Self insure physical damage collision coverage for City buses; and
- Decline optional Terrorism Risk Insurance

See staff report recommending approval.

VI NEW BUSINESS

1. Authorization to enter into a service provider contract with Bowen Collins & Associates for general engineering services, in a form approved by the City Attorney, in the amount of $275,000 – See staff report and work session comments. There was a brief discussion of the continual upgrade of the meter reading capabilities. Candace Erickson, "I move we authorize the City Manager to execute an agreement, in a form approved by the City Attorney, with Bowen Collins & Associates for engineering services in the amount of $275,000". Marianne Cone seconded. Motion carried unanimously.

2. Authorization to enter into a license agreement and service provider contract, in a form approved by the City Attorney, with Spillman Technologies Inc for police department software, in the amount of $269,987 – Scott Robertson explained that about a year ago, the IT Department began to explore a police software upgrade. Spillman is providing an opportunity to the City to leverage resources to keep costs in line by offering a significant incentive to purchase before the end of the year. The state of Utah has announced its intent to award a contract to Spillman making state contract purchases available to cities. Mr. Robertson stated that the Police Department currently has an outdated system which lacks many needed basic database features. The goal is to create an inter-operable relationship with Summit and Wasatch Counties. This

procurement is budgeted; the City is receiving excellent pricing on a product that fulfills the City's technical requirements.

Jim Hier asked if this software integrates with the City's network. Mr. Robertson advised that this is a stand-alone product which is actually preferred to protect data. In response to another question from Council member Hier regarding the year-end deadline, Scott Robertson explained that December 31 is the end of Spillman's fiscal year. The vendor is very interested in working with Park City and returned with an offer of lower pricing, including hardware, if the City is willing to commit before the end of the month. Roger Harlan asked out how long the product will last and Mr. Robertson felt a minimum of five years is reasonable. Upgrades and inter-agency use was discussed. Joe Kernan stated that he likes the fact that the vendor is a Utah company, "I move we authorize staff to enter into a license agreement with Spillman Technologies in the amount of $269,987". Marianne Cone seconded. Motion unanimously carried.

3. Ordinance approving the UPCM/PCMR Annexation Agreement and amending the Official Zoning Map – See staff report and work session comments. Planner Brooks Robinson explained that the agreement is a culmination of over a year of discussions with the City Council, the Planning Commission, staff, UPCM and PCMR. He pointed out features within the Flagstaff Mountain Development Agreement which have been discussed thoroughly with the Planning Commission and task force and shared with Council. Applications must comply with 18 conditions outlined in the annexation policy, including urban services and Mr. Robinson acknowledged that water is not finalized. All other requirements are detailed in the annexation agreement. The zoning map illustrates the property coming into the City which is zoned Recreational Open Space and the approximate 139 acres currently within the City and zoned Estate is proposed to be changed ROS. Most of the property is subject to the PCMR ski lease and the parcel at the Silver King Mine by the Bonanza Lift, which is not a part of the ski lease, would be protected with a conservation easement as directed by the City Council. He referred to a change in the conservation easement's list of reserved uses, discussed in work session, which is not finalized. By way of email today, the Summit Land Conservancy indicated that it has no objections but its board has not reviewed this specific language. Mr. Robinson added that PCMR's concerns about increased costs of operating within the City still appears to be an outstanding matter and all parties are present to report to the City Council tonight. It is staff's recommendation to continue this to the January 11, 2007 meeting.

Marianne Cone expressed her interest in preserving the historical structures on the mountain and Doug Clyde, consultant to Talisker, explained that the buildings are outside of the PCMR lease and addressed in the conservation easement. She suggested that the tramway tower which was removed and installed at the Ontario Mine be returned to its original location. There was discussion about updating the historic preservation technical report submitted by the applicant. Ms. Cone requested a map better illustrating parcels; there was brief discussion about Beano's Restaurant. The Mayor opened the public hearing.

Jenny Smith, PCMR, stated that the resort has been consistent in its position on three issues, including process, conservation easement language, and cost issues. Talisker's final offer is to cover PCMR's increased costs for five years only which is not acceptable; the other two issues have been resolved. David Smith, attorney for Talisker, stated that the rationale for the five year time period was based on the belief that within five years, Summit County's cost and fee structure will reach parody with Park City.

Ms. Smith pointed out that the two taxes of most concern are the franchise tax and municipal tax. The County does not have the ability to levy these taxes which represents about $29,000 annually. She stated that this is a *multi-million dollar deal* for the City and Talisker and all PCMR wants is to have its costs covered.

Mayor Williams felt that at some point, there should be a deadline for resolving outstanding issues. Jim Hier recalled that an analysis of incremental costs affecting the resort was distributed before and asked for that information again. The City Manager agreed to provide the information again. The annual cost calculated by City staff is estimated at $35,000 per year, including a franchise fee component.

In response to Jim Hier's question about language for skier parking, Section 2.5, Mr. Robinson explained that the 75 parking spaces remain but some wording may need to be modified from the draft agreement and staff will work with Talisker on this. Mr. Hier felt the $1.8 estimate for the construction of the parking lot seems low and wants to make sure the City is adequately covered in the event of non-compliance. He asked that there be a commitment to a phasing plan in the annexation agreement, acknowledging that specifics could be outlined in the MPD agreement. Dave Smith advised that there is phasing language in both the development agreement draft and Schedule 1, but the MPD and/or the County processes have not occurred. Councilmember Hier indicated that he would like to see something on timing for an application and Mr. Smith stated that the application has been submitted for the parking. Jim Hier again asked that the phasing be better described. He felt that the location of the 20 affordable housing units should remain flexible but the timing should be addressed. He suggested conditioning the Montage approval with the parking obligation and a formal worker transportation/parking plan. Mr. Robinson believed this could be included in the construction mitigation plan. Discussion again ensued about Talisker providing a bond for completion and whether the $1.8 is adequate to construct a parking facility.

Joe Kernan stated that the gondola was addressed in the original Flagstaff development agreement. It was subsequently determined to be infeasible and replaced with an enhanced shuttle plan. However, the current language for van and shuttle service in the development agreement is unchanged. Doug Clyde stated that they have committed to the traffic and transit plan modification which includes all of Fehr & Peers recommendations reviewed and approved by the Planning Commission. It was pointed out that the transit plan is one of 14 technical reports and Jim Hier indicated that he would also like to see this analysis. In response to question from Roger Harlan about the cost of constructing affordable housing, David Smith explained that the cost is what it is. Mr. Clyde added that the affordable housing plan is tied to the City's policy with regard to affordability. In response to a question from Dana Williams about the increase from 7,000 to10,000 square feet for Beano's Restaurant, it was explained that this was reviewed by the Planning Commission and Council. Jim Hier recalled asking for more information about satisfying service demands and the correlation to square footage and he felt that the consultant verbally answered his questions, but he felt it would be helpful to have something in writing. Doug Clyde emphasized that the representation that Beano's was proposed at 7,000 square feet was a misnomer to begin with but more analysis will be provided to Council members. Tom Bakaly stated that it is staff's recommendation that the restaurant remain at 7,000 square feet, although Planning Commission did not object to 10,000 square feet.

Mayor Williams referred to agreement language for the Iron Mountain parcel which specifically prohibits thinning trees, constructing ski lifts and runs, etc. and is concerned that the easement does not reflect this intent. He wants to make sure that this is not negotiable and clear. David Smith stated that he will review the conservation easement language. Mayor Williams expressed that he is concerned that some Summit Land Conservancy board members have financial interests in The Colony which may be reflected in the easement wording. His concerns include resolving issues between PCMR and Talisker, potential traffic on King Road, and the disposition of the Judge Tunnel discharge permits. David Smith explained that there is flexibility on the conservation easement and he felt that satisfying the Mayor's concerns is attainable and will continue to work on water with the City. The Mayor stated that he supports staff's position on the discharge permit. There was discussion about Talisker's proposal to cover PCMR's increased costs of operating within the City limits for five years.

Mr. Smith clarified that the water emanating from the Judge Tunnel is delivered into the City's system and Talisker is covering infrastructure costs. Tom Daley added that there is agreement on other components dealing with water but the amount and value of available water in the Judge Tunnel may be affected in the future.

Bob Wells emphasized that the Shadow Lake Parcel should be clearly described as owned by Royal Street Land Company in the annexation agreement and deed restriction. Currently, there is a section in the annexation agreement that restricts Shadow Lake property which is not appropriate and should be amended.

Jim Hier, "I move that we continue this item until January 11". Roger Harlan seconded. Motion unanimously carried.

VII ADDITIONAL DISCUSSION – AGENDA ITEMS

Snow removal complaint - Annie Les, Stryker Avenue, understood that her street is Priority 3 for snow removal services, but complained that her street was impassible last weekend except for four-wheel vehicles which is unacceptable.

VIII ADJOURNMENT

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

MEMORANDUM OF CLOSED SESSION

The City Council met in closed session at approximately 2:30 p.m. Members in attendance were Mayor Dana Williams, Marianne Cone, Candace Erickson, Roger Harlan, Jim Hier, and Joe Kernan. Staff present were Tom Bakaly, City Manager; Kathy Lundborg, Water Manager; Jerry Gibbs, Public Works Director; Brooks Robinson, Planner; and Tom Daley, Assistant City Attorney. Roger Harlan, "I move to close the meeting to discuss property and litigation". Marianne Cone seconded. Motion carried unanimously. The meeting opened at approximately 3:30 p.m. Jim Hier, "I move to open the meeting". Candace Erickson seconded. Motion unanimously carried.

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

Prepared by Janet M. Scott

Janet M. Scott, City Recorder

PARK CITY SUMMIT COUNTY UTAH CORPORATE Seal MARCH 1, 1884

The survey is available for review at the City Recorder's Office during regular business hours 435-615-5007

City Council Staff Report

PARK CITY 1884

Author: Myles Rademan
Subject: CITIZEN SATISFACTION SURVEYS 2006
Date: December 21, 2006
Type of Item: Informational

PUBLIC AFFAIRS & COMMUNICATIONS

Summary Recommendations: This item is for information purposes, no direction is requested.

Description:
Citizen Satisfaction Surveys 2006

Background:
In September 2006, Insight Research telephone surveyed 400 Park City residents about their perceptions and feelings concerning city services and city communication. Citizens were randomly selected. Their report is appended to this cover report.

Analysis:
The 2006 Citizen Satisfaction Survey was similar in form and content to one conducted by Insight Research for the City in October 2003, and a number of comparison questions are tabulated in their attached report.

A number of key issues should be understood concerning this survey:

1. This survey only measures citizen satisfaction with key governmental services provided by the city and does not measure if these services are cost effectively provided.
2. Telephone surveys have a number of inherent problems:
    a. Many younger people do not have land line phones and instead use cellular phones. No methodology exists to reach these cell phone users.
    b. As the numbers demonstrate, a random telephone survey favors permanent residents, who are older and more settled in the community.
3. Only 37% of the 400 people surveyed (or 148 people) have had contact with the city or its staff during the past year. That amounts to a sample size of 148 individuals. So when you see that 4% say they have had contact with the City Council that amounts to only 6 individuals
4. While sta6tistically the 400 person sample has a very low error ratio, it still represents a small portion of the Park City community and 1 or 2 people answering a question about satisfaction one way or another seems to make a very large difference.

One of the key questions we asked in both 2003 and 2006 was whether respondents had been treated courteously and fairly in their dealings with the city. This is a measure of customer service regardless of whether respondents received the answer or service they hoped to get from the city. 83% responded affirmatively in 2003, and 82% in 2006. This is a very high level of customer service satisfaction given the diverse range of services the city provides.

The survey points up areas in which the city can provide additional information about its services, and also a better customer service experience. City staff will be analyzing these results to understand areas in which staff can improve.

I n addition to general comments on city services the survey also asked tow specific policy-oriented questions about affordable housing and sustainability.

1. 68% favor more City involvement in providing affordable housing, and
2. 74% felt that it was either vitally or very important for the City to be working on sustainability issues.

In addition to the Citizen Satisfaction Survey conducted by Insight Research in October 2006, the City also conducted a Newsletter and on-going e-mail Citizen Satisfaction Survey from July – December 2006, through its City Update Newsletter and its web site. To dated, 101 people have responded to this survey, which is only 47 respondents less than the Insight Research Survey, though the City survey respondents are not random and are self-selected.

There are a number of significant overlapping questions between the Insight Research Survey and the Newsletter and web survey:

1. Have you been treated courteously & fairly in your dealings with the City:
    a. Insight Research: Yes = 82%; No = 1%; Yes & No = 17%
    b. Newsletter & Web Survey Yes = 86.9%; No = 13.1%

2. How well does the City communicate with you, and do you feel you get enough information on City issues?
    a. a. Insight Research: Excellent = 16% Good = 45%; Fair = 28%;
    b. Poor = 4%; Don't Know = 8%
    c. Newsletter & Web survey: Yes = 77.2% No = 22.8%

3. Have you used the City's web site?
    a. Insight Research: Yes = 51% No = 47%
    b. Newsletter & Web Survey: Yes = 64.4% No = 35.6%

A very important question on the City's newsletter and web survey was the "Rate your satisfaction with the City services you receive".

Excellent = 40% Good = 48.8% Adequate= 5.1% Poor = 6.1%

88.8% of respondents rated their satisfaction with City services as either excellent or good, a slightly higher satisfaction rating than the Insight Research Survey reported by breaking down satisfaction ratings by departments and functions, but not a statistically significant overall difference. This is an exceedingly high satisfaction rating.

Department Review:
All applicable departments have reviewed the survey results and their comments have been incorporated within the report.

Recommendation: This item is for information purposes, no direction is requested.

Attachments: Citizen Satisfaction Survey 2006 by Insight Research
City's Web Survey Results

Citizen Satisfaction Survey

<u>Questions 2, 5, 7, 8</u>

2. If NO, how would you like to receive information?
    - Via print media
    - More newspaper, TV, radio and press releases; any way possible to keep community informed
    - Flyers
    - On-line & mailings

5. Do you have any specific comments on city services?
    - Our historic past and present buildings, resorts, mines need national and international revere.
    - Why is the recycle operation in Park City allowed to use bins that are too small and without covers. The trash blows all over the neighborhood and look like hell.
    - Consider Kamas area and expand bus service that direction. Also east of Hwy. 40 in the Justice Center area.
    - Traffic Traffic Traffic and more control of speeders.
    - Street sweep and blow off sidewalks at night when no cars!
    - If there is any locally-accessible senior services "bulletin board" or internet site, I am unaware of it.
    - Too much concrete & paving trails, no more Olympic memories with parks and statues and signs, more open space, please.
    - Snow removal on Main Street.
    - I would like to receive notification from the Public Works Department when work is to commence and length of time of work on the streets bordering my home.
    - Please keep all bus tops clean and looking appropriate for guests and locals.
    - Don't plow streets when it snows 1 inch and place more recycling containers in City buildings, the parks, and on Main Street.
    - Garbage - Old Town nightly rentals produce huge garbage – should have pickup twice a week or change to Monday morning.
    - Comstock between Sidewinder & 248 is like a commercial freeway. Suggestions: 1) Speedbumps; 2) Stop signs; and, 3) Residential Signs.
    - More street trash pickup after the melt. The City pushed its own neighbors, but did not oversee it well enough.
    - Police - too much speeding and aggressive drivers. Turn circle needs better signs; i.e., a large sign 100 or so ft from circle indicating how to use it.

7. If NO, would you please comment?
    - Parked in Brew Pub lot early season with snow,. Thought we had parked in lines, but got towed. Can't remember name of guy at City Hall that was ridiculously abusive!
    - Parking enforcement on old town streets is ridiculous. Everyone I have talked to agrees that neighbors work out parking problems among themselves.
    - Can't believe anything Ron Ivie says.
    - Code Enforcer does not call me back when I have concerns.
    - While submitting permits and plans for Miner shack renovation, it was impossible to get call back from the Planner appointed to me.

- The Affordable Housing on lower Deer Valley Drive. What was shown was not built.
- Reports are taken by Police (speed complaints), they patrol 1-2 days, then nothing.

8. Is there any special issue or problem you would the City to look into?
   - People travel more for history than any other reason. We need to do more to protect our air we breathe.
   - Woodside Avenue between 14 and 15th Streets, from what I've read, will not get a slurry coat. Why? Will the City fix the potholes?
   - I live on American Saddler Drive and the autos are too fast for the neighborhood . . . lower the speed limit.
   - Open space has been so successful. Keep it up. Trail connections and pedestrian, cyclist, auto interface NOMA & Kearns area.
   - Not to allow zoning changes and variances that would impact open spaces. In particular, right now the attempt being made by Park Meadows Country Club to rezone Golf Course areas for development of homesites and condominiums
   - If it would be possible to have City- or school-sponsored, twice weekly, year-round classes for seniors, age 55+ of exercises or yoga geared to that age group. Have attended those sponsored by local school districts in 3 other states - all reasonably priced for retirees.
   - Make public more aware of green building with incentives.
   - Motorcycle speed & noise on Main Street
   - I would like to see more traffic and speed control in the Thaynes Canyon area; specifically, Three Kings Drive area. We need more than one posted speed limit sign on each end of Three Kings Drive, and a four-way stop sign at the Thaynes Canyon Drive and Three Kings Drive intersection. There are children and senior citizens living in this area who might seriously be hurt by the speeding vehicles that are present every day, The City's help would be appreciated.
   - Assisting wildlife with migratory corridors and bridges over Hwys. 224 and 228
   - Comstock traffic! Petition circulated and 50+ residents are concerned about commercial vehicles and speed! (Why is this issue being ignored?)
   - More roadside beautification within our City limits.
   - Deer Valley Drive traffic from circle to Snow Park. Workers speed in the morning and going home; then, "dinner "folks speed coming from upper Deer Valley to dine on Main Street.
   - The use of water on the school grounds, allowing a Tuff Shed to be placed on Lucky John, and many sacks of peat moss to be stacked there for months! More traffic devices in Park Meadows, especially during school months.
   - Planning and Building committee should more consistently enforce guidelines in Old Town related to architectural style, landscaping, etc. Clearly some new construction in Old Town looks fabulous, while other have weeds, no carriage-style garage doors, etc. If one homeowner is required to comply, all should.
   - Recycling! Put some money into it. Let's catch up with the rest of the "best managed" towns.
   - The parking situation of the construction site on Deer Valley Drive, right after the roundabout. They are destroying the natural wildlife and littering.

City Council Staff Report

Author: Jonathan Weidenhamer
Subject: Walkable/ Bikeable Community Study
Date: December 21, 2006
Type of Item: Informational update & review of preliminary public input

Summary Recommendation:
Provide direction to continue with the Walkable Community Study per the existing contract deliverables and timeline.

Background
The purpose of this update is to provide the City Council with a progress report on the Walkable/Bikeable Community Study. The City Council lists Recreation, Open Space, and trail development as a high priority goal. Consistent with this goal in spring of 2006 the Council funded a Walkable Community Study in the amount of $100,000. Council later appropriated an additional $50,000 to expand the contract to address the projected impacts of potential walkable projects on current and future vehicle traffic.

The main objective of this project is to create a clear and detailed list of improvement projects that will ultimately improve walkable and bikeable connectivity between Park City's neighborhood districts. Per the contract with Landmark Design, the main project deliverable will also include a detailed analysis of needs, gaps and solutions; corresponding cost estimates, schedules and priorities; and an action plan for prioritizing associated capital improvements. The Study is not intended to be a City-wide traffic or transit study; nor will it be a specific neighborhood traffic calming guide.

The Walkable Community Study is part of the City's strategy to consider incorporating pedestrian and biking enhancements as part of the Trails Master Plan into the City's Transportation Strategic Plan. The individual elements of the overall Transportation Strategic Plan are neither separate nor independent. For every action, there is a reaction. For example, if a pedestrian crossing is enhanced at an intersection, vehicular traffic is impacted before, at, and after the intersection. As Council weighs various strategies, staff recommends that the Council consider the interdependent nature of the elements of the City's Transportation Strategic Plan as depicted in Exhibit C. Initial decisions should be monitored and measured immediately after implementation so that adjustments, if necessary, may be timely initiated.

These broader issues are likely to be addressed in more specific detail as the City moves forward with its long-range community visioning and general plan updates. Should the Council want to pursue larger City-wide traffic/transportation studies or other master planning efforts, staff recommends discussing this topic during their upcoming visioning session.

Progress Report
The Landmark Design Team has made significant progress, and is on schedule to complete the study as proposed (Exhibit A – project schedule and Deliverables). Consistent with the

contract approved on October 26, 2006, the following tasks have either been completed or are still underway:

- Documentation of Existing Conditions;
- Preparation of Project Base Mapping;
- Review of Existing Studies and Reports; and
- Assessment of Existing Network

The Public Involvement Plan has been initiated:

- A telephone survey;
- A series of neighborhood and community meetings;
- A Youth open house/workshop; and
- Direct outreach to the Latino/Spanish-speaking community.
- Establishment of the project website www.ldi-ut.com/projects/parkcity.htm or www.parkcity.org

The Public Involvement Plan builds upon Park City's legacy of concerned and committed residents; uses public involvement to create a community vision for Park City connectivity; and obtains feedback from the community that is representative of each stakeholder group – not just a few outspoken citizens. The following is a more detailed description of each element.

1)Dan Jones Park City Walkability Survey
The telephone survey has been conducted to identify issues as well as a preliminary "Public Vision for walking and biking in Park City". The following is a summary of preliminary findings with broad staff and consultant interpretation which is open to debate.

Demographics
Dan Jones & Associates interviewed 259 Park City residents. There is a +/- 6% margin of error. The demographics break down as follows:

- Neighborhood
  - Park Meadows 46%
  - Prospector 14%
  - Old Town 17%
  - Deer Valley 7 %
  - Thaynes/Three Kings 7%
  - Other 10%
- 92% were full-time residents. 6% were part-time residents. 2% other.
- 59% of respondents have lived in Park City more than 10 years.
- Respondents trended slightly older with 58% of respondents between the ages of 45 and 64.

Importance and ranking of community issues.

- ***Walkability is an important issue and a high priority for Parkites. – but not generally seen as an urgent, top-of-mind issue such as water quality.***

<u>Prioritization of issues on scale of 1-5 (with 5 being the highest priority and 1 being the lowest):</u>

- Water quality 4.64
  - 78% of respondents listed this as a very high priority
- Paths and sidewalks for walking and biking 4.08
  - 46% of respondents listed this as a very high priority
- Street repair and upgrades 3.90
- Recreation programs 3.84
- Transit 3.70

The vision for walkability.
There is a gap between current perceived level of walkability/bikeability and the vision for where residents want to be. They would like it to be easier to walk and bike.

<u>Walkability on a scale of 1-5:</u>

How pedestrian friendly is Park City?	3.42
How important is it that Park City is pedestrian-friendly?	4.36
How bike friendly is Park City?	3.61
How important is it that Park City is bike-friendly?	4.31
How important is it that PC have safe sidewalks and paths	4.49

Current use of sidewalks and paths
Parkites are active and want to use the system. But it seems to be most useable for recreation purposes.

- 68 % of adults say they use the system "frequently."
- 67% walk daily or several times a week
- 30% bike daily or several times a week
- 72% of those with children say their children use the system "frequently."
- 70% of family members use paths and sidewalks for recreation
- 25% of family members use paths and sidewalks for errands
- 15% of family members use paths and sidewalks for school
- 55% say they use the system year-round

Adequacies and inadequacies of the system

- ***Parkites give the system a fairly high rating in terms of overall condition, signing and maintenance. But they don't give high scores for safety at crossings, snow removal and lighting for late afternoon/night use. Overall, the public feels the system is much more conducive to recreational use than it is to school and work use.***

<u>Are paths and sidewalks adequate to use for</u>...

Walking to school	41% say definitely not or probably not
Walking to work	36% say definitely not or probably not
Recreation	0% said definitely not; 25 % said probably not.

Rank the existing system on a scale of 1-5:

- Overall condition 3.65
- Overall safety 3.48
- Links and connections 3.35
- Safety at crossings 2.88
- Snow removal 2.82
- Lighting for night use 2.39

Barriers to use:
While safety, snow removal and lighting are issues the public would like to see improved, they are not the primary barriers to use. People do not use paths and sidewalks more often because of convenience.

Reasons that residents do no use the Park City paths and sidewalks more often:

- Their destination is too far
  - 29% said this is definitely a reason
- It's inconvenient because of time
  - 23% said this is definitely a reason.
- The paths and sidewalks are not safe
  - 9% said this is definitely a reason
- There are no paths and sidewalks in close proximity.
  - 24% said this is definitely a reason.

2)Neighborhood workshops
Three neighborhood workshops were held on the evenings of December 11, 12 and 13th. The first workshop was held at the Park City Racquet Club for the residents of Park Meadows and Prospector. The second meeting was held at City Hall for the residents of Old Town and Deer Valley. The third workshop was also held at City Hall, with a focus on the residents from Thaynes/ Three Kings and the Park City Mountain Resort area. Each meeting was well noticed through direct postcard mailings, in the local print and broadcast press.

The workshop format provided participants an opportunity to discuss issues, identify opportunities and shortcomings, and to listen to the ideas of their neighbors and others. The meeting format was "drop-in", with 4 to 6 stations manned by a facilitator and scribe. Each station included a tablet for taking comments, and a simplified base map for participants to identify specific sites. Participants were directed to stations in small groups, for 15-20 minute moderated sessions. Participants were also provided with a comment sheet, which included directions for providing email and on-line comments.
Upon leaving, participants were provided with colored dots, and asked to locate the following on three separate maps:

1) *Where I Live.*
2) *Where I Need to Go.*
3) *Biggest Problem Area*

A large mural for writing ideas, comments and notes was located near the exits, where participants were encouraged to write comments and ideas.

Preliminary Analysis

Seventy-nine people signed-in at the three meetings, participating in more than a dozen directed sessions.

- Meeting #1 43 people signed in
- Meeting #2: 21 people signed in
- Meeting #3: 15 people signed.

To summarize, much of the input that was provided focused on identifying shortcomings and areas with real and perceived safety issues for the walking and cycling public. Some of the most prevalent sites include the following

- SR 248 between the "Park City School zone" and Prospector Park;
- The missing segment of Poison Creek Trail across Bonanza Road and connecting with Rail Trail;
- The general lack of an easy to follow and continuous trail and sidewalk system along major roads; and
- Confusing and poorly connected trail system along Park Avenue in front of Dan's.

Other areas receiving significant notice include:

- Little Kate Road in Park Meadows; and
- The lack of full connectivity along SR224 to Kimball Junction.

In general, most of the areas and issues above were known and expected, based on documentation of existing conditions. Areas of concern that were less expected include:

- The support for a continuous walking/biking "spine system" following major roads in and out of the community;
- Support for context sensitive solutions (ie: a range of solutions from expensive and complex to simple and inexpensive);
- Acceptance of the need to phase improvements based on critical factors. In general it was agreed that safety is the most critical factor;
- The desire for better education, signage and other non-capital expense improvements;
- Requests to not "break the bank" and consider costs.

Some of the comments and ideas which were expressed were not directly related to walkability and bikeability, addressing increasing traffic, the desire for traffic calming, enforcement of laws and rules, and similar issues. In addition to noting issues and gaps, many participants provided potential solutions for improving specific problem areas.

Detailed results of these meetings are documented in Exhibit B (Separate Attachement).

3)Middle School Open House/ Workshop
On December 11th, a workshop was held with approximately 20 Eighth Grade Social Studies students at Treasure Mountain International School. The purpose of the meeting was to discover the walking and bikeing needs of park City's youth, who it is assumed rely on walking and cycling more regularly than their adult counterparts.

The meeting began with a PowerPoint presentation outlining the purpose of the study and the need for cities and towns that are walkable and bikeable. The students were then divided into small groups where they filled in a walkability/bikeability survey, and led through a mapping exercise to identifying sites of interest.

It is interesting to note that only a handful of the student participants actually live in Park City. However, all of the students said that they walk and bike in the city on occasion. Several of the students noted that walking and biking links should be coordinated with bus stops, which are heavily used by the group. A few of the students bike to school in good weather, although only two walk to school.

Detailed results of these meetings are documented in Exhibit B (Separate Attachement).

4)Latino/ Spanish Speaking Community Outreach
Shelley Weiss, Park City's Diversity Outreach Coordinator, is spearheading outreach efforts for the project, in collaboration with the Landmark Design Team. Her efforts include introducing the project to residents at a community event, and conducting a Spanish-language survey on a door-to-door basis in established Latino/ Spanish-speaking neighborhoods. These efforts are in the process of being finalized, with results to be available in early 2007.

Upcoming Tasks
Based on the information obtained to date, the Landmark Team will be working with a Steering Committee composed of City Staff to develop a list of pedestrian and bicycle trail projects. We will also be working with the local Share the Road Committee to expand our outreach. In most cases the goal will be to establish a list of preferred projects. However, in cases where more than one solution is possible, the list may include alternatives where warranted. General guidelines and policies related to bicycle and pedestrian facilities will also being developed.

A Public Forum/ Open House Meeting will be conducted once the list has been developed and preliminary costs established, providing an opportunity for the public to review options and comment on potential projects and alternatives. This is preliminarily scheduled for mid-January.

Once the list of projects has been identified and cost estimates established, a method of evaluation using criteria that is fair and consistent will be established by the Landmark Design in collaboration with City Staff. At a minimum, these criteria will evaluate how well each project meets the following:

- provides a safe and interconnected system for the city;
- provides access to schools and other critical facilities;
- connects to outlying trail networks;

- fills a gap in an existing trail system;
- provides trail facilities to neighborhood that are under served at present;
- meets with public support;
- provides a cost effective solution; and
- is relatively easy to implement.

Once finalized, the evaluation criteria will be applied to the list of projects, and an Action Plan developed to be incorporated into the Park City Transportation Master Plan as an addendum. A second Public Forum/ Open House Meeting will be conducted at the conclusion of this task, allowing the public to review the criteria and provide comment prior to proceeding with Adoption proceedings. This is preliminarily scheduled for early February.

Once the Action Plan has been finalized, the Trails Master Plan will be brought to the Planning Commission and City Council for consideration. Identified walkability projects will then be prioritized as part of the budget process consistent with Council-adopted budget policies and the Transportation Strategic Plan (Exhibit C).

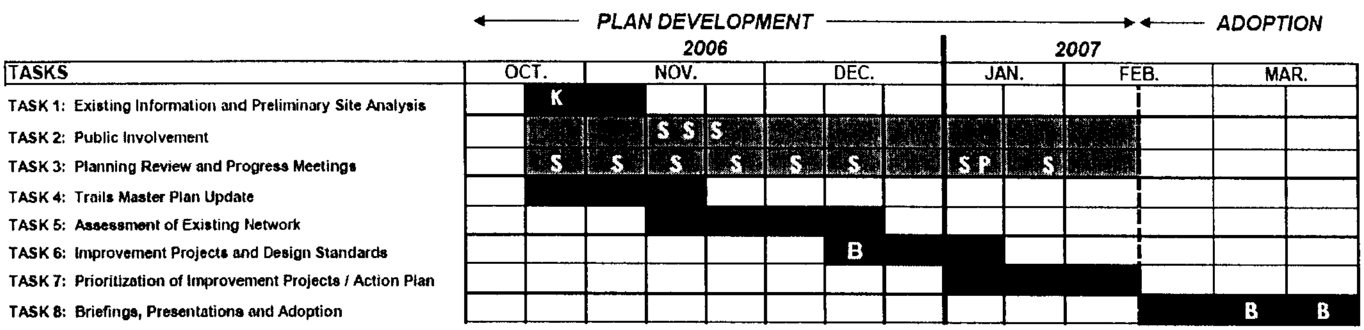
Recommendation
Provide direction to continue with the Walkable Community Study per the existing contract deliverables and timeline.

Exhibits:
Exhibit A – Deliverables & Schedule
Exhibit B - Expanded Results (Separate Attachment)
Exhibit C - Transportation Strategic Plan & corresponding background info

Exhibit A – Project Deliverables & Schedule

The Landmark Design Team understands that in order to meet PCMC budgetary deadlines, the List of Prioritized Projects should be ready by approximately February 15, 2007, with Final Plan adoption to occur immediately thereafter. As illustrated in the accompanying schedule, we are prepared to meet this schedule, assuming that a Notice-to-Proceed is provided by October 19, 2006 as described in the RFP.

Proposed Schedule



K - Kickoff Meeting
S - Staff Review Meeting
N - Neighborhood Workshop
P - Public Open House
B - Briefings/ Presentations to Planning Commission and City Council

Project Kickoff Date - October 19, 2006
Work Completion - February 15, 2007
Adoption Process - February 15 - March 30 2007

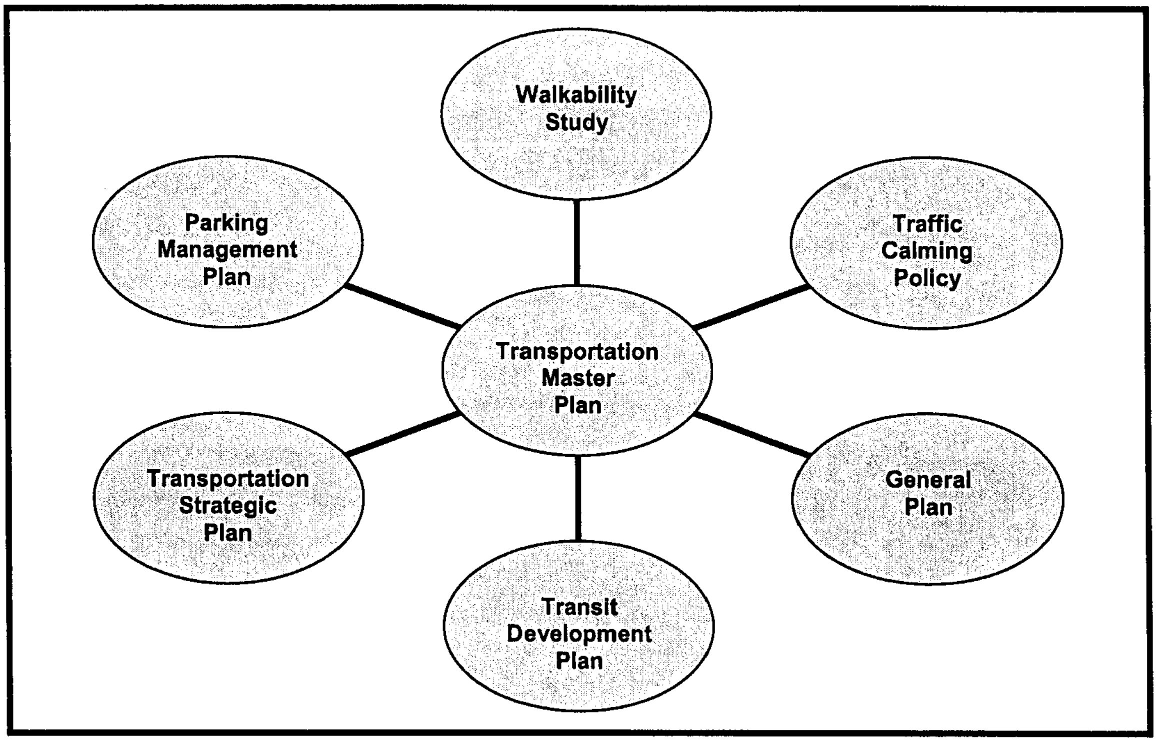
Exhibit B – Expanded Results

Due to size, Exhibit to be submitted separately

Exhibit C –Transportation Strategic Plan & Corresponding Background

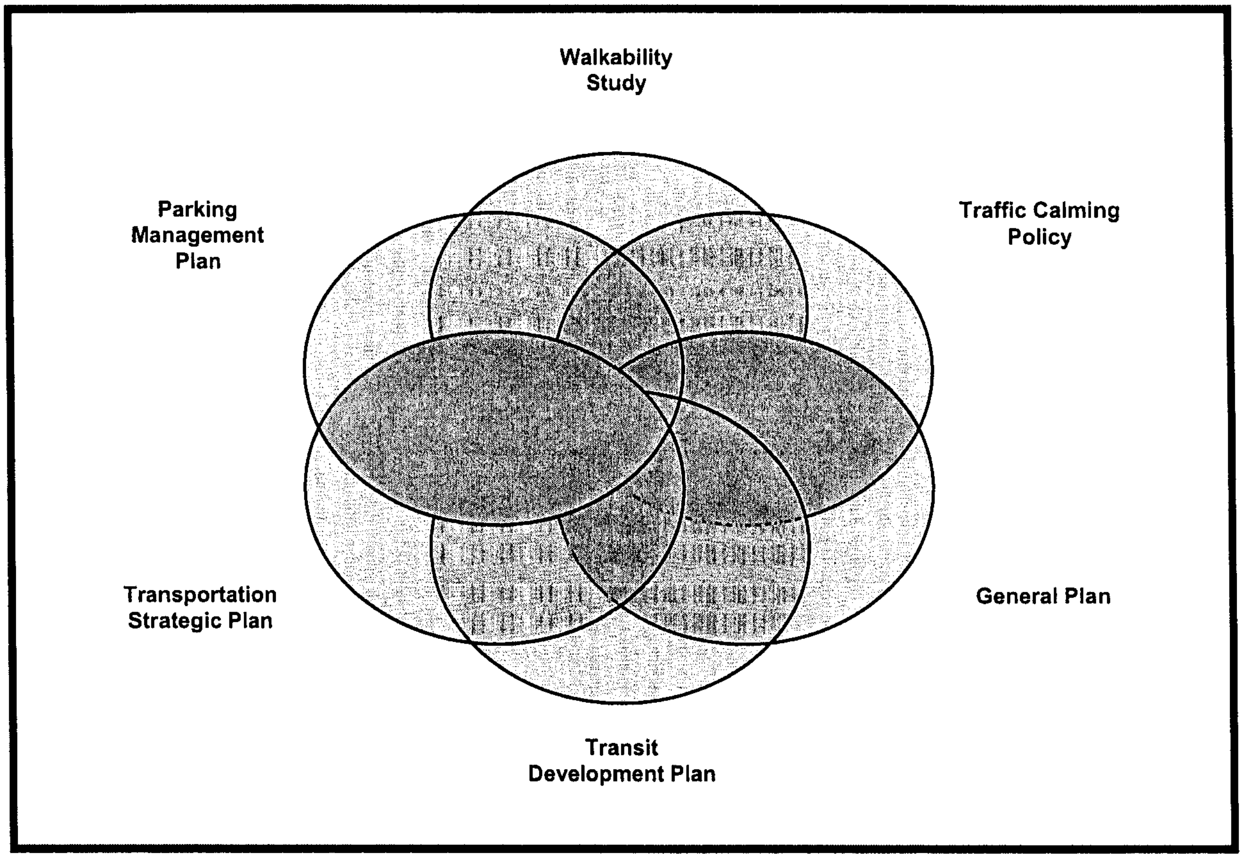
Over the next several months City Council will be reviewing and affirming policy on the City's General Plan, traffic calming policy, parking management plan, transportation strategic plan, walkability study (Trails Master Plan), and transit development plan. These individual elements comprise the City's transportation master plan.

It is convenient and natural to consider each of the elements of the City's transportation master plan independently from one another as is depicted in the graphic below. Once these elements are considered separately then it seems logical that strategy, policy and actions can be determined independently for each of element without impacting any of the other elements.



As one begins to work with the transportation master plan it quickly becomes apparent that the individual elements of the plan are not separate or independent but are interdependent as is depicted in the Venn diagram below. As Council considers strategies, staff suggests constant reference to the Transportation Strategic Plan was adopted on March 30, 2006 (Exhibit A).

Transportation Master Plan



Any strategy, policy or management decision regarding one component will most often directly impact one or more of the other components. For example, should a determination be made to aggressively pursue traffic calming this decision will likely have a negative impact on traffic flow, transit travel times and parking availability.

As City Council determines strategy or policy regarding any one element of the City's transportation master plan (e.g., the walkability study) it is critical that these decisions take into consideration the impacts that those decisions will have on other elements of the plan. Parking and traffic calming strategies will be discussed on November 2, 2006.

Entry Corridors Transit\Transportation Management Strategic Plan	
Mission Statement: To provide for the safe and efficient movement of people and goods while seeking to preserve and enhance Park City's unique community, economy and natural environment.	
Objectives:	**Strategies/Policies:**
o Gain a thorough understanding of volumes and travel patterns that make up current and future traffic conditions along the Entry Corridors. o Adopt regional solutions to regional transportation issues through interagency cooperation and involvement. o Involvement of citizen and business communities in development and implementation of strategies to address transportation issues. o Ensure current capacity of Entry Corridor roads are utilized effectively before expanding roads or related infrastructure. o Ensure that land use and planning decisions balance traffic impacts of development and road capacity while providing for mitigation of those impacts. o Ensure that the City's General Plan reflects the objectives, strategies and action items of this strategic plan.	o Pursue formal agreements to cooperate with regional entities on transportation issues. o Develop and implement an ongoing traffic monitoring program. o Utilize travel demand management (TDM) strategies to mitigate peak hour travel volumes. o Expand public transit where appropriate. o Facilitate development and promotion of park and ride, van pool, rideshare and alternative mode programs. o Facilitate improved special event traffic planning, coordination and communication. o Work with local business community to facilitate the development and implementation of a regional transportation management association (TMA). o Facilitate regional efforts to secure Federal and State financial assistance to fund necessary transit & road projects.

Entry Corridors Transit\Transportation Management Strategic Plan	
- Ensure that all capital expenditure plans utilize achievable revenue and expense assumptions.	- Develop and implement a public participation process to facilitate citizen involvement in the development and implementation of strategies to address transportation issues. - Develop processes and procedures to ensure the traffic impacts of all development and annexation proposals are carefully analyzed and understood. - Develop processes and procedures to ensure all MPD and annexation proposals are required to include a traffic impact analysis and a traffic mitigation plan sufficient to evidence that the development's or annexation's traffic impacts will not reduce current Levels of Service (LOS) on the City's road network. - Utilize financial instruments (e.g., bonding) when appropriate to balance expenditures with revenue resources and cash flow timing. - Develop and implement an ongoing multi-media communication plan to inform and educate the public on regional transportation issues, transportation management efforts and the role each individual plays in an effective transportation management program. - Coordinate transportation planning efforts with General Plan update.

City Council
Staff Report

Author: Ron Ivie, Building Department
Subject: ICC Code Amendment
Date: December 21, 2006
Type of Item: Legislative

Summary Recommendation: Council should hold a public hearing and adopt the amendments to Title 11 of the Park City Municipal Code to update building, mechanical, plumbing, electrical, housing, fuel gas, energy, and fire codes of the Municipal Code of Park City, Utah

Topic: Update building related codes.

Background:
The State of Utah adopts current ICC codes (formerly UBC) in January every three years. DOPL is prepared to adopt the 2006 ICC codes in January 2007 based on State Rule 29120. Local jurisdictions that wish to have their own amendments or appendices adopted must do so through the State process.

The Municipal Code needs to be updated to reflect current codes and to add Appendix P, which reads as follows:

> AP101 Fire Sprinklers. An approved automatic fire sprinkler system shall be installed in new one-and two-family dwellings and townhouses in accordance with Section 903.3.1 of the International Building Code.

Staff approximates that between 70-80% of current new single family dwellings are already designed with fire sprinklers. The fiscal impact of this amendment would potentially add around $2.00 a square foot to the cost of new construction in areas where it is not now required.

Department Review:
Building Department, Planning, Engineering, Legal and City Manager.

Alternatives:

Approve the Request:
City Council should adopt the proposed amendment to the existing ordinance adopting the 2006 ICC.

Deny the Request:
Council could choose to deny the request. The State has already passed the 2006 codes as well as Appendix P for Park City.

Continue the Item:
Council could continue the item and direct staff to return with more information.

Do Nothing:
This would be the same as denying the request.

Significant Impacts/Consequences of not taking the recommended action:
Staff feels that this is an important Appendix to aid in keeping Park City and its citizens safe from human and property loss. Studies and fire reports show that fire sprinklers do in fact safe lives.

Recommendation: Council should hold a public hearing and adopt the amendments to Title 11 of the Park City Municipal Code to update building, mechanical, plumbing, electrical, housing, fuel gas, energy, and fire codes of the Municipal Code of Park City, Utah.

Ordinance No. 06-

ORDINANCE AMENDING TITLE 11, BUILDINGS AND BULDING REGULATIONS, TO UPDATE BULDING, MECHANICAL, PLUMBING, ELECTRICAL, HOUSING, FUEL GAS, ENERGY AND FIRE CODES OF THE MUNICIPAL CODE OF PARK CITY, UTAH

WHEREAS, it is necessary to update the Municipal Code to clearly reflect current practices and laws; and

WHEREAS, Title 11, Buildings and Building Regulations requires an amendment to bring it into compliance with current International Building Code regulations; and

WHEREAS, the City Council held a public hearing on December 14, 2006 and deems it in the best interest of the community to proceed with the amendment;

NOW, THEREFORE, BE IT ORDAINED by the City Council of Park City, Utah:

SECTION 1. AMENDMENT ADOPTED. The following amendments, outlined in Exhibit A, are hereby adopted:

SECTION 2. EFFECTIVE DATE. This Ordinance shall become effective upon publication.

PASSED AND ADOPTED this 21st day of December, 2006.

EXHIBIT A

CHAPTER 2 – IN GENERAL

11-2-1. BUILDING INSPECTOR - APPOINTMENT AND REMOVAL.

There shall be a Chief Building Inspector who shall be appointed by the City Manager and shall serve under the direction of the ~~Community Development Director~~ City Manager.

11-2-2. BUILDING INSPECTOR DUTIES.

The chief building inspector shall be responsible for the enforcement of the building code, residential code, mechanical code, fuel gas code, ~~the~~ electrical code, plumbing code, energy conservation code, housing code, abatement of dangerous building code, all special hazards codes which may now or hereafter be adopted, and the zoning code of the City.

CHAPTER 3 – BUILDING CODE AND RESIDENTIAL CODE

11– 3–1. INTERNATIONAL BUILDING CODE AND INTERNATIONAL RESIDENTIAL CODE ADOPTED.

The International Building Code and International Residential Code ~~2000~~ 2006 edition, establishing rules and regulations for the design, construction quality of materials, use and occupancy, location and maintenance of building and structures, as adopted by the International Code Council, is hereby adopted as the Building Code of Park City, together with rule 29120 of the Utah Administrative code, and the following Amendments.

(A) Appendix Chapter ~~H, Divisions 1 and 2, Chapter 12 , Chapter 15, Chapter 16, Division 1, Chapter 30, and Chapter 33,~~ E, located in the Appendix of the International Building and adopted and incorporated herein with an Amendment to Appendix ~~K~~ J as follows. Except as specified in Section ~~K-1-3.1~~ J 103.1 of this section, no person shall do any grading or removing or grubbing of existing vegetation without first having obtained a grading permit from the building official. Appendix Chapter P located in the Appendix of the International Residential Code 2006 edition.

11-3-2. AUTOMATIC FIRE EXTINGUISHING SYSTEMS.

The following newly constructed structures of buildings used for or to be used for human occupancy shall have an automatic fire extinguishing system installed in conformity with the requirements of the International Fire Code Section 903.1 and the following amendments:

(A) All new construction having more than 6,000 square feet on any floor. ~~except R-3 occupancy.~~

(B) All new construction having more than two stories. ~~except R-3 occupancy~~.

~~(C) All new construction having four or more dwelling units, including units rented or leased, and including condominiums or other separate ownership.~~

~~(D)~~ (C) All new construction in the Historic Commercial Business zone district, regardless of occupancy.

~~(E)~~ (D) All new construction and buildings in the General Commercial zone where there are no side-yard setbacks or where one or more of the side-yard setbacks are less than two and one-half feet per story of height.

CHAPTER 4 – MECHANICAL CODE <u>AND FUEL GAS CODE</u>

11– 4–1. MECHANICAL CODE <u>AND FUEL GAS CODE</u>.

The International Mechanical Code <u>and Fuel Gas Code</u>, ~~2000~~ <u>2006</u> edition establishing rules and regulations for the design, construction quality of materials, use and occupancy, locations and maintenance of building and structures, as adopted by the International Code council is hereby adopted as the Mechanical Code of Park City.

CHAPTER 7 – PLUMBING CODE

11-7-1. ADOPTION OF INTERNATIONAL PLUMBING CODE.

The International Plumbing Code ~~2000~~ <u>2006</u> edition, as promulgated by the International Code Council, is hereby approved and adopted as the plumbing code of park City. Section 106.1 of the International Plumbing Code is amended as follows:

CHAPTER 8 – NATIONAL ELECTRICAL CODE

11-8-1. ADOPTION OF NATIONAL ELECTRICAL CODE.

The National Electrical Code, ~~1999~~ <u>2005</u> edition, as adopted by the National Fire Protection Association printed as a code in book form is hereby approved and adopted as the electrical code of this City, including all Park City and state amendments which are incorporated herein by this reference.

(A) **<u>ELECTRICAL INSPECTION</u>.**

The Building Official shall perform all functions of electrical inspection and shall, among other things, inspect the construction, installation, and repair of all electrical light or power wiring, fixtures, appliances or apparatus installed within the limits of this municipality and shall require that they conform to the provisions of the Electrical Code. The Building Official shall follow as to electrical work the procedures relating to enforcement and safety as are established by the ~~Uniform~~ <u>International</u> Building Code.

CHAPTER 9 – FIRE CODE

11-9-1. INTERNATIONAL FIRE CODE.

The International Fire Code, ~~2000~~ 2006 edition, as promulgated by the International Code Council is hereby adopted as the Fire Code of Park City with the following amendments to section 304.1:

APPENDIX P shall read as follows:

AP101 Fire Sprinklers. An approved automatic fire sprinkler system shall be installed in new one-and two-family dwellings and townhouses in accordance with Section 903.3.1 of the International Building Code.

Exhibits can be viewed or printed on-line or obtained
In the City Recorder's office, www.scott@parkcity.org
435-615-5007

PARK CITY 1884

City Council Staff Report

Author: Kirsten Whetstone **Planning Department**
Subject: Land Management Code Amendments – Chapter 8 and Chapter 15
Date: December 21, 2006
Type of Item: LMC Amendments

Summary Recommendations

Discuss proposed revisions to the Land Management Code, conduct a public hearing, and adopt the Ordinance approving amendments to the Land Management code for Chapter 8- Annexations and Chapter 15- Definitions.

Topic

Project Name: LMC Amendments
Applicant: Planning Department
Proposal: Revisions to the Land Management Code- Chapter 8- Annexation and Chapter 15- Definitions.

Background

The Planning Department is preparing amendments to the Land Management Code (LMC) to address planning and zoning issues that have come up in the past year. Re-organization of the Community Development Department required language in the Land Management Code to be revised to reflect the new organization. Additional revisions are proposed to address specific LMC issues and substantive revisions that have been identified since the 2000 LMC updates. There area also additional amendments to Chapter 8- Annexation (Section 15-8-5 (C)) to clarify that the annexation agreement shall be reviewed contemporaneously with the annexation proposal (Exhibit A). Chapter 15 is the final chapter in this series of updates (see Exhibit B).

On November 8, 2006, the Planning Commission conducted a public hearing on the staff's recommended changes to Chapter 15 and continued the item to the December 13 meeting. At that meeting staff had requested discussion only, with no action recommended, on a revision to the definition of accessory apartments. At this time, staff has removed all revisions to the accessory apartment definition, in order to accomplish the task of completing the LMC amendments related to the CDD and HDC reorganization and state code issues, by the year's end. Staff will return in early 2007 with a comprehensive look at definitions for accessory apartments, guest houses, secondary living quarters, and multiple single family detached structures on a single lot. At that time staff will provide the requested background information and research on this issue.

On December 13, 2006, the Planning Commission conducted a public hearing and voted to forward a positive recommendation to the City Council. There was no public input.

Analysis

Revisions due to CDD reorganization

Reorganization of the City Departments and the elimination of a Community Development Director (CDD) necessitates revisions to the Land Management Code to replace references to the Community Development Director or CDD and replace them with either the Planning Department; Planning Director; Planning, Engineering and Building Departments; City Engineer; and/or Chief Building Official. In general, when a decision is strictly a planning matter, "Planning Director" will replace the "CDD Director". When the decision requires a coordinated effort of Building, Planning, and Engineering then "CDD" will be replaced with "Planning, Building and Engineering Departments".

Revisions due to creation of an Historic Preservation Board

Revisions are also made to replace the terms "Historic District Commission" or "HDC" with either, "Historic Preservation Board", "HPB", "Planning Director", "Planning Department", etc. based on the language approved by the 2003 amendments to Chapter 11- Historic Preservation.

Revisions due to adoption of the International Building Code in place of the UBC

Revisions have also been made to replace the language referring to the Uniform Building Code (UBC) with the International Building Code (IBC).

Summary of amendments to Chapter 8:

- In Section 15-8-5 (C) language regarding ratification of the annexation agreement by the Planning Commission is amended to clarify that annexation agreements shall be reviewed contemporaneously with the annexation proposal. Annexation agreements are to be reviewed by the Planning Commission with final approval by the City Council.

Summary of amendments and revisions for Chapter 15:

- Move definitions from Section 15-4-14-Telecommunications to Chapter 15
- Clarify "Streetscape" definition to differentiate the existing definition from the architectural streetscape required as part of the Historic District Design Review and Steep Slope CUP process.
- Included definitions for "Detached" and "Front Façade".
- Clarify definitions for "Deli or Delicatessen" and "Café" to add the following language "...and generally does not employ wait staff, bus staff, chefs, hostesses, and other typical "Restaurant" employees.
- Clarify definition of "Hospital", such that it does not include Uses defined under "Offices, Medical"
- Include Veterinarian Clinics in the "Offices, Medical" definition
- Expand "Open Space, Landscape" definition to include public landscaped and hardscaped plazas and pedestrian amenities.

Department Review
These amendments have been reviewed by the Planning, Engineering, and Building Departments, as well as by the Legal Department.

Notice
Legal notice of the public hearing was posted in the required public spaces and placed in the Park Record.

Public Input
A public hearing is required to be conducted by the Planning Commission and City Council prior to adoption of these amendments. The public hearing was properly and legally noticed as required by the Land Management Code. There was no public input at the Planning Commission meeting on December 13.

Alternatives

- Conduct a public hearing and adopt an ordinance to approve the proposed revisions to Chapter 8 and Chapter 15 as presented.
- Conduct a public hearing and deny the proposed revisions.
- Conduct a public hearing, continue the item to a date certain, and direct staff to make additional revisions.

Consequences of Not Taking the Recommended Action
If Council does not adopt the ordinance amending the Land Management Code, the Code will not be amended.

Recommendation
Staff recommends the Council conduct a public hearing, discuss the proposed amendments, and adopt an ordinance approving the Land Management Code amendments to Chapter 8- Annexation and Chapter 15- Definitions, according to the findings of fact and conclusions of law identified in the ordinance.

Exhibits
Exhibit A- Chapter Eight- Section 15-8-5 (C)
Exhibit B- Chapter Fifteen- Definitions

Ordinance

AN ORDINANCE APPROVING AMENDMENTS TO THE LAND MANAGEMENT CODE OF PARK CITY, UTAH, TO REFLECT RE-ORGANIZATION OF THE COMMUNITY DEVELOPMENT DEPARTMENT, TO COMPORT WITH REVISIONS TO THE UTAH CODE, AND TO ADDRESS SUBSTANTIVE AMENDMENTS FOR CHAPTER 8- ANNEXATION and CHAPTER 15- DEFINITIONS

WHEREAS, the Land Management Code is designed and enacted to implement the objectives of the Park City General Plan; to protect the general health, safety, and welfare of Park City's citizen's and property owners; to maintain the quality of life and experience for its residents and visitors; and to preserve the community's unique character and values;

WHEREAS, the City is in the process of preparing amendments to the entire Land Management Code to address reorganization of the Community Development Department and to ensure that the Park City Land Management Code comports with revisions to the Utah Code in 2005;

WHEREAS, Chapter 8- Annexations, Section 15-8-5 (C) was amended to clarify that annexation agreements are reviewed contemporaneously with the annexation proposal and are reviewed by the Planning Commission and given final approval by the City Council;

WHEREAS, Chapter 15- Definitions is amended to implement the City's General Plan and to address substantive amendments to the Land Management Code regarding definitions utilized throughout the Land Management Code, including 1) moving definitions from Section 15-4-14 Telecommunication Facilities, 2) adding definitions for "Detached" and "Front Façade", 3) including public hardscaped plazas and pedestrian amenities in the "Open Space, Landscape definition", 4) clarify "Streetscape" definition, 5) include Veterinarian Clinics in "Offices, Medical" definition, 6) clarify "Hospital" definition to not include Uses defined in "Offices, Medical", and 7) clarify definitions for "Café" and "Deli or Delicatessen"".

WHEREAS, these amendments are changes identified since the 2000 Land Management Code revisions;

WHEREAS, the Planning Commission duly noticed and conducted a public hearing at its regularly scheduled meeting on December 13, 2006 and forwarded to City Council a positive recommendation to the City Council;

WHEREAS, the City Council duly noticed and conducted a public hearing at its regularly scheduled meeting on December 21, 2006; and

WHEREAS it is in the best interest of the residents of Park City, Utah to amend the Land Management Code to be consistent with the Utah State Code and the

Park City General Plan, and to be consistent with the values and identified goals of the Park City community to protect health and safety, maintain the quality of life for its residents, and to preserve the community's unique character.

NOW, THEREFORE, BE IT ORDAINED by the City Council of Park City, Utah as follows:

SECTION 1. AMENDMENTS TO CHAPTER 8 OF THE LAND MANAGEMENT CODE. Chapter 8 is hereby amended as attached hereto as Exhibit A. Any conflicts or cross-references from other provisions of the LMC to Chapter 8 shall be resolved by the Planning Director.

SECTION 2. AMENDMENTS TO CHAPTER 15 OF THE LAND MANAGEMENT CODE. Chapter 15 is hereby amended as attached hereto as Exhibit B. Any conflicts or cross-references from other provisions of the LMC to Chapter 15 shall be resolved by the Planning Director.

SECTION 3. EFFECTIVE DATE. This Ordinance shall be effective upon publication.

City Council
Staff Report

Author: Alison Butz
Subject: Rocky Mountain Power - Grant
Date: December 21, 2006
Type of Item: Administrative – Authorization to execute a grant

PARK CITY 1884

Executive Department

Summary Recommendations:
Conduct a public hearing and direct Staff to execute the grant from Rocky Mountain Power for $30,000 to fund a specific wind project at Quinns Junction and $70,000 to fund a feasibility study.

Description:

Topic:
Grant

Background:
In March 2006, the City Council specifically outlined their Goals, Policies and Strategies with regards to the City's environmental initiatives. As part of that resolution Council listed "Pursue model environmental sustainability projects that are working symbols of the city's commitment" as part of their Policies and Strategies. Placement of a wind turbine at the Park City Ice Arena is consistent with parts of this policy. Staff has been taking steps to outline an Action Plan for the environmental initiatives and will present the plan to Council in January 2007.

In October, Staff submitted an application for a grant to assist in funding the potential wind project at Quinns Junction. Since that time, Staff has needed to find an alternative location other than on land acquired from Florence Gillmor, for the placement of the turbines. Staff is investigating the surrounding Recreation Open Space (ROS) land to identify a site that would provide optimal wind conditions and is in close proximity to either the Ice Arena, auxiliary buildings or electric source so that conduit can be run from the turbines into the power grid with the least trenching impact possible.

Upon return to City Council with a new location, Staff will also present alternative wind turbine designs. Staff is investigating new technology and analyzing the size of the unit needed, along with cost, to produce similar kilowatt hours of electricity as discussed.

Analysis:
Staff received a letter on November 27th from Rocky Mountain Power notifying the City of the award of $30,000 for the wind project at Quinns Junction. Staff plans to continue working with the Planning Department as they discuss the General Plan's analysis of wind turbines in January and proceed with LMC amendments later that

month. Furthermore, Staff will work with a local wind group to identify potential site for the turbines on ROS land surrounding the Gillmor parcel and return to Council with a recommendation by February 2007.

Rocky Mountain Power also awarded a grant for $70,000 for the City to conduct a feasibility study to determine the viability of local conditions to construct additional renewable energy projects in Park City. These projects can include wind, solar, geothermal, biomass projects that benefit the city of Park City. Council has stated their interest in pursing solar power at the Ice Arena. We could include an analysis of the potential project as a product of the RFP. Staff recommends issuing an RFP requesting analysis of potential projects on City land and buildings along with an analysis of cost and cost recovery. Staff will return to Council with the specific language for the Request For Proposals in January.

Significant Impacts
Execution of the grants would allow for an additional funding source for the Quinns wind turbines. At this time, no budget line has been identified for this project; Staff would evaluate current projects and funding to determine funding for the remaining project cost.

Conducting a feasibility study would provide Council with information on potential renewable energy projects that could be prioritized during budget review.

ALTERNATIVES

A. Direct Staff to execute the grant from Rocky Mountain Power for both the $30,000 to fund a specific wind project at Quinns Junction and $70,000 to fund a feasibility study.
B. Direct Staff to execute a portion of the grant from Rocky Mountain Power for either the 30,000 to fund a wind project at Quinns Junction and $70,000 to fund a feasibility study.
C. Direct staff to no execute the grant from Rocky Mountain Power.
D. The City Council may continue the action for more information and discussion.

RECOMMENDATION:

Conduct a public hearing and direct Staff to execute the grant from Rocky Mountain Power for $30,000 to fund a wind project at Quinns Junction and $70,000 to fund a feasibility study.

Exhibits

Exhibit A – November 27, 2006 Letter from Rocky Mountain Power
Exhibit B - ROS Land Surrounding Ice Arena
Exhibit C – Council's adopted Environmental Strategic Plan

ROCKY MOUNTAIN POWER
A DIVISION OF PACIFICORP

P.O. Box 25308
Salt Lake City, Utah 84125

November 27, 2006

Alison Butz, Project Manager
Park City Municipal Corporation
445 Marsac Avenue
P.O. Box 1480
Park City, UT 84060
(435) 615-5151
butz@parkcity.org

Project: Park City – Wind, 5.4 kW
Grant: $100,000

Dear Ms. Butz:

Rocky Mountain Power is pleased to extend a grant of $30,000 to help Park City fund the small wind project planned for the open space hillside adjacent to the Park City Ice Arena. The additional $70,000 is to fund a feasibility study to determine the viability of local conditions to construct additional renewable energy projects in Park City.

As a condition of Rocky Mountain Power providing this grant, the recipient will be required to submit quarterly updates on progress. The first progress report will be due to Rocky Mountain Power at the end of the first quarter of 2007. Progress reports must include:

- Summary and timeline (i.e., text summary statement of accomplishments, issues that have arisen, benefits achieved, etc.).
- Progress to date against plan.
- Financial report on funds received from Rocky Mountain Power.
- Pictures of the project or project area.
- For the feasibility study, the reports should include the following information:
  - A description of the potential projects identified during the quarter and any follow-up work required.
  - Why the project is important and merits support.
  - Potential benefits to the community that would result.
  - Unique attributes of potential projects.

In addition, the recipient will provide the following to Rocky Mountain Power:

1. Facility Tours – Recipient will allow Rocky Mountain Power, its customers, and guests at

least 2 tours each year, subject to 30 day advanced notice by Rocky Mountain Power.

2. Marketing Material – Rocky Mountain Power will have the right to include the recipient and its facility in specific marketing material used by Rocky Mountain Power in its marketing campaigns for its renewable energy programs. This includes Rocky Mountain Power's right to use photographs of the facility in brochures and internet pages for purposes of marketing its renewable energy programs. Finally, this includes the rights to have a celebratory opportunity showcasing when the project begins producing renewable energy.
3. Tags – To the extent the project is able to generate green tags, the recipient agrees that Rocky Mountain Power has the right to claim a share of the project's green tag output for subsequent use within its Blue Sky Program. The share amount is expressed as a percentage of output when comparing the utility's financial contribution to the overall cost of the project. Rocky Mountain Power will also be given the opportunity to purchase additional tags from the project.

We look forward to continuing to work with our customers and communities on the promotion of renewable energy in the Rocky Mountain region. If you are in agreement with the conditions set forth in this letter, please so indicate by signing below and faxing a copy of your signed letter to the Blue Sky Program at (503) 813-7347. This offer is good through December 21, 2006.

Sincerely,

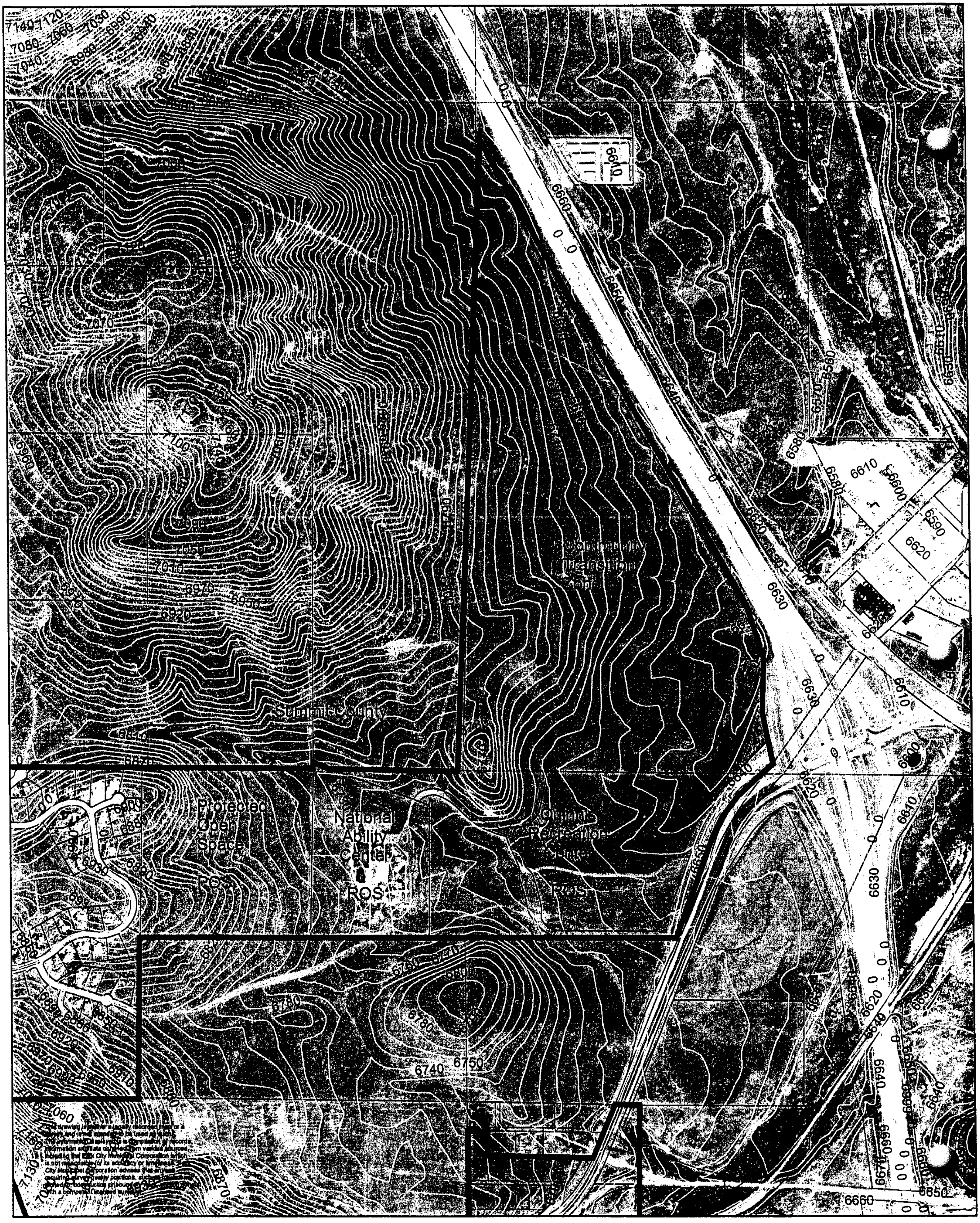
Richard Walje

Richard Walje
President
Rocky Mountain Power

AGREED:

Park City Municipal Corporation

By:____________________
Its:____________________
Date:____________________



PARK CITY 1884

Quinn's/Round Valley

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ENVIRONMENT

While staff is asking Council to broaden their definition of Sustainability, Staff does not want to lose focus on the importance of environmental initiatives for the community. Many of our current programs have come about due to other needs, such as the City's transit system and other have been brought to our attention through various community groups, such as the green building initiative.

In 2004, the City gathered a group of community leaders in environmental initiatives and began discussions on what is currently being done in the community. By facilitating those discussions, the City encouraged those efforts.

Staff proposes working with Council to develop an overall vision for the City's environmental initiatives. With that vision, the City would proceed with developing goals and strategies to achieve the goals.

The next step for the City Council is to clearly outline its vision for environmental initiatives. Staff has prepared a draft vision and initial goals and strategies.

ENVIRONMENTAL VISION

To provide long-term environmental health for the Park City region through efficient use of resources, protection of the quality and diversity of the local environment upon which the community depends. As a guiding principle, all environmental initiatives will consistently strive to sustain a vibrant multi-seasonal destination resort community.

ENVIRONMENTAL GOALS

- Encourage best available green building practices for city and private development
- Balance cost of environmental initiatives with other funding priorities
- Promote transportation options such as bicycle trails, commute trip reduction programs, incentives for car pooling and public transit;
- Increase recycling levels in City operations and in the community
- Continually improve the efficient use of all energy resources in order to ensure a future with a secure and sustainable energy supply
- Look to increase the amount of clean and renewable energy purchased and utilized
- Enforce existing land-use policies that reduce sprawl, preserve open space, and create compact, walkable urban communities
- Mitigate historic mining impacts in a manner that facilitates local stakeholder decision-making and achieves regulatory compliance
- Improving surface water quality to the East Canyon Creek watershed and Silver Creek watershed

ENVIRONMENTAL POLICIES AND STRATEGIES

- Continue to educate ourselves on concepts and best practices in environmental initiatives through conferences & seminars
- Co-sponsor & promote educational programs
- Encourage increased transit use, with new service in the County
- Support discussions for transit options between Park City and surrounding areas.

- Target a location for a Park and Ride lot and investigate alternative transportation options from the lot
- Review and discuss bio-diesel program for City Fleet Vehicles
- Initiate discussions with local suppliers to provide bio-diesel fuel to the Park City community
- Promote use of bio-diesel fuel to other businesses with fleet vehicles
- Launch an employee education program including anti-idling messages
- Continue to fund and administer the Environmental Management System
- Encourage property owner use of the top soil assistance program
- Improve City input to watersheds
- Meet regulatory requirements for the conservation reserve program and storm water management program
- Comply with federal and state environmental laws
- Support Leadership Class as they encourage developers, builders, and all stakeholders to become more aware of the positive aspects of "Green Building
- Encourage & monitor the sustainable activities of other non-profit, business and governmental organizations
- Pursue model environmental sustainability projects that are working symbols of the city's commitment
- Encourage year-round community water conservation programs
- Pursue open space protection opportunities
- Enhance current trail system and identify new trail opportunities

ACTION PLAN

The next step for the City Council is to clearly outline its vision with regards to the environmental initiatives

- Adoption of an Environmental Strategic Plan – March 2, 2006
- Develop Environmental Action Plan – January 2007
- Set Environmental Benchmarks and Indicators

City Council Staff Report

PARK CITY 1884

Special Events and Facilities Department

Author:	**Max J. Paap**
Subject:	**Sundance Film Festival MOU and 2007 Supplemental Plans**
Date:	**December 21, 2006**
Type of Item:	**Administrative- Master Festival License**

Summary Recommendations:
Review the 2007 Supplemental Plans to the Master Festival License and City Services Agreement application, conduct a public hearing, and approve the plans, as conditioned, for the 2007 Sundance Film Festival with the Sundance Institute as attached in a form approved by the City Attorney.

Description:

Topic:
Review the Master Festival License and City Service Agreement with the Sundance Institute and Supplemental Changes for 2007 Sundance Film Festival.

Background:
In October of 2005 Park City Municipal Corporation and the Sundance Institute entered into along term agreement for eleven (11) years, 2007 through 2018 with an option to renew for an additional ten (10) years. The Sundance Institute has agreed to tri-annually review the dates of the festival to reduce possible conflicts for sections of the business community where they can, while maintaining the success of the festival.

The following section refers to Principals and Responsibilities of that agreement:

1.2 Supplemental Plans. This Agreement outlines the terms for the respective duties and obligations of Park City and Sundance with respect to the Use Areas and the other items covered by this Agreement. The Parties agree that implementation of the specific terms outlined in this Agreement will require the development of supplemental implementation and operational plans (the "Supplemental Plans") with respect to those functions of the Use Areas, that may change with each annual Festival. The Supplemental Plans and any modifications are incorporated herein and a material part of this Agreement. Some of the Supplemental Plans for the 2007 Festival are attached hereto as Exhibits. Others will be prepared in anticipation of the 2007 Festival. Supplemental Plans for future Festivals will follow Supplemental Plans for the 2007 Festival unless changes that are mutually acceptable to the Parties will promote the efficient and successful operation of the Festival. Failure of the

Parties to agree on changes to current Supplemental Plans will result in use of the immediately prior year's Supplemental Plans.

Analysis:
The supplemental plan for the Sundance Film Festival outlines the use of the Main Street, the China Bridge Parking Structure, and the Walkable Sundance initiative.

Drop and Load Zones on Main Street
A Drop and Load zone will be created along the entire west side on Main Street between Heber Avenue and the Swede Alley intersection to the south of the Brew Pub Parking Lot. This is in contrast to the 4 zones that were created on the west side of Main for the 2006 festival. They would again be manned by Ampco personnel between the hours of 12:00 pm – 7:00 pm. These zones will provide for deliveries and other service activity and keep traffic flowing freely. After 7:00 pm they would function as taxi drop and loads to again improve traffic flow.

China Bridge Parking Structure
The China Bridge Parking Structure would again provide the ability for the public to purchase guaranteed permit parking. In 2006, 170 spaces were provided at the $300 rate and were a complete sell out. In 2007, 250 of these spaces will be offered at the same rate. Approximately 300 spaces would be available to purchase at a cash daily rate of $20. The operating plan for the sale and management of these 300 spaces would be consistent with the plan that was implemented during the 2006 Arts Fest in which PCMC or Ampco employees would be used to collect the cash payments. For those who have purchased the year-long CB (China Bridge) parking pass, there will the ability to have day-long parking in China Bridge for a $20 a-day fee. Staff will monitor sales of permits and use of the structure and possibly allow additional parking if impacts are mitigated.

Walkable Sundance Initiative
The Sundance Institute is attempting to make the festival more pedestrian friendly and offer more walking alternatives for those who wish to walk. Through signage and published materials in their transportation guides, they will attempt to give patrons of the festival marked and safe routes between venues and other parts of town. They have coordinated efforts with PCMC in conjunction with existing transit stops and a more conscious snow removal program along proposed walking routes.

Traffic Mitigation Plan
All of the aforementioned elements are integral to the whole Sundance Traffic Mitigation Plan. Please see Attachment C for further explanation of all components of the plan.

Use Areas – See Attached
Number of days of use is consistent with those areas in 2006. The entire west side of Main Street will become what was just four separate zones along the street in 2006. No other Use Areas would change.

Department Review:
The Transit, Parking, Streets, Special Events, Police, and Building Departments have reviewed this plan. Their comments were included when developing the overall plan.

Significant Impacts:
Significant impacts of the Supplemental Plans would include additional operating costs to the Drop and Load zones which can be offset by the China Bridge paid/permit traffic mitigation program.

Consequences of not taking recommended action:
Supplemental Plans for the 2007 Sundance Film Festival would not be allowed to be implemented and would result in use of the immediately prior year's Supplemental Plans.

Alternatives
1. Approve the Supplemental Plans to the Master Festival License and City Service Agreement with the Sundance Institute. This is Staff's recommendation.
2. Modify the parameters of the Supplemental Plans to the Master Festival License and City Service Agreement with the Sundance Institute.
3. Deny the Supplemental Plans to the Master Festival License and City Service Agreement, thereby not allowing any changes to the 2007 festival.
4. The City Council may continue the hearing for more information and discussion.

Recommendations
Review the 2007 Supplemental Plans to the Master Festival License and City Services Agreement application, conduct a public hearing, and approve the plans, as conditioned, for the 2007 Sundance Film Festival with the Sundance Institute as attached in a form approved by the City Attorney. Findings are consistent with the requirements of the Park City Municipal Code, Title 4, Chapter 8.

Exhibits

Exhibit A - Master Festival License and City Service Agreement
Exhibit B- Main Street Drop and Load Map
Exhibit C- Sundance Traffic Mitigation Plan

EXHIBIT "A" TO
MASTER FESTIVAL LICENSE AND CITY SERVICES AGREEMENT

USE AREAS

Use Area	Address	Use Period *	Intended Use	Type of Use	Basic City Services	Access Control	Traffic Control
Santy Auditorium of Park City Public Library and Education Center, all associated furnishings, fixtures, and equipment; north lawn area and Reading Garden.	1255 Park Avenue	1/15,2007 – 1/31, 2007	Screening venue; Hospitality; Wait list Line; Box Office, kiosk, tent	Parking – Nonexclusive (except 5 reserved, 7 permits and 2 for coffee cart); All others – Exclusive	Park City shall provide Cleaning, Waste Removal and snow and ice removal inside and outside the use area. In addition, Park City shall clear snow, ice and debris from the field for placement of Sundance's Tent facilities.	Sundance and Park City	Sundance and Park City
Racquet Club Gymnasium, Indoor tennis courts, storage room and adjacent hallways, all associated furnishings, fixtures and equipment; and 35 parking spaces in the adjacent parking lot (for staff use only)	1200 Little Kate Road	1/15,2007 – 1/31, 2007	Awards Ceremony and Screenings	Parking – Nonexclusive; All Other - Exclusive	Park City shall provide Cleaning, Waste Removal and snow and ice removal inside and outside the use area	Sundance	Sundance and Park City
Miners Hospital - Entire building (basement when available) all associated furnishings, fixtures and equipment and parking spaces in the adjacent parking lot.	1354 Park Avenue	1/15,2007 – 1/31, 2007	Volunteer/Staff Office and Lounge	Parking – Nonexclusive; All Other - Exclusive	Park City shall provide Cleaning, Waste Removal and snow and ice removal inside and outside the use area	Sundance	Sundance and Park City

Transit Center - Visitor Desk on upper floor, all associated furnishings, fixtures and equipment.	558 Swede Alley	1/17, 2007 – 1/29/2007	Public Information distribution, transportation coordination; storage; and kiosk	Exclusive	Park City shall provide Cleaning, Waste Removal and snow and ice removal inside and outside the use area	Sundance and Park City	Park City
Main Street - East side venues (Plan B, Egyptian Theater, Elks Building, Riverhorse) and Entire West side including venues (Main Street Mall and War Memorial Building)	Main Street	1/17, 2007 – 1/29/2007	Crowd control in front of large venues and enhanced pedestrian areas.	Pedestrian	Park City shall place the barricades, provide snow removal and place "no parking" and "drop zone" signs	None	None
First Priority City Trails and Walking Paths	Various	1/18, 2007- 1/28,2007	Walking route to/from venues and other areas of town	Pedestrian	Park City shall place the barricades, provide snow removal	None	None

* Refer to annual Supplemental Plan for specific dates.

Exhibit B- Drop and Load Zones

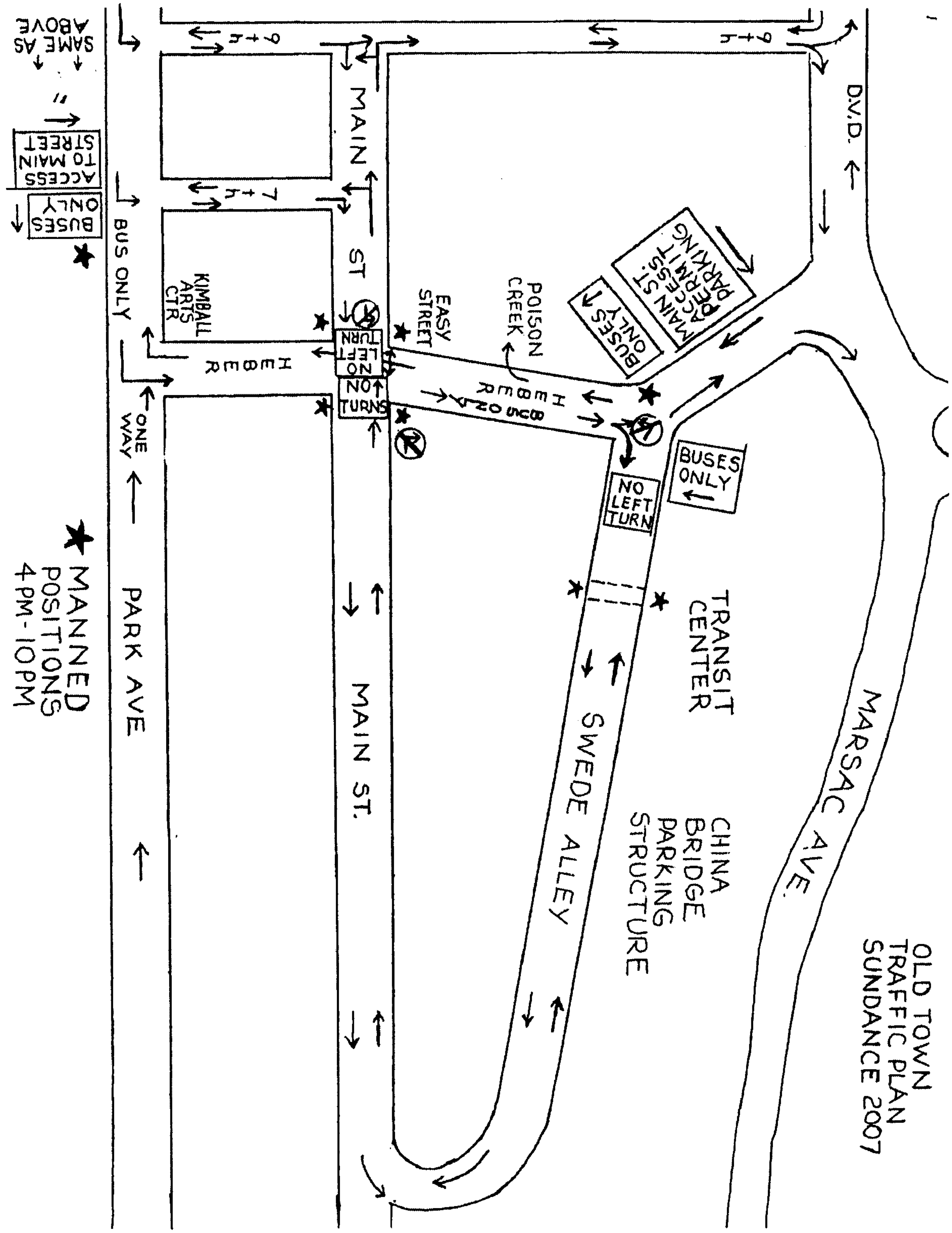

Exhibit C-

Sundance Traffic Mitigation Plan 2007

- Drop and Load zone
  - West side of Main Street from Heber to Top of Main
  - Manned from 12PM until 7PM. 15 minute limit.
  - 70% returns to parking allotment at 7PM
- Paid Parking
  - Add Swede Alley surface lots to paid parking mix
  - Suggested parking rates are $20/day.
  - Aids in traffic mitigation in Old Town core area. Manned lots.
  - Promotes carpooling by cost sharing

- Walkable Sundance
  - Increased public awareness and signage to promote walking between venues.

- Enhanced Bus Service
  - Increased evening service to Redstone/Kimball area.
  - Potential (TBD) employee park and ride.

- UDOT Coordination
  - Work with UDOT on the manual timing of traffic signals at specific intersections, at certain times of the day.

- Deer Valley Park and Ride- After 5pm
  - Signage program to direct patrons to DVR starting at 5:00pm.

- Pedestrian Management
  - Posting of staff at key intersections to detain pedestrians at crosswalks.

- Directional signage
  - Utilize signage and police staffing to redirect traffic at certain times of the day.

City Council
Staff Report

Author: Thomas A. Daley, Sr., Deputy City Attorney
Subject: Insurance Broker Service Contract
Date: December 21, 2006
Type of Item: Administrative

Summary Recommendation: Authorize contract with Marsh USA Risk & Insurance Services for standard broker services for a one year period, January 1, 2007 through December 31, 2007, for $10,000.

Description:

Topic

Insurance Brokerage Services

Background

Park City Municipal Corporation currently has an insurance broker contract with Marsh USA Risk & Insurance Services. The corporate Marsh office recently transferred handling of our contract from the Salt Lake City to an office in Houston, TX. Due to communication and service problems with the Houston office, Marsh relocated our business back to Salt Lake City. Legal Department staff is recommending entering into a new broker services contract for the period January 1, 2007 through December 31, 2007 with Marsh. Marsh will then procure continued insurance coverage for Public Entity Liability, Commercial Property and Crime/Public Employee Dishonesty.

Analysis

Legal Department staff followed the City's general policy and procedure for contracting. Requests for Proposal were mailed to broker firms licensed to do business in the State of Utah with public entity insurance interest, and also published in the Park Record on November 11 and 15, 2006. Three firms responded to the RFP: Fred A. Moreton & Company, Olympus Insurance Agency, and AON Consulting. The proposals are comparable and references were outstandingly positive concerning all three firms. However, Staff recommends that the city council reject all bids and continue its relationship with Marsh. This is largely due to the city's inability to obtain the property insurance coverage which staff is presently recommending to city council for year 2007 without also having Marsh as the city's insurance broker.

The City Recorder's office has copies of the three proposals available for public review.

Department Review

The Legal Department has reviewed the information contained in each of the three proposals and also contacted representative clients for references.

Alternatives:

Approve Staff Recommendation. This is the recommended action.

Deny the Request. Deny the request and award the broker services contract to Olympus Insurance Agency, which staff feels is the next best option.

Continue the Item. The Council may continue the item if there is a desire to further evaluate the selection of a broker.

Do Nothing. This is not an effective option as Park City needs the services of an insurance broker in order to perform the annual insurance renewal.

Consequences of not taking the recommended action:

Park City would have to hire a broker and obtain insurance coverage within a tight time frame.

Recommendation:

Authorize contract with Marsh for period January 1, 2007 through January 31, 2007, in amount not to exceed $10,000 per year, for performance of brokerage and risk management services.

City Council
Staff Report

Author: Cindy LoPiccolo, Legal Department
Subject: 2007 Annual Insurance Renewal
Date: December 21, 2006
Type of Item: Administrative

Summary Recommendations:
Authorize the following Insurance premium payments for public entity liability, workers compensation, property, and crime insurance covering a one-year period from January 1, 2007 through January 1, 2008:

- $115,164 to States Self-Insurers Risk Retention Group, Inc. ("States") for public entity broad form liability insurance;
- $137,941.46 to Workers Compensation Fund ("WCF") for workers compensation insurance;
- $53,095 to Lloyds of London for property insurance;
- $5,758 to Zurich American for boiler/machinery insurance;
- $3,589 to Travelers for Public Officials Employee Dishonesty (Crime) (annual installment, policy period 1/1/05 to 1/1/08);
- Continuing to engage Marsh for an annual fee of $10,000. (No cost change from 2006)
- Self insure physical damage collision coverage for City buses; and
- Decline optional Terrorism Risk Insurance.

DESCRIPTION

Topic:

2007 Insurance Renewal.

Background:

Park City exposures are unique in comparison to other small to medium sized Utah cities due to its world-class mountain resort environment and extensive public services. City staff continues to promote and implement safety procedures, processes and prevention methodologies so that risks are mitigated, the City's assets, facilities, people and property are protected, and employees, local residents and visitors are provided a safe and enjoyable place to work and play. Public Works has been especially effective in making improvements and providing appropriate and consistent staff safety training. This year, Legal Department/Risk Management assisted with the following risk management improvements: Racquet Club swimming pool bubble air test for mold; AED's (aka defib paddles) for the golf course and ice rink; security cameras for the City Park recreation building (day camp/child care facility), and the ice facility (Park City Ice Arena). Legal Department staff also serves on the emergency planning committee.

Analysis:

Insurance quotes have been received as follows:

A. Public Entity Broad Form Liability. Quotes have been received for public entity liability coverage from States and Utah Local Government Trust ("ULGT"), and upon thorough review and evaluation, staff recommends approval of the States liability insurance proposal. Both policies are similarly inclusive of comprehensive general public entity liability, employment practices liability, automobile liability, law enforcement liability, and public officials error and omissions liability. Marsh USA, the City's broker, sought pricing indications from carriers to see if they can compete with States Self-Insurance Risk Retention Group or the Utah Local Government Trust for liability coverage, however, advised although the market has softened other traditional carriers are not competitive enough with either the States program quote and public entity coverage or the ULGT proposal.

1. States submitted two quotes, one for $5 million coverage limits and another for $10 million coverage limits: $115,164 Company Limits $5,000,000 / Occ / Agg; $143,992 Company Limits $10,000,000 / Occ / Agg. Staff at this time recommends approval of the States proposal providing limits of $5,000,000, and that recommendation is supported by Marsh USA. The renewal proposal is basically flat in comparison with the expiring year (2006) premium of $115,234, and reflects a small reduction due to a slight change in the gross expenditures evidenced in the 2005 fiscal year audit.

Staff recommends continuation of insurance with States as the City has been a member-owner of States for the past 3 years and has benefited specifically from its broad public entity affiliation, expertise of its administrative affiliate Berkley Risk Administrators Co., comprehensive, consultative loss control reviews and services, proactive resource and information clearinghouse, on-site review and safety recommendations; public entity risk management education and training, and provision and mechanism for comprehensive membership networking, communication and information sharing. Park City works closely with the Utah States Group consisting of a number of other Utah local government entities, in addition to the availability of the national public entity membership. This network works closely to address current risk management issues and risks facing cities of all sizes.

Pursuant to the Terrorism Risk Insurance Act, optional terrorism coverage information has been received from States. Staff discussed the appropriateness of the optional terrorism coverage for the City, and in view of Park City, and the state of Utah for that matter, being categorized very low risk, staff recommends terrorism coverage be declined again this year.

2. Utah Local Government Trust (ULGT), General Liability 2007 coverage quote: $100,000 Premium, $250,000 SIR, $5,000,000 Agg./CSL.

Founded in 1974, the Utah Local Governments Trust (ULGT) is licensed in Utah as a public agency insurance mutual. ULGT policies are designed specifically for Utah government agencies, including cities, towns, counties, special service districts, and school districts.

Although ULGT has submitted a competitive quote, and offers a good program with excellent claims administration, it is staff's opinion there continues to be greater benefit by remaining with the States program at this time for reasons outlined above.

B. Workers Compensation. Workers compensation quotes have been received from Workers Compensation Fund (WCF) and ULGT.

1. WCF Workers Compensation Insurance quote: $137,931.46. Staff recommends insuring workers compensation for 2007 with WCF for the following reasons: WCF offers a dividend program to its policyholders from which Park City has benefited in the past; WCF reports to National Council of Compensation Insurance (NCII) for receipt of national Experience Modification Factor for their policyholders. Human Resources reports the WCF's administration of workers compensation program is thorough, paperwork easy to use, they are friendly, helpful, and react quickly to the City's employees, and keep in constant communication with HR throughout each injury process; their level of service is excellent. WCF provided the City with workers compensation insurance from 2000 through 2004. WCF reports the workers compensation market has stabilized, and confirms that Park City remains in their Preferred Rating tier.

2. ULGT Workers Compensation Insurance renewal quote: $143,635.42. ULGT is a non-profit insurance cooperative, owned and operated by its members, and began offering workers compensation insurance January 1, 2004. ULGT advised that the 2007 increase was largely due to payroll increases and ULGT experience modification factor increase. ULGT does not offer a dividend program, and does not report to NCII for cost savings reasons, although they do assign an in-house experience modification number specifically for ULGT policyholders. Unfortunately the experience modification factor assigned by ULGT would not be allowed to transfer into the NCII program and the City would be initiated with a high reinstatement number.

Note: The "Experience Modification Factor" is also known as an Experience Modification Rating, EMR, Experience Modifier, or just the Mod. This is an adjustment that is made to the Workers' Compensation insurance. This means that an adjustment factor will be calculated for such a company based on prior years' payroll and loss data. The formula compares actual reported loss information for that particular employer with average loss data for all employers in that state who are also in the same classification codes. The lower the Mod, the better the adjustment. Most states use the NCCI for this work, but a few states have their own rating bureau.

Human Resources staff experienced a brief period of inadequate response and employee assistance from ULGT workers compensation claims administration, however, ULGT immediately responded to the City's concerns, made necessary improvements, and HR has ultimately found ULGT level of service to be excellent also.

Staff found the decision for recommendation extremely difficult as both firms have exceptional qualifications, references, and workers compensation expertise, and would be able to provide the services Park City requires.

C. Property; Boiler & Machinery.

Marsh obtained a renewal quote for the City's property insurance coverage from Lloyds of London Property Insurance as follows:

1. Lloyds of London Property Insurance renewal quote: $53,095 (including $5,000 London Global Market Fee for accessing Lloyds, and $2,286 surplus lines tax require by the State of Utah). The cost of property reinsurance with Lloyds of London is lower by 2.4% this year attributed to softening markets (even though property values increased by slightly over $8 million in the City facilities opening in 2006, i.e. the Police Facility and Skating Rink). Lloyds of London is a conglomerate of A+ carriers that developed a property program tailored to public entities. The company has 'admitted paper' with the State of Utah, meaning it has filed with and is backed/guaranteed/secured by the State, and no taxes and fees are charged.

2. Zurich American Boiler and Machinery Insurance quote: $5,758. The cost of boiler and machinery coverage is the slightly higher than last year. This insurance covers city equipment such as water system equipment (pumps, motors), air conditioning and heating equipment, electrical wiring, breakers, transformers, switches, telephone switchboard, compressors, generators.

Department Review:

Staff and Marsh representatives reviewed the City's exposures and options to insure the City in a responsible and appropriate manner. The Legal Department consulted with City departments to obtain the most current comprehensive City data (financial statement, payroll, fleet, transit, water, recreation, and safety programs), and worked with Human Resources to review workers compensation insurance administrative requirements and performance.

ALTERNATIVES

A. Approve the insurance recommendations as presented.
B. Deny the recommendations and approve the alternative insurance quote presented.
C. Continue the item and provide direction to staff. This is also not recommended as there may be a lapse in coverage.

RECOMMENDATION

Staff recommends the City Council authorize the payment of premiums providing insurance coverage from January 1, 2007 through January 1, 2008 as follows:

1. $115,164 to States for public entity broad form liability insurance;
2. $137,941.46 to WCF for the City's workers compensation insurance;
3. $53,095 to Lloyds of London for property insurance;
4. $5,758 to Zurich American for boiler and machinery insurance;
5. Self-insurance for physical damage/collision coverage for City buses; and
6. Decline optional terrorism insurance.
7. Continuing to engage Marsh for an annual fee of $10,000. (No cost change)

City Council
Staff Report

PARK CITY
1884

Author:	**Kathy Dunks**
Subject:	**GENERAL ENGINEERING SERVICES CONTRACT**
Date:	**December 21, 2006**
Type of Item:	**Administrative**

PUBLIC WORKS

Summary Recommendations:
Staff recommends Council authorize the City Manager to execute an agreement, in a form approved by the City Attorney, with Bowen Collins & Associates, for General Engineering Services in an amount of $275,000.

Description:

Topic:
Water Division General Engineering Services--follows the Water Strategic Plan regarding "Infrastructure" and "Customer Service/Outreach" and the strategy of implementation of the Capital Facilities Plan and staying current on new technology to improve customer service.

Background:
The Water Division of Public Works has had contracts with engineering consultants since at least 1999 to perform various engineering tasks. A capital fund has been established to address existing water system deficiencies identified in the Master Planning process. Most of these projects are related to deficient fire flows that require larger pipe sizes. These projects are considered top priority and require engineering design and construction documents to be prepared.

In addition, the transmission line along Bonanza Drive will need to be constructed either prior to or in conjunction with the reconstruction of Bonanza Drive. Therefore, the design needs to be started on the transmission line. Excess Permanent Community Impact Board Fund Loan (CIB) may be able to be applied to this design. The $4.5 Million in CIB funds were obtained last year for the Park Meadows Well Treatment Facility, Boothill Tank, and Boothill Pump Station. All three projects were less than the original engineer estimates that the CIB loan was based on. Construction has not yet begun on the Boothill Pump Station and construction is not complete on the Boothill tank, but there could be an estimated $500K in excess funds. The scope for the use of the funds needs to be negotiated with the CIB coordinators. The process is started between Budget, Debt & Grants Staff and Public Works Staff. If CIB funds are not available, the design will be pushed back until other funding is identified.

A capital fund is also in place to continue the radio meter reading equipment installation. However, the technology has changed so dramatically since installation began a few years back that Staff believes it is prudent to study current available technology to decide how to continue the radio meter read program. Staff's intent is to capitalize on the most cost-efficient, technologically advanced systems available. The Engineer would help with this assessment.

It is also important to have engineering expertise immediately available to water staff to address unforeseeable system problems and to address identifiable near term projects and services. Known projects and services and unforeseeable engineering services are estimated in the table below. If Council approves the authorization, the Agreement will cover fiscal year 2007, renewable in Fiscal Year 2008 with Council approval at that time. Therefore, known project estimates for FY08 are also included in the table.

CAPITAL IMPROVEMENTS PLAN

EXISTING WATER SYSTEM DEFICIENCIES & NEW INFRASTRUCTURE PROJECTS

Priority	Deficiency	Solution	2005 Estimated Construction Cost	2006 Estimated (3% Inflation assumed) Construction Cost	(Assume 12% of Construction Cost) Engineering
1	Rossi Hill PRV needs SCADA automation	Upgrade the Rossi Hill PRV	$20,000	$20,600	$2,472
2	The Neck Tank is deficient 0.25 MG at build-out	Provide fire flow to Lower Deer Valley from the Aerie, Solamere, and/or the Bald Eagle Tank which would make 0.32 MG of storage available in the Neck Tank	$30,000	$30,900	$3,708
3	The Solamere Booster Station pumps are under sized to meet peak day demand at build-out	Replace the pumps at the Solamere Booster Station to provide a capacity of 400 gpm	$150,000	$154,500	$18,540
4	The 6-inch water line in Empire Avenue is a maintenance problem and lacks fire flow capacity	Replace with 1,800 ft of 8-inch pipe	$143,000	$147,290	$17,675
5	The Hillside/Rossi area in the daily Zone has low pressure and fire flow deficiencies	Install 1,100 feet of 10-inch pipe, 600 feet of 8-inch pipe and a PRV	$181,000	$186,430	$22,372
6	Need transmission line from Boothill Pump Station to existing Woodside Transmission Line	Construct 12-inch transmission line up Bonanza and Deer Valley Drive, across City Park to existing line	$1,406,000	$1,448,180 (Construction is deferred until funding is obtained)	$173,782
7	Meter Reading Technology Study				$15,000
8	Misc & Unforseen projects				$22,000
FY06/07 Total				**$539,720**	**$275,548**
9	The 6-inch line in Deer Valley Loop is a maintenance problem and lacks fire flow capacity	Replace with 1,330 feet of 8-inch pipe and close the loop	$105,000	$108,150	$12,978
10	Fire flow deficiencies at the school located at 2530 Kerns Blvd	Install 400 feet of 8-inch pipe to close the loop	$32,000	$32,960	$3,955
11	Fire flow deficiencies at the cul-de-sacs of Hidden Splendor Circle and Morning Star Drive	Connect the 6-inch dead-end water lines in the cul-de-sacs with 730 feet of 8-inch pipe	$58,000	$59,740	$7,169
12	Fire flow deficiencies on Homestake Road	Loop 6-inch line with 500 feet of 8-inch pipe	$40,000	$41,200	$4,944
13	Fire flow deficiencies at 630 Mellow Mountain Road	Connect fire hydrant to the 8-inch water line instead of the 6-inch water line. Also, the three homes at this location could be connected to the 8-inch line	$16,000	$16,480	$1,978
14	Proposed raw water line will make irrigation water available along Kearns Blvd and at Quinn's Jctn.	Tie existing irrigation systems to new raw water transmission line	$75,000	$77,250	$9,270
FY07/08 Total				**$335,780**	**$40,294**

For the General Engineering Services, a Request for Qualifications (RFQ) was advertised in the Park Record and Salt Lake Tribune. Five Statements of Qualifications

(SOQ) were received. Bush & Gudgell, Bowen Collins & Associates (BC&A) , Montgomery Watson Harza, Stanley Consultants, and Stantec submitted SOQ's. A review committee consisting of Water Department personnel and an outside Engineering Consultant (who did not propose on the project), reviewed the proposals and evaluated each based on a set of criteria established in the RFQ.

Analysis:
The City's purchasing policies exempts professional service contracts from any requirement for competitive bidding. According to this policy contractors are chosen by selecting the firm whose experience, capabilities, and past performance best meet the needs of the project. The following weighted criteria were used in evaluating each firm:

- Firm's Experience in water system studies, master planning, water rights, and hydraulic modeling (25%)
- Firm's Experience in design and construction of water system improvements (15%)
- Project Team knowledge of system (25%)
- Firm's Experience in Water Meter Reading Technology (10%)
- Knowledge of Drinking Water Regulations (5%)
- Strength of Local Office Specialized Personnel (10%)
- Fee Schedule (10%)

Each member of the selection committee scored each of the firms under each of the criteria. From each member's scoring, definite patterns emerged as to which firm was the highest ranked. After discussion, it was unanimously agreed to recommend BC&A.

Separate task orders will be negotiated for each task BC&A performs. The amounts shown in the table above are estimates only. The total contract amount of $275,000 is based on the estimated design costs for the projects listed in the above table. Each task order fee will be based on the fee table included as Exhibit A in the Professional Services Agreement. Staff feels that the fee schedule is usual and customary with projects of this type and scope.

The design and construction of the FY07 system deficiency projects and the meter reading technology listed in the table are a part of the approved FY07 capital budget. The Boothill Transmission line design will be contingent on negotiating the scope into the Permanent Community Impact Fund Loan. If this fails, the design will be pushed back until other funding is identified. The miscellaneous and unforeseen projects will come from the approved operating budget.

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

Alternatives:

A. Approve the Request:

Staff recommends Council authorize the City Manager to execute an Agreement, in a form approved by the City Attorney, with Bowen Collins & Associates, for General Engineering Services in an amount of $275,000.

B. Deny the Request:
Council could deny Staff's request. Denying the request would delay the design of the needed projects as described above.

C. Continue the Item:
Council could continue the request. Continuing the request would delay the design of the needed projects as described above.

D. Do Nothing:
Staff does not recommend this alternative. Doing nothing would also delay the design of the needed projects as described above.

Significant Impacts:
The design and construction of the FY07 system deficiency projects and the meter reading technology listed in the table are a part of the approved FY07 capital budget. The Boothill Transmission line design will be contingent on negotiating the scope into the Permanent Community Impact Fund Loan. If this fails, the design will be pushed back until other funding is identified. The miscellaneous and unforeseen projects will come from the approved operating budget.

Recommendation:
Staff recommends Council authorize the City Manager to execute an Agreement, in a form approved by the City Attorney, with Bowen Collins & Associates, for General Engineering Services in an amount of $275,000.

PARK CITY MUNICIPAL CORPORATION SERVICE PROVIDER/PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is made and entered into in duplicate this ____ day of ____________, 2006, by and between PARK CITY MUNICIPAL CORPORATION, a Utah municipal corporation, ("City"), and BOWEN COLLINS & ASSOCIATES, a Utah corporation ("Service Provider").

WITNESSETH:

WHEREAS, the City desires to have certain services and tasks performed as set forth below requiring specialized skills and other supportive capabilities; and

WHEREAS, sufficient City resources are not available to provide such services; and

WHEREAS, the Service Provider represents that the Service Provider is qualified and possesses sufficient skills and the necessary capabilities, including technical and professional expertise, where required, to perform the services and/or tasks set forth in this Agreement.

NOW, THEREFORE, in consideration of the terms, conditions, covenants, and performance contained herein, the parties hereto agree as follows:

1. **SCOPE OF SERVICES**.

The Service Provider shall perform such services and accomplish such tasks, including the furnishing of all materials and equipment necessary for full performance thereof, as are identified and designated as Service Provider responsibilities throughout this Agreement and as set forth in the 'Scope of Services' attached hereto as 'Exhibit A' and incorporated herein (the "Project"). **Compensation for each task will be negotiated as agreed in a written change order duly executed by both parties.** The total fee for the Project shall not exceed **($275,000) Two Hundred Seventy Five Thousand Dollars**.

2. **TERM**.

The term of this Agreement shall commence on the date of execution on this Agreement and shall terminate on **December 31, 2007**, or earlier, unless extended by mutual written agreement of the Parties.

3. **COMPENSATION AND METHOD OF PAYMENT**.

A. Payments for services provided hereunder shall be made monthly following the performance of such services.

B. No payment shall be made for any service rendered by the Service Provider except for services identified and set forth in this Agreement.

C. For all 'extra' work the City requires, the City shall pay the Service Provider for work performed under this Agreement according to the schedule attached hereto as "Exhibit B" or if none is attached, as subsequently agreed to by both parties in writing.

D. The Service Provider shall submit to the City Manager or his designee on forms approved by the City Manager, an invoice for services rendered during the pay period. The City shall make payment to the Service Provider within thirty (30) days thereafter. Requests for more rapid payment will be considered if a discount is offered for early payment. Interest shall accrue at a rate of six percent (6%) per annum for services remaining unpaid for sixty (60) days or more.

E. The Service Provider reserves the right to suspend or terminate work and this Agreement if any unpaid account exceeds sixty (60) days.

4. <u>REPORTS AND INSPECTIONS</u>.

A. The Service Provider, at such times and in such forms as the City may require, shall furnish the City such statements, records, reports, data, and information as the City may request pertaining to matters covered by this Agreement.

B. The Service Provider shall at any time during normal business hours and as often as the City may deem necessary, make available for examination of all its records and data with respect to all matters covered, directly or indirectly, by this Agreement and shall permit the City or its designated authorized representative to audit and inspect other data relating to all matters covered by this Agreement. The City may, at its discretion, conduct an audit at its expense, using its own or outside auditors, of the Service Provider's activities, which relate directly or indirectly, to this Agreement.

5. <u>INDEPENDENT CONTRACTOR RELATIONSHIP</u>.

A. The parties intend that an independent Service Provider/City relationship will be created by this Agreement. No agent, employee, or representative of the Service Provider shall be deemed to be an employee, agent, or representative of the City for any purpose, and the employees of the Service Provider are not entitled to any of the benefits the City provides for its employees. The Service Provider will be solely and entirely responsible for its acts and for the acts of its agents, employees, subcontractors or representatives during the performance of this Agreement.

B. In the performance of the services herein contemplated the Service Provider is an independent contractor with the authority to control and direct the performance of the details of the work, however, the results of the work contemplated herein must meet the approval of the City and shall be subject to the City's general rights of inspection and review to secure the satisfactory completion thereof.

6. **SERVICE PROVIDER EMPLOYEE/AGENTS**.

The City may at its sole discretion require the Service Provider to remove an employee(s), agent(s), or representative(s) from employment on this Project. The Service Provider may, however, employ that (those) individuals(s) on other non-City related projects.

7. **HOLD HARMLESS INDEMNIFICATION**.

A. The Service Provider shall indemnify and hold the City and its agents, employees, and officers, harmless from and shall process and 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 Service Provider's defective 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 Service Provider; and provided further, that nothing herein shall require the Service Provider 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 Service Provider expressly agrees that the indemnification provided herein constitutes the Service Provider's limited waiver of immunity as an employer under Utah Code Section 34A-2-105; provided, however, this waiver shall apply only to the extent an employee of Service Provider claims or recovers compensation from the City for a loss or injury that Service Provider would be obligated to indemnify the City for under this Agreement. This limited waiver has been mutually negotiated by the parties, and is expressly made effective only for the purposes of this Agreement. The provisions of this section shall survive the expiration or termination of this Agreement.

B. No liability shall attach to the City by reason of entering into this Agreement except as expressly provided herein.

8. **INSURANCE**.

The Service Provider 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 Service Provider, their agents, representatives, employees, or subcontractors. The Service Provider shall provide a Certificate of Insurance evidencing: (*amend the following insurance requirements as applicable*)

A. General Liability insurance written on an occurrence basis with limits no less than one million dollars ($1,000,000) combined single limit per occurrence and two million dollars ($2,000,000) aggregate for personal injury, bodily injury and property damage.

B. Automobile Liability insurance with limits no less than five hundred thousand dollars ($500,000) combined single limit per accident for bodily injury and property damage.

C. Professional Liability (Errors and Omissions) insurance written on an occurrence basis with limits no less than one half million dollars ($500,000) combined single limit per occurrence.

D. Workers Compensation insurance written on an occurrence basis with limits no less than one half million dollars ($500,000) combined single limit per occurrence.

E. The City shall be named as an additional insured on the insurance policies, as respect to work performed by or on behalf of the Service Provider and a copy of the endorsement naming the City as an additional insured shall be attached to the Certificate of Insurance. The Certificate of insurance shall warrant that the City shall receive thirty (30) days advance notice of cancellation. The City reserves the right to request certified copies of any required policies.

F. The Service Provider'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.

9. <u>TREATMENT OF ASSETS</u>.

Title to all property furnished by the City shall remain in the name of the City and the City shall become the owner of the work product and other documents, if any, prepared by the Service Provider pursuant to this Agreement (contingent on City's performance hereunder).

10. COMPLIANCE WITH LAWS.

A. The Service Provider, in the performance of this Agreement, shall comply with all applicable federal, state, and local laws and ordinances, including regulations for licensing, certification and operation of facilities, programs and accreditation, and licensing of individuals, and any other standards or criteria as described in this Agreement to assure quality of services.

B. The Service Provider specifically agrees to pay any applicable fees or charges which may be due on account of this Agreement.

11. NONDISCRIMINATION.

A. The City is an equal opportunity employer.

B. In the performance of this Agreement, the Service Provider 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 Service Provider 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 Service Provider 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 Service Provider 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 Service Provider shall take such action as may be required to ensure full compliance with the provisions in the immediately preceding paragraphs herein.

12. ASSIGNMENTS/SUBCONTRACTING.

A. The Service Provider shall not assign its performance under this Agreement or any portion of this Agreement without the written consent of the City, and it is further agreed that said consent must be sought in writing by the Service Provider not less than thirty (30) days prior to the date of any proposed assignment. The City reserves the right to reject without cause any such assignment.

B. Any work or services assigned hereunder shall be subject to each provision of this Agreement and property bidding procedures where applicable as set forth in local, state or federal statutes, ordinance and guidelines.

C. Any technical/professional service subcontract not listed in this Agreement, must have express advance approval by the City.

13. CHANGES.

Either party may request changes to the scope of services and performance to be provided hereunder, however, no change or addition to this Agreement shall be valid or binding upon either party unless such change or addition be in writing and signed by both parties. Such amendments shall be attached to and made part of this Agreement.

14. MAINTENANCE AND INSPECTION OF RECORDS.

A. The Service Provider shall maintain books, records and documents, which sufficiently and properly reflect all direct and indirect costs related to the performance of this Agreement and shall maintain such accounting procedures and practices as may be necessary to assure proper accounting of all funds paid pursuant to this Agreement. These records shall be subject at all reasonable times to inspection, review, or audit by the City, its authorized representative, the State Auditor, or other governmental officials authorized by law to monitor this Agreement.

B. The Service Provider shall retain all books, records, documents and other material relevant to this Agreement for six (6) years after its expiration. The Service Provider agrees that the City or its designee shall have full access

and right to examine any of said materials at all reasonable times during said period.

15. POLITICAL ACTIVITY PROHIBITED.

None of the funds, materials, property or services provided directly or indirectly under the Agreement shall be used for any partisan political activity, or to further the election or defeat of any candidate for public office.

16. **PROHIBITED INTEREST**.

No member, officer, or employee of the City shall have any interest, direct or indirect, in this Agreement or the proceeds thereof.

17. **MODIFICATIONS TO TASKS AND MISCELLANEOUS PROVISIONS**.

A. All work proposed by the Service Provider is based on current government ordinances and fees in effect as of the date of this Agreement.

B. Any changes to current government ordinances and fees which affect the scope or cost of the services proposed may be billed as an "extra" pursuant to Paragraph 3(C), or deleted from the scope, at the option of the City.

C. The City shall make provision for access to the property and/or project and adjacent properties, if necessary for performing the services herein.

18. **TERMINATION**.

A. Either party may terminate this Agreement, in whole or in part, at any time, by at least thirty (30) days written notice to the other party. The Service Provider shall be paid its costs, including contract close-out costs, and profit on work performed up to the time of termination. The Service Provider shall promptly submit a termination claim to the City. If the Service Provider has any property in its possession belonging to the City, the Service Provider will account for the same, and dispose of it in a manner directed by the City.

B. If the Service Provider fails to perform in the manner called for in this Agreement, or if the Service Provider fails to comply with any other provisions of the Agreement and fails to correct such noncompliance within three (3) days written notice thereof, the City may immediately terminate this Agreement for cause. Termination shall be effected by serving a notice of termination on the Service Provider setting forth the manner in which the Service Provider is in default. The Service Provider will only be paid for services performed in accordance with the manner of performance set forth in this Agreement.

19. **NOTICE**.

Notice provided for in this Agreement shall be sent by certified mail to the addresses designated for the parties on the last page of this Agreement.

20. **ATTORNEYS FEES AND COSTS**.

If any legal proceeding is brought for the enforcement of this Agreement, or because of a dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, the prevailing party shall be entitled to recover from the other party, in addition to any other relief to which such party may be entitled, reasonable attorney's fees and other costs incurred in that action or proceeding.

21. **JURISDICTION AND VENUE**.

A. This Agreement has been and shall be construed as having been made and delivered with the state of Utah, and it is agreed by each party hereto that this Agreement shall be governed by laws of the state of Utah, both as to interpretation and performance.

B. Any action of law, suit in equity, or judicial proceeding for the enforcement of this Agreement, or any provisions thereof, shall be instituted and maintained only in any of the courts of competent jurisdiction in Summit County, Utah.

22. **SEVERABILITY**.

A. If, for any reason, any part, term, or provision of this Agreement is held by a court of the United States to be illegal, void or unenforceable, the validity of the remaining provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular provision held to be invalid.

B. If it should appear that any provision hereof is in conflict with any statutory provision of the state of Utah, said provision which may conflict therewith shall be deemed inoperative and null and void insofar as it may be in conflict therewith, and shall be deemed modified to conform in such statutory provisions.

23. **ENTIRE AGREEMENT**.

The parties agree that this Agreement is the complete expression of the terms hereto and any oral representations or understandings not incorporated herein are excluded. Further, any modification of this Agreement shall be in writing and signed
by both parties. Failure to comply with any of the provisions stated herein shall constitute material breach of contract and cause for termination. Both parties recognize time is of the essence in the performance of the provisions of this Agreement. It is also agreed by the parties that the forgiveness of the
nonperformance of any provision of this Agreement does not constitute a waiver of the provisions of this Agreement.

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

Exhibit A

CAPITAL IMPROVEMENTS PLAN

EXISTING WATER SYSTEM DEFICIENCIES & NEW INFRASTRUCTURE PROJECTS

Priority	Deficiency	Solution	2005 Estimated Construction Cost	2006 Estimated (3% Inflation assumed) Construction Cost	(Assume 12% of Construction Cost) Engineering
1	Rossi Hill PRV needs SCADA automation	Upgrade the Rossi Hill PRV	$20,000	$20,600	$2,472
2	The Neck Tank is deficient 0.25 MG at build-out	Provide fire flow to Lower Deer Valley from the Aerie, Solamere, and/or the Bald Eagle Tank which would make 0.32 MG of storage available in the Neck Tank	$30,000	$30,900	$3,708
3	The Solamere Booster Station pumps are under sized to meet peak day demand at build-out	Replace the pumps at the Solamere Booster Station to provide a capacity of 400 gpm	$150,000	$154,500	$18,540
4	The 6-inch water line in Empire Avenue is a maintenance problem and lacks fire flow capacity	Replace with 1,800 ft of 8-inch pipe	$143,000	$147,290	$17,675
5	The Hillside/Rossi area in the daily Zone has low pressure and fire flow deficiencies	Install 1,100 feet of 10-inch pipe, 600 feet of 8-inch pipe and a PRV	$181,000	$186,430	$22,372
6	Need transmission line from Boothill Pump Station to existing Woodside Transmission Line	Construct 12-inch transmission line up Bonanza and Deer Valley Drive, across City Park to existing line	$1,406,000	$1,448,180 (Construction is deferred until funding is obtained)	$173,782
7	Meter Reading Technology Study				$15,000
8	Misc & Unforseen projects				$22,000
FY06/07 Total				$539,720	$275,548
9	The 6-inch line in Deer Valley Loop is a maintenance problem and lacks fire flow capacity	Replace with 1,330 feet of 8-inch pipe and close the loop	$105,000	$108,150	$12,978
10	Fire flow deficiencies at the school located at 2530 Kerns Blvd	Install 400 feet of 8-inch pipe to close the loop	$32,000	$32,960	$3,955
11	Fire flow deficiencies at the cul-de-sacs of Hidden Splendor Circle and Morning Star Drive	Connect the 6-inch dead-end water lines in the cul-de-sacs with 730 feet of 8-inch pipe	$58,000	$59,740	$7,169
12	Fire flow deficiencies on Homestake Road	Loop 6-inch line with 500 feet of 8-inch pipe	$40,000	$41,200	$4,944
13	Fire flow deficiencies at 630 Mellow Mountain Road	Connect fire hydrant to the 8-inch water line instead of the 6-inch water line. Also, the three homes at this location could be connected to the 8-inch line	$16,000	$16,480	$1,978
14	Proposed raw water line will make irrigation water available along Kearns Blvd and at Quinn's Jctn.	Tie existing irrigation systems to new raw water transmission line	$75,000	$77,250	$9,270
FY07/08 Total				$335,780	$40,294

Scope of work may or may not be limited to the items listed above.

City Council Staff Report

Information Technology Department

Author: **Scott W. Robertson**
Subject: **Park City Police Department Software Replacement**
Date: **December 21, 2006**
Type of Item: **Administrative - Contract Authorization**

Summary Recommendation:
Staff recommends that City Council authorize the City Manager to execute a contract with Spillman Technologies, Inc. in the amount of $269,987 for replacement of the Police Department's existing outdated software in a form approved by the City Attorney.

Topic: Software Replacement

Background:
The Park City Police Department has an urgent need to replace its existing core software system. This replacement must address current and future demands; in particular, the department is working to create multi-jurisdictional, multi-disciplinary communication and information sharing with other public safety entities within our geographical location, including Summit County, Wasatch County, and Heber City. As a result, the Park City Police Department has identified Spillman Technologies, Inc.'s Public Safety System as the recommended solution.

Analysis:
Spillman is a leading provider of public safety software in the region with 70 clients in the State of Utah alone (See Attachment A). Implementing their software will generate immediate results and provide opportunities for staging further expansion (e.g., the "CAD to RMS" is a solution that will allow dispatch centers to submit information directly to other agencies).

Extensive research has determined that Spillman's Public Safety Systems is the only software solution that will meet Park City's public safety needs, especially as it relates to interoperability with other regional public safety units including Summit County. As the stewards of public safety for the citizens of Park City it is incumbent upon the Police Department to purchase software systems which will not only meet the department's present needs but also critical future needs. Consistent with City Council Goal #6 – Regional Collaboration and Partnerships, the department's mission is to integrate communication and information sharing throughout all public safety agencies in our region.

The following is a list of critical areas that need to be addressed:

1. Computer-Aided Dispatch (CAD)
2. Records Management System (RMS)

3. Multi-Jurisdictional Data Sharing—InSight
4. Mobile Communications

Spillman Technologies, Inc. is the only vendor that can provide a 100% seamless data sharing and integrated solutions between Park City and Summit County in all of these critical areas. Of particular importance is the following:

- Spillman will allow the City and County (as well as other jurisdictions using the Spillman system) to share real-time information with officers in the field and at the dispatch center. This could not be accomplished with another software solution.
- The Park City Police Department is the only member of the multi-jurisdictional drug/gang BackNET Task Force that does not use Spillman's Public Safety System, therefore purchasing this software would create the interoperability and the connectivity in mobile communications and real-time data sharing that the Task Force and the Police Department are working to achieve.
- The State of Utah has required that all police communication systems eventually use the same standard (named JABBER). Spillman is currently the only vendor to use the State JABBER system.

Although the State of Utah has certified both Spillman Technologies, Inc. and FatPot, Park City has determined that FatPot does not have a core CAD/RMS system nor do they provide the 100% seamless integration with Summit and Wasatch Counties that Spillman provides.

The Spillman software will allow for a smooth transition into a unified communication environment since its modular software systems are fully integrated to simplify information management and improve communication in public safety agencies.

Spillman will be able to provide extremely rapid response support because they are located approximately one hour west of the Park City Police Department. Also, their overall price for implementation, training and support for their software package has been reduced to reflect the appropriate savings in usual travel and per diem expenses. These savings would not be possible through any other vendor outside the State of Utah.

A purchase of this type is exempt from the City's competitive bid process due to the service nature of the product. Typically the city would do a Request for Proposal (RFP) process for this type of purchase. However, the State of Utah did conduct a thorough RFP process which resulted in the selection of Spillman Technologies, Inc. for a State Contract (see attached email – Attachment B). Because the State of Utah has conducted the RFP process, municipalities may procure goods and services from companies with state contracts without an RFP process of their own. Park City has negotiated the software purchase independent of the State (and subsequently obtained a lower price than would likely be available through the State Contract). However, Park City leveraged the state selection process results in choosing Spillman.

It is imperative that law enforcement have the proper tools to provide the highest level of service. Spillman offers completely integrated CAD & RMS systems which will provide information and data sharing capabilities among the agencies around Park City. This information sharing capability is invaluable to the prevention of crime, the safety and security of citizens, the response to critical incidents, and other public safety activities.

Department Review:
Police Department, Legal Department, Finance Department, Budget, Debt, and Grants, and City Manager

Alternatives:

Approve the Request:
City Council should authorize the City Manager to execute a contract with Spillman Technologies, Inc. in the amount of $269,987 for replacement of the Police Department's existing software in a form approved by the City Attorney.

Deny the Request:
Council could choose to deny the request. There would be no changes or necessary improvements made to the outdated Police Department software.

Continue the Item:
Council could continue the item and direct staff to return with more information. This would likely cost the City the opportunity to purchase the software at this price (see "Consequences" section below).

Do Nothing:
This would be the same as denying the request.

Significant Impacts:
After months of negotiations, Spillman has offered a significant price reduction if the contracts are signed before the end of the 2006 year. The total cost would be only $269,987—down from the original negotiated amount of $350,000.

In anticipation of purchasing replacement software, funds were budgeted in 2006 in CIP #123 in the amount of $275,000.

Consequences of Not Taking the Recommended Action:
Without the implementation of the new software, it would be difficult to impossible to address the Police Department's existing technical shortcomings and would inhibit the adoption of new public safety technologies. Additionally, a request denial would hinder multi-jurisdictional, multi-disciplinary communication and information sharing within our geographical location. In addition, Park City has been offered a lower price if the contract is executed prior to the end of the calendar year. A delay in taking the recommended action would result in a financial loss of incentives and negotiations totaling more than $75,000.

Recommendation:
Staff recommends that City Council authorize the City Manager to execute a contract with Spillman Technologies, Inc. in the amount of $269,987 for replacement of the Police Department's existing outdated software in a form approved by the City Attorney.

Attachments:
1. Spillman Utah Client List.xls
2. Notice of Intent to Award JG6904.pdf
3. Provider Professional Services Spillman.doc
4. Spillman License Agreement 12-15-06.pdf
5. Spillman Support Agreement 12-15-06.pdf
6. Spillman Purchase Agreement 12-11-06.pdf

spillman technologies, inc.
(reliable innovation)

www.spillman.com

NOTE: Agency names in **[brackets]** are on a shared system; their hosting agency is displayed to the right. Shared agencies use Spillman but utilze the host agencies server remotely to facilitate data sharing as well as other benefits. Approximately 40% are on a shared system.

No.	UTAH CLIENT LIST	Employees
1	[Alpine/Highland Police Department] Utah County Sheriff	16
2	[American Fork Police Department] Utah County Sheriff	35
3	Beaver County Sheriff	32
4	Box Elder County Sheriff	40
5	[Brian Head Police Department] Iron County ITS	5
6	[Brigham City Police Department] Box Elder County Sheriff	56
7	[Brigham Young University Campus Police] Utah County Sheriff	47
8	Cache County Sheriff	123
9	[Cedar City Police Department] Iron County ITS	20
10	Clearfield Police Department	30
11	[Clinton Police Department] Davis County Sheriff	13
12	Davis County Sheriff	282
13	Draper Police Department	27
14	Emery County Sheriff	40
15	[Garland Police Department] Box Elder County Sheriff	4
16	[Hurricane Police Department] Washington County Sheriff	6
17	Iron County ITS	40
18	[Iron County Sheriff] Iron County ITS	16
19	[Ivins Police Department] Washington County UT Sheriff	6
20	Juab County Sheriff	21
21	[Kaysville Police Department] Davis County Sheriff	20
22	[Layton Fire Department] Layton Police Department	0
23	Layton Police Department	111
24	LDS Church Security	99
25	[Lehi Police Department] Utah County Sheriff	8
26	Logan Police Department	94
27	[Mantua Police Department] Box Elder County Sheriff	2
28	[Mapleton Police Department] Utah County Sheriff	15
29	Midvale Police Department	28
30	Millard County Sheriff	25
31	Murray Police Department	72
32	[North Park Police Department] Logan Police Department	21
33	North Salt Lake Police Department	9
34	[Orem Police Department] Utah County Sheriff	150

35	[Payson Police Department] Utah County Sheriff	22
36	[Perry Police Department] Box Elder County Sheriff	3
37	[Pleasant Grove Police Department] Utah County Sheriff	41
38	Rich County Sheriff	9
39	[Richfield Police Department] Sevier County Sheriff	15
40	[Salem Police Department] Utah County Sheriff	8
41	[Salina Police Department] Sevier County Sheriff	6
42	Salt Lake City Airport Security	68
43	San Juan County Sheriff	27
44	Sandy Police Department	136
45	[Santa Clara Police Department] Washington County Sheriff	3
46	[Santaquin Police Department] Utah County Sheriff	10
47	Sevier County Sheriff	40
48	[Smithfield Police Department] Logan Police Department	10
49	South Jordan Police Department	38
50	South Salt Lake City Police Department	80
51	[Southern Utah University] Iron County ITS	2
52	[Spanish Fork Police Department] Utah County Sheriff	23
53	[Springville Fire Department] Utah County Sheriff	2
54	[Springville Police Department] Utah County Sheriff	31
55	St. George Police Department	125
56	Summit County Sheriff	29
57	[Sunset Police Department] Davis County Sheriff	10
58	[Syracuse Police Department] Davis County Sheriff	16
59	[Tremonton Police Department] Box Elder County Sheriff	11
60	Utah County Sheriff	570
61	[Utah DPS Sevier County] Sevier County Sheriff	10
62	[Utah State University Campus Police] Logan Police Department	18
63	Valley Emergency Communications Center	100
64	Wasatch County Sheriff	30
65	Washington County UT Sheriff	149
66	[Washington Police Department] Washington County UT Sheriff	16
67	West Jordan Police Department	108
68	[West Valley City Fire Department] West Valley City Police Department	58
69	West Valley City Police Department	238
70	[Willard Police Department] Box Elder County Sheriff	4

Department of Administrative Services
KIMBERLY K. HOOD
Executive Director

Division of Purchasing and General Services
DOUGLAS G. RICHINS, C.P.M.
Division Director

State of Utah
JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

December 12, 2006

RE: Notice of Intent to Award JG6904

Dear Vendors:

The State of Utah has completed the review of the proposals submitted in response to the referenced request for proposals (RFP). After review and scoring of the written responses and two day demonstrations of the vendor software product, it is our intent that active and conditional awards be made as follows:

Active Awards

Fire / EMS Software:
- Med-Media, certified Gold NEMIS compliant.

Law Enforcement Software:
- FATPOT
- Spillman Technologies, Inc.

Conditional Awards

Fire / EMS Software:
- FDM, non compliant, not yet certified.
- FATPOT, non compliant, not yet certified.
- Spillman Technologies Inc., non compliant, not yet certified.

To satisfy the conditions a vendor must become compliant and then certified per the National EMS Information System (NEMIS) NHSTA Version 2.2.1 EMS Dataset Compliance Policy: http://www.nemsis.org/media/pdf/FinalNHTSAV2_2_1CompliancePolicy4-28-2006.pdf

The term compliance (or "compliant") may only be used by an EMS data system or EMS software vendor if the terms of this policy are met in full. No marketing of any EMS data product as being compliant with the NHTSA version 2.2.1 dataset may be done, except as defined in this policy.

Conditional awards will be made for the Fire/EMS Software to all vendors listed above with the understanding that: ***no vendor can offer this product for sale under the State Contract, nor claim contract status in any form until they are certified compliant in accordance with NEMIS, NHSTA Version 2.2.1 and provide this certification to State Purchasing.***

3150 State Office Building, Capitol Hill, Salt Lake City, Utah 84114-1061
telephone (801) 538-3026, facsimile (801) 538-3882, www.purchasing.utah.gov

UTAH
LIFE ELEVATED

Vendors who bid Computer Aided Dispatch (CAD) systems; this will not be added to the contract. The RFP was for a "system" (mobile client and IMS software). The RFP refers to CAD interface and ability to connect to multiple CAD systems using ODB / ODB-C. CAD systems are so diverse and the evaluation committee agrees; CAD systems should require an RFP to make an award and justification to allocate such funds to a vendor.

Sincerely,

Jared Gardner, C.P.M.
Purchasing Agent

PARK CITY MUNICIPAL CORPORATION SERVICE PROVIDER/PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is made and entered into in duplicate this ____ day of ____________, 2006, by and between PARK CITY MUNICIPAL CORPORATION, a Utah municipal corporation, ("City"), and Spillman Technologies, Inc., a Utah corporation ("Service Provider").

WITNESSETH:

WHEREAS, the City desires to have certain services and tasks performed as set forth below requiring specialized skills and other supportive capabilities; and

WHEREAS, sufficient City resources are not available to provide such services; and

WHEREAS, the Service Provider represents that the Service Provider is qualified and possesses sufficient skills and the necessary capabilities, including technical and professional expertise, where required, to perform the services and/or tasks set forth in this Agreement.

NOW, THEREFORE, in consideration of the terms, conditions, covenants, and performance contained herein, the parties hereto agree as follows:

1. **SCOPE OF SERVICES**.

The Service Provider shall perform such services and accomplish such tasks, including the furnishing of all materials and equipment necessary for full performance thereof, as are identified and designated as Service Provider responsibilities throughout this Agreement and as set forth in the "Sales Quote/Purchase Agreement" attached hereto as "Addendum A" and incorporated herein (the "Project"). The total fee for the Project shall not exceed $269,987 (Two Hundred and Sixty-Nine Thousand, Nine Hundred and Eighty-Seven Dollars) and an annual maintenance fee of $24,443 (Twenty-Four Thousand, Four Hundred and Forty-Three Dollars (this maintenance fee will be limited to a 7% increase annually). **This annual maintenance fee is waived for the first 15 month of the Agreement.**

2. **TERM**.

The term of this Agreement shall commence on the date of execution on this Agreement and shall continue so long as the City continues to pay annual maintenance fees, unless amended by mutual written agreement of the Parties.

3. **COMPENSATION AND METHOD OF PAYMENT**.

A. Payments for services provided hereunder shall be made monthly following the performance of such services.

B. No payment shall be made for any service rendered by the Service Provider except for services identified and set forth in this Agreement.

C. For all "extra" work the City requires, the City shall pay the Service Provider for work performed under this Agreement according to the fee schedule attached hereto as "Addendum B," or if none is attached, as subsequently agreed to by both parties in writing.

D. The Service Provider shall submit to the City Manager or his designee on forms approved by the City Manager, an invoice for services rendered during the pay period. The City shall make payment to the Service Provider within thirty (30) days thereafter. Requests for more rapid payment will be considered if a discount is offered for early payment. Interest shall accrue at a rate of six percent (6%) per annum for services remaining unpaid for sixty (60) days or more.

E. The Service Provider reserves the right to suspend or terminate work and this Agreement if any unpaid account exceeds sixty (60) days.

4. **REPORTS AND INSPECTIONS**.

A. The Service Provider, at such times and in such forms as the City may require, shall furnish the City such statements, records, reports, data, and information as the City may request pertaining to matters covered by this Agreement.

B. The Service Provider shall at any time during normal business hours and as often as the City may deem necessary, make available for examination of all its records and data with respect to all matters covered, directly or indirectly, by this Agreement and shall permit the City or its designated authorized representative to audit and inspect other data relating to all matters covered by this Agreement. The City may, at its discretion, conduct an audit at its expense, using its own or outside auditors, of the Service Provider's activities, which relate directly or indirectly, to this Agreement.

5. **INDEPENDENT CONTRACTOR RELATIONSHIP**.

A. The parties intend that an independent Service Provider/City relationship will be created by this Agreement. No agent, employee, or representative of the Service Provider shall be deemed to be an employee, agent, or representative of the City for any purpose, and the employees of the Service Provider are not entitled to any of the benefits the City provides for its employees. The Service Provider will be solely and entirely responsible for its acts and for the acts of its agents, employees, subcontractors or representatives during the performance of this Agreement.

B. In the performance of the services herein contemplated the Service Provider is an independent contractor with the authority to control and direct the performance of the details of the work, however, the results of the work contemplated herein must meet the approval of the City and shall be subject to the City's general rights of inspection and review to secure the satisfactory completion thereof.

6. **SERVICE PROVIDER EMPLOYEE/AGENTS**.

The City may at its sole discretion require the Service Provider to remove an employee(s), agent(s), or representative(s) from employment on this Project. The Service Provider may, however, employ that (those) individuals(s) on other non-City related projects.

7. **HOLD HARMLESS INDEMNIFICATION**.

A. The Service Provider shall indemnify and hold the City and its agents, employees, and officers, harmless from and shall process and 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 Service Provider's defective 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 Service Provider; and provided further, that nothing herein shall require the Service Provider 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 Service Provider expressly agrees that the indemnification provided herein constitutes the Service Provider's limited waiver of immunity as an employer under Utah Code Section 34A-2-105; provided, however, this waiver shall apply only to the extent an employee of Service Provider claims or recovers compensation from the City for a loss or injury that Service Provider would be obligated to indemnify the City for under this Agreement. This limited waiver has been mutually negotiated by the parties, and is expressly made effective only for the purposes of this Agreement. The provisions of this section shall survive the expiration or termination of this Agreement.

B. No liability shall attach to the City by reason of entering into this Agreement except as expressly provided herein.

8. **INSURANCE**.

The Service Provider 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 Service Provider, their agents, representatives, employees, or subcontractors. The Service Provider shall provide a Certificate of Insurance evidencing:

A. General Liability insurance written on an occurrence basis with limits no less than one million dollars ($1,000,000) combined single limit per occurrence and two million dollars ($2,000,000) aggregate for personal injury, bodily injury and property damage.

B. Automobile Liability insurance with limits no less than five hundred thousand dollars ($500,000) combined single limit per accident for bodily injury and property damage.

C. Professional Liability (Errors and Omissions) insurance written on claims made basis with limits no less than one half million dollars ($500,000) combined single limit per occurrence.

D. Workers Compensation insurance written on an occurrence basis with limits no less than one half million dollars ($500,000) combined single limit per occurrence.

E. The City shall be named as an additional insured on the insurance policies, as respect to work performed by or on behalf of the Service Provider and a copy of the endorsement naming the City as an additional insured shall be attached to the Certificate of Insurance. The Certificate of insurance shall warrant that the City shall receive thirty (30) days advance notice of cancellation. The City reserves the right to request certified copies of any required policies.

F. The Service Provider'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.

9. TREATMENT OF ASSETS.

Title to all property furnished by the City shall remain in the name of the City and the City shall become the owner of the work product and other documents, if any, prepared by the Service Provider pursuant to this Agreement (contingent on City's performance hereunder) not including the licensed application or source code.

10. COMPLIANCE WITH LAWS.

A. The Service Provider, in the performance of this Agreement, shall comply with all applicable federal, state, and local laws and ordinances, including regulations for licensing, certification and operation of facilities, programs and accreditation, and licensing of individuals, and any other standards or criteria as described in this Agreement to assure quality of services.

B. The Service Provider specifically agrees to pay any applicable fees or charges which may be due on account of this Agreement.

11. NONDISCRIMINATION.

A. The City is an equal opportunity employer.

B. In the performance of this Agreement, the Service Provider 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 Service Provider 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 Service Provider 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 Service Provider 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 Service Provider shall take such action as may be required to ensure full compliance with the provisions in the immediately preceding paragraphs herein.

12. ASSIGNMENTS/SUBCONTRACTING.

A. The Service Provider shall not assign its performance under this Agreement or any portion of this Agreement without the written consent of the City, and it is further agreed that said consent must be sought in writing by the Service Provider not less than thirty (30) days prior to the date of any proposed assignment. The City reserves the right to reject without cause any such assignment.

B. Any work or services assigned hereunder shall be subject to each provision of this Agreement and property bidding procedures where applicable as set forth in local, state or federal statutes, ordinance and guidelines.

C. Any technical/professional service subcontract not listed in this Agreement, must have express advance approval by the City.

13. CHANGES.

Either party may request changes to the scope of services and performance to be provided hereunder, however, no change or addition to this Agreement shall be valid or binding upon either party unless such change or addition be in writing and signed by both parties. Such amendments shall be attached to and made part of this Agreement.

14. MAINTENANCE AND INSPECTION OF RECORDS.

A. The Service Provider shall maintain books, records and documents, which sufficiently and properly reflect all direct and indirect costs related to the performance of this Agreement and shall maintain such accounting procedures and practices as may be necessary to assure proper accounting of all funds paid pursuant to this Agreement. These records shall be subject at all reasonable times to inspection, review, or audit by the City, its authorized representative, the State Auditor, or other governmental officials authorized by law to monitor this Agreement.

B. The Service Provider shall retain all books, records, documents and other material relevant to this Agreement for six (6) years after its expiration. The Service Provider agrees that the City or its designee shall have full access and right to examine any of said materials at all reasonable times during said period.

15. POLITICAL ACTIVITY PROHIBITED.

None of the funds, materials, property or services provided directly or indirectly under the Agreement shall be used for any partisan political activity, or to further the election or defeat of any candidate for public office.

16. PROHIBITED INTEREST.

No member, officer, or employee of the City shall have any interest, direct or indirect, in this Agreement or the proceeds thereof.

17. MODIFICATIONS TO TASKS AND MISCELLANEOUS PROVISIONS.

A. All work proposed by the Service Provider is based on current government ordinances and fees in effect as of the date of this Agreement.

B. Any changes to current government ordinances and fees which affect the scope or cost of the services proposed may be billed as an "extra" pursuant to Paragraph 3(C), or deleted from the scope, at the option of the City.

C. The City shall make provision for access to the property and/or project and adjacent properties, if necessary for performing the services herein.

18. TERMINATION.

A. Either party may terminate this Agreement, in whole or in part, at any time, by at least thirty (30) days written notice to the other party. The Service Provider shall be paid its costs, including contract close-out costs, and profit on work performed up to the time of termination. The Service Provider shall promptly submit a termination claim to the City. If the Service Provider has any property in its possession belonging to the City, the Service Provider will account for the same, and dispose of it in a manner directed by the City.

B. If the Service Provider fails to perform in the manner called for in this Agreement, or if the Service Provider fails to comply with any other provisions of the Agreement and fails to correct such noncompliance within three (3) days written notice thereof, the City may immediately terminate this Agreement for cause. Termination shall be effected by serving a notice of termination on the Service Provider setting forth the manner in which the Service Provider is in default. The Service Provider will only be paid for services performed in accordance with the manner of performance set forth in this Agreement.

19. NOTICE.

Notice provided for in this Agreement shall be sent by certified mail to the addresses designated for the parties on the last page of this Agreement.

20. ATTORNEYS FEES AND COSTS.

If any legal proceeding is brought for the enforcement of this Agreement, or because of a dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, the prevailing party shall be entitled to recover from the other party, in addition to any other relief to which such party may be entitled, reasonable attorney's fees and other costs incurred in that action or proceeding.

21. JURISDICTION AND VENUE.

A. This Agreement has been and shall be construed as having been made and delivered with the state of Utah, and it is agreed by each party hereto that this Agreement shall be governed by laws of the state of Utah, both as to interpretation and performance.

B. Any action of law, suit in equity, or judicial proceeding for the enforcement of this Agreement, or any provisions thereof, shall be instituted and maintained only in any of the courts of competent jurisdiction in Summit County, Utah.

22. SEVERABILITY.

A. If, for any reason, any part, term, or provision of this Agreement is held by a court of the United States to be illegal, void or unenforceable, the validity of the remaining provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular provision held to be invalid.

B. If it should appear that any provision hereof is in conflict with any statutory provision of the state of Utah, said provision which may conflict therewith shall be deemed inoperative and null and void insofar as it may be in conflict therewith, and shall be deemed modified to conform in such statutory provisions.

23. ENTIRE AGREEMENT.

The parties agree that this Agreement is the complete expression of the terms hereto and any oral representations or understandings not incorporated herein are excluded. Further, any modification of this Agreement shall be in writing and signed by both parties. Failure to comply with any of the provisions stated herein shall constitute material breach of contract and cause for termination. Both parties recognize time is of the essence in the performance of the provisions of this Agreement. It is also agreed by the parties that the forgiveness of the
nonperformance of any provision of this Agreement does not constitute a waiver of the provisions of this Agreement. The parties agree that if this Agreement conflicts with any other written agreement between the parties, this Agreement shall supersede the other agreement, and this Agreement shall control.

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

PARK CITY MUNICIPAL CORPORATION
445 Marsac Avenue
Post Office Box 1480
Park City UT 84060-1480

____
Dana Williams, Mayor

Attest:

____
City Recorder's Office

Approved as to form:

____
City Attorney's Office

SERVICE PROVIDER
Address:

Tax ID#: ______________________

____
Signature

____
Printed name

____
Title

STATE OF UTAH)
) ss.
COUNTY OF SUMMIT)

On this ____ day of _______________, 2006, 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 _______________________ (*title or office*) of ___________________ Corporation by Authority of its Bylaws/Resolution of the Board of Directors, and acknowledged that he/she signed it voluntarily for its stated purpose as _______________________ *(title)* for ______________________________, a _______ corporation.

____
Notary Public

ADDENDUM "A"

SCOPE OF SERVICES

ADDENDUM "B"

PAYMENT SCHEDULE FOR "EXTRA" WORK

SPILLMAN®
COMPUTER SOFTWARE END-USER LICENSE AGREEMENT

09/09/2005

Table of Contents

This Computer Software End-User License Agreement ("Agreement") is made and entered into effective as of the date this Agreement is signed by both parties below, and is by and between:

Spillman Technologies, Inc. ("Spillman")
4625 West Lake Park Blvd
Salt Lake City, UT 84120

and

Park City Municipal Corporation (Licensee)
1053 Ironhorse Drive
Park City, UT
84060

Licensee desires to license from Spillman certain software owned by Spillman, as set forth in the Sales Quote/Purchase Agreement(s) ("Purchase Agreement") executed by the parties in connection with this Agreement, and Spillman desires to grant such a license to Licensee, pursuant to the terms and conditions of this Agreement.

In consideration of the mutual agreements set forth herein, the sufficiency of which is hereby acknowledged, the parties agree as follows:

Section 1: License

1.1 SPILLMAN'S LICENSED PROGRAM IS COPYRIGHTED BY SPILLMAN AND/OR ITS LICENSORS AND IS LICENSED (NOT SOLD). SPILLMAN DOES NOT SELL OR TRANSFER TITLE TO THE LICENSED PROGRAM TO LICENSEE. THE LICENSE OF THE LICENSED PROGRAM WILL NOT COMMENCE UNTIL LICENSEE HAS EXECUTED THIS AGREEMENT AND AN AUTHORIZED REPRESENTATIVE OF SPILLMAN HAS RECEIVED, APPROVED, AND EXECUTED A COPY OF IT AS EXCUTED BY LICENSEE.

1.2 In consideration of the payment of the license fees set forth in the Purchase Agreement(s) pertaining hereto, Spillman grants Licensee a nonexclusive, non-transferable license to use the package of computer program(s) and data, in machine-readable form only, and related materials, including documentation and listings, identified in the Purchase Agreement (the "Licensed Program"), subject to the terms of this Agreement (including the restrictions with respect to Utilities set forth in Section 7).

Section 2: Scope of Rights

2.1 Licensee may install and use the Licensed Program only in Licensee's own facility. Licensee shall give Spillman written notice if the location of Licensee's facility changes.

2.2 Licensee may use and execute the Licensed Program only for purposes of serving the internal needs of Licensee's business, except as specifically set forth in this Agreement.

2.3 Licensee may make one copy of the Licensed Program in machine-readable, object code form, for nonproductive backup purposes only, provided that Spillman's proprietary notices are included.

2.4 Licensee may reproduce (photocopy) Licensed Program documentation according to Licensee's needs for the authorized use of the Licensed Program. Licensee may not distribute any original or reproduced copy for use outside of the Licensee's place of business and must not reveal it or any other Spillman documentation, or the Licensed Program itself, to competitors of Spillman or to any other third party unless they have a need to know such information for the proper purposes of this Agreement.

2.5 If Licensee and a third party entity (the "Shared Agency") desire to enter into an arrangement whereby Licensee will act as a "Host Agency" and permit the Shared Agency to access the Licensed Program through Licensee, the Shared Agency and Spillman will execute an Addendum Agreement for such arrangement and attach it to this Agreement as Attachment A. Spillman will bill Licensee directly for the applicable license fees, and Licensee agrees to be responsible for timely payment of such invoices. Licensee shall require the Shared Agency to comply with the terms of this Agreement and shall notify Spillman and cooperate as reasonably requested by Spillman in the event of any non-compliance.

Section 3: Fees and Payments

The license fee for the Licensed Program is specified in the Purchase Agreement. Licensee must pay the license fee, according to the agreed payment terms set forth in the Purchase Agreement, directly to Spillman upon execution of this Agreement and prior to delivery of the Licensed Program.

Section 4: Support

Spillman shall support the Licensed Program in the manner specified in the "Computer Software End-User Support Agreement" between the parties (the "Support Agreement"). Licensee is required to maintain the Support Agreement in force as a condition to the license of the Licensed Program under this Agreement.

Section 5: Licensee Responsibilities

5.1 Licensee is responsible for selecting a Spillman Application Administrator (or, if the Licensed Program is Spillman's Millennium software, a System Administrator) who is qualified to operate the Licensed Program on Licensee's own equipment and is familiar with the information, calculations, and reports that serve as input and output of the Licensed Program. Spillman reserves the right to refuse assistance or to charge additional fees if the Spillman Application Administrator seeks assistance with respect to such basic background information or any other matters not directly relating to the operation of the Licensed Program.

5.2 Other components (hardware and/or software) may be required for the use of the Licensed Program. Spillman assumes no responsibility under this Agreement for obtaining and/or supporting such components except as expressly agreed in writing.

5.3 Licensee is responsible for ensuring a proper environment and proper utilities for the computer system on which the Licensed Program will operate.

5.4 Except as expressly agreed in writing, Spillman assumes no responsibility under this Agreement for converting Licensee's data files for use with the Licensed Program.

Section 6: Proprietary Protection and Restrictions

6.1 Spillman shall have sole and exclusive ownership of all rights, title, and interest in and to the Licensed Program and all modifications and enhancements thereof (including ownership of all trade secrets, copyrights and other intellectual property rights pertaining thereto), subject only to the rights and privileges expressly granted to Licensee herein by Spillman. The Licensed Program may also include software separately licensed to Spillman from third party licensors. Such third party software is sublicensed to Licensee and protected pursuant to the terms of this Agreement, and may be used only in conjunction with Spillman's Licensed Program. This Agreement does not provide Licensee with title or ownership of the Licensed Program or any component thereof, but only a limited license. Spillman and its licensors specifically reserve all rights not expressly granted to Licensee in this Agreement. Licensee must keep the Licensed Program free and clear of all claims, liens, and encumbrances.

6.2 Licensee may not allow any other agency, entity, or individual to use or have access to the Licensed Program in any manner other than inquire-only unless expressly authorized by Spillman. Except as specifically authorized by Spillman, queries may be conducted solely for Licensee's internal business purposes, and Licensee may not query the Licensed Program, or permit any third party to query the Licensed Program, for a third party's business purposes.

6.3 Licensee may not use, copy, modify, rent, share or distribute the Licensed Program (electronically or otherwise), or any copy, adaptation, transcription, or merged portion thereof, except as expressly authorized in writing by Spillman. Licensee may not translate, modify, reverse assemble, reverse compile, or otherwise reverse engineer the Licensed Program.

6.4 Licensee may not utilize or permit a third party to access or utilize any part of the Licensed Program (including the Utilities) in any manner that competes, directly or indirectly, with any product or service provided by Spillman. This includes, without limitation, using the Licensed Program (or its Utilities) to develop any software, interfaces or other products that compete with Spillman's products or services, or using interfaces or other products connecting to the database of the Licensed Program in connection with a third party's competing product.

6.5 No service bureau work, multiple-user license, or time-sharing arrangement is permitted, except as expressly authorized in writing by Spillman. Licensee may not install the Licensed Program in any other computer system or use it at any other location without Spillman's express authorization obtained in advance (which will not be unreasonably withheld).

6.6 Licensee shall keep confidential all non-public information provided to Licensee by Spillman ("Confidential Information"), including the Licensed Program, future product plans, price lists, financial and business information, trade secrets, etc. Licensee shall not use Confidential Information for any purpose other than the authorized purposes of this Agreement. Licensee may disclose Confidential Information only to its employees who need to know such information, and who are bound to keep such information confidential. Licensee shall give Spillman's Confidential Information at least the same level of protection as it gives its own confidential information of similar nature, but not less than a reasonable level of protection.

6.7 Licensee hereby authorizes Spillman to enter Licensee's premises in order to inspect the Licensed Program in any reasonable manner during regular business hours, with or without prior notice, to verify Licensee's compliance with the terms of this Agreement.

6.8 Licensee acknowledges that, in the event of Licensee's breach of any of the foregoing provisions, Spillman will not have an adequate remedy in money or damages. Spillman shall therefore be entitled to obtain an injunction against such breach from any court of competent jurisdiction immediately upon request, without the necessity of posting bond, in addition to any other remedies that may be available at law or in equity.

Section 7: License to Utilities; Restrictions on Usage

7.1 Spillman provides certain software utilities and tools (collectively, the "Utilities") as part of the Licensed Program. Such Utilities include Spillman's XML Query, ODBC implementation code, ctperl, dbdump, and dbload as well as any other software utilities provided by Spillman in connection with the Licensed Program. Spillman may add, modify or remove Utilities from the Licensed Program during the term of this Agreement. The Utilities contain material that is proprietary to Spillman and/or its licensors, and may be used only as permitted by this Agreement.

7.2 Licensee is permitted to use the Utilities for read-only operations in connection with the authorized use of the Licensed Program, but may not allow third parties to use the Utilities unless an authorized official of Spillman consents in writing. Licensee is NOT permitted to utilize the Utilities or any other software tools to write to Spillman's database in any manner, due to the potential for data corruption and system slowdown or damage. Licensee also may not permit any third party to write to Spillman's database in any manner.

7.3 Spillman is NOT responsible for any breach of warranty, damages to the Licensed Program or its database, data corruption, support issues, security issues or performance issues arising out of Licensee's or a third party's use of the Utilities or any other software not specifically licensed in this Agreement (including any third party querying or writing to the database).

Section 8: Limited Warranty and Limitation of Liability; Indemnification

8.1 Spillman warrants, for Licensee's benefit alone, that the Licensed Program conforms in all material respects to the specifications for the current version of the Licensed Program as described in Spillman's Licensed Product Specification as of the date this Agreement is signed, and for a period thereafter of twenty (20) months.

This warranty is expressly conditioned on Licensee's observance of the operation, security, and data-control procedures set forth in the User's Manual included with the Licensed Program.

8.2 Spillman is not responsible for obsolescence of the Licensed Program that may result from changes in Licensee's requirements. The warranty in Section 8.1 shall apply only to the most current version of the Licensed Program issued by Spillman from time to time. Issuance of updates does not result in a renewal or extension of the warranty period. Spillman assumes no responsibility for the use of superseded, outdated, or uncorrected versions of the Licensed Program. Spillman is not responsible for any problems or errors with the Licensed Program or Licensee's system resulting from use of the ctperl or dbload Utilities in any manner other than read-only. Licensee expressly acknowledges that any use of the "write" or "update" features of these Utilities may damage Licensee's database or cause other problems with its system.

8.3 As Licensee's exclusive remedy for any material defect in the Licensed Program for which Spillman is responsible, Spillman shall use reasonable efforts to correct or cure any reproducible defect by issuing corrected instructions, a restriction, or a bypass. In the event Spillman does not correct or cure such nonconformity or defect after Spillman has had a reasonable opportunity to do so, Licensee's exclusive remedy shall be the refund of the amount paid as the license fee for the defective or non-conforming module of the Licensed Program. Spillman shall not be obligated to correct, cure, or otherwise remedy any nonconformity or defect in the Licensed Program if Licensee has made any changes whatsoever to the Licensed Program, if the Licensed Program has been misused or damaged in any respect, or if Licensee has not reported to Spillman the existence and nature of such nonconformity or defect promptly upon discover thereof.

8.4 EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, SPILLMAN AND ITS LICENSORS DISCLAIM ANY AND ALL PROMISES, REPRESENTATIONS, AND WARRANTIES WITH RESPECT TO THE LICENSED PROGRAM, INCLUDING ITS CONDITION, ITS CONFORMITY TO ANY REPRESENTATION OR DESCRIPTION, THE EXISTENCE OF ANY LATENT OR PATENT DEFECTS, TITLE, NON-INFRINGEMENT, AND ITS MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR USE.

8.5 THE CUMULATIVE LIABILITY OF SPILLMAN AND ITS LICENSORS TO LICENSEE FOR ALL CLAIMS RELATING TO THE LICENSED PROGRAM AND THIS AGREEMENT, INCLUDING ANY CAUSE OF ACTION SOUNDING IN CONTRACT, TORT, OR STRICT LIABILITY, SHALL NOT EXCEED THE TOTAL AMOUNT OF ALL LICENSE FEES PAID TO SPILLMAN HEREUNDER. This limitation of liability is intended to apply without regard to whether other provisions of this Agreement have been breached or have proven ineffective. Spillman shall have no liability for the loss of data or documentation, it being understood that Licensee is responsible for reasonable backup precautions.

8.6 IN NO EVENT SHALL SPILLMAN AND ITS LICENSORS BE LIABLE FOR ANY LOSS OF PROFITS; ANY INCIDENTAL, SPECIAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES; OR ANY CLAIMS OR DEMANDS BROUGHT AGAINST LICENSEE BY THIRD PARTIES, EVEN IF SPILLMAN OR ITS LICENSORS HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH CLAIMS OR DEMANDS. This limitation upon damages and claims is intended to apply without regard to whether other provisions of this Agreement have been breached or have proven ineffective.

8.7 Spillman agrees to indemnify and defend Licensee from and against any and all third party claims, demands, lawsuits or legal actions arising out of any actual or alleged infringement of any trademark, copyright, trade secret, or U.S. patent by the Licensed Program, and Spillman will pay any liabilities, damages, costs and expenses (including reasonable attorneys' fees) finally awarded in such action or paid to settle the action. Spillman will not be required to indemnify Licensee unless (i) Licensee promptly notifies Spillman of any such claim; (ii) Licensee gives Spillman sole control of the defense and all settlement negotiations, and the authority to represent Licensee in defending the claim; and (iii) Licensee provides Spillman with any information and assistance that Spillman reasonably requests in defending against the claim. Licensee may, at its option and expense, be represented by separate counsel in any such action. If a court or other legal authority finds that any part of the Licensed Program infringes a third party's intellectual property rights, or if Spillman believes that it infringes, Spillman will use reasonable efforts to obtain a license under the rights that have been infringed, to modify the Licensed Program so it is no longer infringing, or to provide to Licensee substitute software that is non-infringing; provided that if in Spillman's judgment such options are not commercially reasonable, Spillman may terminate the license for the Licensed Program or the infringing portion thereof upon written notice to Licensee. Spillman will have no liability for infringement arising out of modification of the Licensed Program by any party other than Spillman, use of an outdated version of the Licensed Program, or the combination or use of the Licensed Program with any other software, hardware, equipment, product or process not furnished by Spillman, if use of the Licensed Program alone and in its current, unmodified form would not have been an infringement. Spillman is not liable for any infringement claims based upon third party software or hardware. This Section 8.7 states Spillman's entire obligation with respect to any claim for infringement or misappropriation of any third party intellectual property rights.

Section 9: Term of Agreement; Termination

9.1 Licensee's license of the Licensed Program shall become effective upon the execution of this Agreement and shall continue perpetually unless otherwise terminated as provided herein. This Agreement shall automatically terminate upon termination of the Support Agreement for any reason, including Licensee's failure to pay the required support fees.

9.2 Licensee may terminate this Agreement at any time upon written notice to Spillman, subject to any outstanding obligations and financial commitments of Licensee under the Purchase Agreement (e.g., Licensee's obligation to pay license fees is not rescinded by such termination).

9.3 Spillman may terminate this Agreement if Licensee breaches any material term of this Agreement, the Support Agreement or the Purchase Agreement and does not correct such breach within thirty (30) days following written notice of the breach from Spillman.

9.4 Upon termination of this Agreement, all rights granted to Licensee will terminate and revert to Spillman and/or its licensors. Promptly upon termination of this Agreement for any reason or upon discontinuance or abandonment of Licensee's possession or use of the Licensed Program, Licensee must return or destroy, as requested by Spillman, all copies of the Licensed Program in Licensee's possession (whether modified or unmodified), and all other Confidential Information and other materials pertaining to the Licensed Program (including all copies thereof). Licensee agrees to certify Licensee's compliance with such restriction upon Spillman's request. The terms of Sections 6, 7.3, 8.4, 8.5, 8.6, 8.7, 9.4, and 10 shall survive termination or expiration of this Agreement.

Section 10: Miscellaneous

10.1 This Agreement, the Purchase Agreement and the Support Agreement (if applicable), together with their attachments, if any, constitute the complete agreement between the parties with respect to the Licensed Program and other subject matter hereof. No modification of this Agreement shall be binding unless it is in writing and is signed by an authorized representative of each party.

10.2 Licensee may not assign or transfer this Agreement or any of its rights or duties hereunder to any third party without Spillman's prior written consent.

10.3 This Agreement will be governed by the laws of the state of Utah, not including conflicts of laws provisions. The parties hereby submit to the exclusive jurisdiction and venue of Utah state and federal courts with respect to any action between the parties relating to this Agreement. In any such action, the prevailing party shall be entitled to an award of its reasonable costs and attorneys' fees from the other party.

10.4 Any waiver by either party of a default or obligation under this Agreement will be effective only if in writing. Such a waiver does not constitute a waiver of any subsequent breach or default. No failure to exercise any right or power under this Agreement or to insist on strict compliance by the other party will constitute a waiver of the right in the future to exercise such right or power or to insist on strict compliance.

10.5 Any notices required or permitted under this Agreement shall be in writing and delivered in person or sent by registered or certified mail, return receipt requested, with proper postage affixed, or sent by commercial overnight delivery service with provisions for a receipt.

10.6 If any term of this Agreement is held to be invalid or void by any court or tribunal of competent jurisdiction, it shall be modified by such court or tribunal to the minimum extent necessary to make it valid and enforceable. If it cannot be so modified, it shall be severed from this Agreement and all the remaining terms of this Agreement shall remain in full force and effect.

10.7 In the event export of the Licensed Program is expressly permitted by Spillman, Licensee may only export the Licensed Program (including any related materials) as authorized by U.S. law and any other applicable jurisdiction. In particular, the Licensed Program may not be exported into any country where such export is prohibited by law, regulation or governmental order.

SPILLMAN DESIRES THAT LICENSEE BE CONFIDENT THAT THE LICENSED PROGRAM WILL SUIT LICENSEE'S NEEDS. ALTHOUGH LICENSEE MUST MAKE THAT DETERMINATION, SPILLMAN IS PREPARED TO FULLY DISCUSS THE LICENSED PROGRAM WITH LICENSEE AND ANSWER QUESTIONS. BY EXECUTING THIS AGREEMENT, LICENSEE ACKNOWLEDGES THAT IT HAS BEEN GIVEN AN ADEQUATE OPPORTUNITY TO INVESTIGATE LICENSEE'S COMPUTER AND SOFTWARE NEEDS AND THAT BASED ON ITS EXAMINATION OF THE LICENSED PROGRAM, LICENSEE FINDS THE LICENSED PROGRAM TO BE SATISFACTORY AS OUTLINED IN THE APPLICABLE SPILLMAN USER MANUAL DOCUMENTATION.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as set forth below.

Section 11: Signatures

Accepted and Approved:

Licensee: Park City Municipal Corporation

____

By: ______________________________

Print Name: ______________________________

Title:______________________________

Date: ______________________________

Spillman Technologies, Inc.

By: ______________________________

Print Name: Lance Clark

Title: President

Date: ______________________________

SUMMIT®
COMPUTER SOFTWARE END-USER
SUPPORT AGREEMENT

09/09/2005

Table of Contents

This Support Agreement ("Agreement") is made and entered into by and between:

Spillman Technologies, Inc. ("Spillman")
843 South 100 West
Logan, Utah 84321

and

Park City Municipal Corporation (Customer)
1053 Ironhorse Drive
Park City, UT
84060

SPILLMAN'S SUPPORT OF THE LICENSED PROGRAM WILL NOT COMMENCE UNTIL AN AUTHORIZED REPRESENTATIVE OF CUSTOMER HAS EXECUTED THIS AGREEMENT AND AN AUTHORIZED REPRESENTATIVE OF SPILLMAN HAS RECEIVED, APPROVED, AND EXECUTED A COPY OF IT AS EXECUTED BY CUSTOMER.

WHEREAS, Spillman and Customer entered into that certain Computer Software End-User License Agreement (the "License Agreement") under which Customer obtained a non-exclusive, nontransferable license to use certain computer software in object code form and related user documentation (the "Licensed Program", as further defined below) on certain terms and conditions;

WHEREAS, Spillman desires to offer Customer certain services with respect to the Licensed Program on the terms and conditions set forth herein:

NOW THEREFORE, in consideration of these recitals and the mutual obligations herein, the parties hereto, intending to be legally bound, hereby agree as follows:

Section 1: Definitions

For the purposes of this Agreement, the following definitions shall apply to the respective capitalized terms:

1.1 **Coverage Hours.** The hours between 8:00 AM and 5:00 PM, Mountain time, on the days Monday through Friday, excluding regularly scheduled holidays of Spillman

1.2 **Enhancement.** Any modification or addition that, when made or added to the Licensed Program, changes its utility, efficiency, functional capability, or application, but that does not constitute solely an Error Correction. Spillman may designate Enhancements as minor or major, depending on Spillman's assessment of their value and of the function added to the preexisting Licensed Program.

1.3 **Error.** Any failure of the Licensed Program to conform in all material respects to its functional specifications as published from time to time by Spillman, subject to the exceptions set forth in Section 4.

1.4 **Error Correction.** Either a software modification or addition that, when made or added to the Licensed Program, establishes material conformity of the Licensed Program to the functional specifications, or a procedure or routine that, when observed in the regular operation of the Licensed Program, eliminates the practical adverse effect on Customer of such nonconformity. Error Correction services are subject to the exceptions set forth in Section 4.

1.5 **Licensed Program.** One or more of the computer software components and/or software interfaces developed by Spillman, as identified in one or more Sales Quote/Purchase Agreements between the parties (the "Purchase Agreement"), and which is licensed to Customer pursuant to the License Agreement. The Licensed Program specifically excludes computer software not developed by Spillman, but that might be used in conjunction with the Spillman software; such as, word processors, spreadsheets, terminal emulators, etc. The Licensed Program includes certain "Utilities", as that term is defined in Section 7.1 of the License Agreement.

1.6 **Releases.** New versions of the Licensed Program, including all Error Corrections and Enhancements.

1.7 **Response Time.** Within six (6) Coverage Hours, from the time Customer first notifies Spillman of an Error until Spillman initiates work toward development of an Error Correction.

1.8 **Spillman Application Administrator.** An agent of Customer who has been certified on the Licensed Program by Spillman, pursuant to the procedures set forth in Section 6, and is able to communicate effectively with Spillman support personnel in the description and resolution of problems associated with the Licensed Program.

1.9 **Term.** An initial period of fifteen (15) months, commencing on the date this Agreement is signed. Thereafter, the Term shall automatically renew for successive periods of one year each, unless and until terminated pursuant to Section 10 hereof. In no event, however, shall the Term extend beyond the term of the License Agreement.

Section 2: Eligibility For Support

2.1 Spillman's obligation to provide Services with respect to the Licensed Program may be terminated pursuant to Section 10.2.2 or suspended, at Spillman's discretion, if at any time during the term of this Agreement any of the following requirements are not met:

2.1.1 Customer must have a valid License Agreement for the Licensed Program in effect at all times;

2.1.2 The Licensed Program must be operated on a hardware platform approved by Spillman; and

2.1.3 Customer must be current and in compliance with the payment schedule as agreed in the Purchase Agreement.

2.2 Spillman may require Customer to appoint a new Spillman Application Administrator if Spillman determines that the acting Spillman Application Administrator does not have the training or experience necessary to communicate effectively with Spillman support personnel.

Section 3: Scope of Services

During the Agreement Term, Spillman shall render the following services in support of the Licensed Program, during Coverage Hours:

3.1 Spillman shall maintain a Support Services Control Center capable of receiving from the Spillman Application Administer, by telephone, reports of any software irregularities, and requests for assistance in use of the Licensed Program.

3.2 Spillman shall maintain a trained staff capable of rendering support services set forth in this Agreement.

3.3 Spillman shall be responsible for using all reasonable diligence in correcting verifiable and reproducible Errors when reported to Spillman in accordance with Spillman's standard reporting procedures. Spillman shall, after verifying that such an Error is present, initiate work in a diligent manner toward development of an Error Correction. Following completion of the Error Correction, Spillman shall provide the Error Correction through a "temporary fix" consisting of sufficient programming and operating instructions to implement the Error Correction, and Spillman shall include the Error Correction in all subsequent Releases of the Licensed Program. Spillman supports two (2) versions back from the most recent release version. However, Spillman shall not be responsible for correcting Errors in any version of the Licensed Program other than the most recent release.

3.4 Spillman may, from time to time, issue new Releases of the Licensed Program to its customers generally, containing Error Corrections, minor Enhancements, and, in certain instances, if Spillman so elects, major Enhancements. Spillman reserves the right to require additional license fees for major Enhancements; however, Park City will not be required to incur costs for major Enhancements for five (5) years from the date of signature on this End-User Support Agreement. Spillman shall provide Customer with one copy of each new Release, without additional charge. Spillman shall provide reasonable assistance to help Customer install and operate each new Release, provided that such assistance, if required to be provided at Customer's facility, shall be subject to the supplemental charges set forth in Spillman's current Fee Schedule.

3.5 Spillman shall consider and evaluate the development of Enhancements for the specific use of Customer and shall respond to Customer's requests for additional services pertaining to the Licensed Program (including, without limitation, data conversion and report-formatting assistance), provided that such assistance, if agreed to be provided, shall be subject to supplemental charges mutually agreed to in writing by Spillman and Customer.

Section 4: Services Not Covered by this Agreement

The services identified in this section are specifically **NOT** covered by this Agreement. Spillman strongly recommends that Customer secure a separate support agreement with third party vendors for all non-Spillman products. Spillman may, in its discretion, provide such services to Customer upon request, for an additional fee as the parties may agree in writing.

4.1 Support for any third party products including hardware, or support for hardware failure due to the use of any third party vendor products.

4.2 Any network failures or problems including, but not limited to, cabling, communication lines, routers, connectors, and network software.

4.3 Restoration and/or recovery of data files and/or the operating system.

4.4 Any breach of warranty, damages to the Licensed Program or its database, data corruption, or support issues, security issues, or performance issues arising out of Licensee's or a third party's use of the Utilities or any other software not specifically licensed by Spillman to Licensee for use in connection with the Licensed Program. Any assistance provided by Spillman in resolving such problems shall be charged to Customer on a time and materials basis. Additionally, any unauthorized use of the Utilities or other software in connection with the Licensed Program by Licensee (or by a third party with Licensee's knowledge) may result, at Spillman's sole option, in voidance of warranties, an increase in the annual maintenance and support fees under this Agreement, and/or loss of rights to upgrades under this Agreement. Customer acknowledges and agrees that it is not licensed to utilize the "write" or "update" features of the Utilities, as such use may damage the database or cause other problems with the operation of the Licensed Program.

4.5 Support for Licensed Program problems caused by Customer misuse, alteration or damage to the Licensed Program or Customer's combining or merging the Licensed Program with any hardware or software not supplied by or identified as compatible by Spillman, customizing of programs, accident, neglect, power surge or failure, lightning, operating environment not in conformance with the manufacturer's specifications (for electric power, air quality, humidity or temperature), or third party software or hardware malfunction.

4.6 Supporting, configuring, maintaining, or upgrading the operating system, including, but not limited to, backups, restores, fixes, and patches.

4.7 Assistance with problems caused by operating system installation, configuration, errors, maintenance or repair, or using incorrect versions of the operating system.

4.8 On-site service visits to Customer's facility.

4.9 Printers connected to the back of terminals/personal computers (commonly called pass-through printing) or network printers are not supported by Spillman.

Section 5: Obligations of Customer

5.1 Customers using Spillman's SUMMIT product must maintain and provide, at no cost to Spillman, access to a dedicated voice grade local telephone and a LAN modem and data set, connected directly to customer's network, with full access to the server (24 hours per day, 7 days per week) that is used with the Licensed Program.

5.2 Customers must provide and maintain, at no cost to Spillman, a modem and data set connected directly to the server (the modem cannot be connected to a network) 24 hours per day, 7 days per week, used with the Licensed Program being maintained by Spillman hereunder and provide access to a dedicated voice grade local telephone.

5.3 A representative of Customer's IT department must be present when any on-site support is provided. Customer agrees that if such representative is not present when the Spillman representative arrives on site, the Spillman representative shall notify an appropriate representative of Customer, if feasible, that there is no Customer IT representative present. If Customer's IT representative does not arrive within a reasonable time, no work will be performed and Customer will be charged for all expenses incurred and relating to the visit.

5.4 All communications between Customer and Spillman must be in the English language.

5.5 Customer is responsible for providing one or more qualified Spillman Application Administrators as described in Section 6. At least one Spillman Application Administrator must be available at all times (however, after-hours availability is required only when and if Customer is requesting after-hours support from Spillman).

5.6 Customer is responsible for providing all network and server security.

5.7 Customer must provide Spillman with information sufficient for Spillman to duplicate the circumstances under which an Error in the Licensed Program became apparent.

5.8 Spillman will remain in compliance with state BCI security requirements.

Section 6: Spillman Application Administrator Requirements

6.1 The designated Spillman Application Administrator must be certified by Spillman within one year of the agency's go-live date of the Licensed Program. The designated administrator must meet the following requirements in order to certify at the basic level:

6.1.1 Attend and participate in, and successfully pass the final written and practical examinations from the following courses within one hundred twenty (120) days of installation of the Licensed Program:

i. System Introduction – Inquiry,
ii. System Introduction – Data Entry & Modification,
iii. Unix Fundamentals Training (AIX, or HP-UX),
iv. Basic System Administration, and
v. Spillman training applicable for the Spillman applications used by Customer.

6.1.2 Pass the Basic SAA exam within one year after the agency's go-live date.

6.2 Customer will be responsible for the costs of such training, including any course fees, travel and lodging expenses.

6.3 Contact information for the Spillman Application Administrators must be recorded in Appendix A of this Agreement. Appendix A must be signed by an authorized representative of Customer. Changes to the information recorded in Appendix A will require that a new Appendix A be completed, signed and filed with Spillman.

6.4 Requests for support services received by anyone other than a Spillman Application Administrator as identified in the current Appendix A on file with Spillman, will be refused.

6.5 Each designated Spillman Application Administrator must be qualified to address, or have other support resources to address, without the aid of Spillman, all problems relating to hardware, software or operating system not directly associated with the Licensed Program.

Section 7: Fees and Charges

7.1 Customer shall pay Spillman the Support Fee, as set forth in the Purchase Agreement, and any other charges or fees described herein. Spillman reserves the right to change its Support Fee, effective upon no less than 90 days written notice to Customer prior to yearly renewal date. Second-year level support fees, as referenced in the Purchase Agreement between Spillman and Customer, are charged beginning 12 months after installation. Additionally, adjustments to Support Fees may result from changes in (1) software prices, (2) number of software modules used, (3) an increase in Customer's size (as further described in Section 7.6) , (4) computer hardware, (5) Coverage Hours selected by Customer, or (6) violation of the restrictions set forth in Section 4.4 of this Agreement. In any event that support fees are increased, it will not exceed a seven (7) percent increase annually.

7.2 Spillman shall invoice Customer for annual Support Fees at the beginning of each contract year. In the event that additional billable work is performed, all billable charges and expenses will be invoiced to Customer at the beginning of the month following the month in which they accrued or were incurred. Customer shall pay the invoiced amounts immediately upon receipt of such invoices. Any amount not paid within sixty (60) days after the invoice date shall bear interest at the lesser of six (6) percent per year.

7.3 Customer shall be responsible for and agrees to pay the fees and charges incurred for procuring, installing, and maintaining all equipment, telephone lines, modems, communications interfaces, networks and other products necessary to operate the Licensed Software.

7.4 Customer agrees to pay additional charges according to the Spillman Fee Schedule for all work required by Customer and performed outside of Coverage Hours. These charges are applicable for any work performed outside of the Coverage Hours, REGARDLESS OF THE CAUSE, even if the requested work was reported and/or initiated during normal Coverage Hours unless the work is necessary due to program error.

7.5 Should Customer request onsite support services, Customer shall reimburse Spillman for all labor, travel, and related expenses incurred by Spillman in providing such support services.

7.6 Additional Support Fees are also due if there is a significant increase in Customer's size with respect to use of the Licensed Program. An increase in size may arise either out of Customer's internal growth or out of a Host Agency/Shared Agency arrangement as described in Section 2.5 and Attachment A of the License Agreement. Relevant factors include number of employees, number of dispatchers and/or number of jail beds. Payment of such additional Support Fees is due within thirty (30) days of the date of the invoice for such fees. Such fees will be prorated, based upon when during the contract year the increase in Customer's size occurred.

Section 8: Proprietary Rights

8.1 All Releases and any other Spillman software or materials provided by Spillman to Customer hereunder shall be deemed part of the Licensed Program and are licensed to Customer pursuant to the terms and conditions of the License Agreement.

8.2 The Licensed Program and all Releases thereto are and shall remain the sole property of Spillman, regardless of whether Customer, its employees, or contractors may have contributed to the conception of such work, joined in the effort of its development, or paid Spillman for the use of the work product. Customer agrees, from time to time, to take such further action and execute any further instrument, including documents of assignment or acknowledgment, as may be reasonably requested by Spillman in order to establish and perfect its exclusive ownership rights. Customer shall not assert any right, title, or interest in such works, except for the non-exclusive right of use granted to Customer at the time of its delivery or on-site development. Customer agrees to provide Spillman with copies of such works upon request.

Section 9: Disclaimer of Warranty & Limitation of Liability

9.1 EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, SPILLMAN DISCLAIMS ANY AND ALL WARRANTIES CONCERNING THE LICENSED PROGRAM, RELEASES, AND THE SERVICES TO BE RENDERED HEREUNDER, WHETHER EXPRESS OR IMPLIED, INCLUDING (WITHOUT LIMITATION) ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE.

9.2 IN NO EVENT SHALL SPILLMAN BE LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, SPECIAL, PUNITIVE, EXEMPLARY, OR INCIDENTAL DAMAGES WHATEVER, HOWEVER CAUSED, EVEN IF SPILLMAN HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. The cumulative liability of Spillman to Customer for all claims arising in connection with this Agreement shall not exceed the total fees and charges paid to Spillman by Customer under this Agreement within the most recent 12-month period from the date the cause of action arose.

9.3 No action, whether based on contract, strict liability, or tort, including any action based on negligence, arising out of the performance of services under this Agreement, may be brought by either party more than three (3) years after such cause of action occurred. However, action for nonpayment may be brought within two (2) years the date of the last payment was received by Spillman.

Section 10: Termination

10.1 This Agreement shall automatically terminate immediately upon termination of the License Agreement for any reason.

10.2 Either party may terminate this Agreement:

10.2.1 If either Spillman or Customer provides a written notice to the other party, at least 90 days prior to the end of the then-current Term, of its intent to terminate the Agreement at the end of such Term; or

10.2.2 Upon 30 days prior written notice, if the other party has materially breached any provision of this Agreement and the offending party has not cured such breach within the 30-day notice period.

10.3 Following termination of this Agreement, Spillman shall immediately invoice Customer for all accrued fees, charges, and reimbursable expenses; and Customer shall pay the invoiced amount immediately upon receipt of such invoice. The License Agreement shall automatically terminate at the same time as termination of this Agreement, and Customer shall promptly return to Spillman the Licensed Program and all related documentation and materials, including all Releases, work and materials provided by Spillman hereunder.

Section 11: Miscellaneous

11.1 Spillman and Customer acknowledge that they have read this Agreement in its entirety and understand and agree to be bound by its terms and provisions. Spillman and Customer further agree that this Agreement is the complete and exclusive statement of agreement of the parties with respect to the subject matter hereof and that this Agreement supersedes and merges all prior proposals, understandings, and agreements, whether oral or written, between Spillman and Customer with respect to the subject matter hereof. This Agreement may not be modified except by a written instrument duly executed by the parties hereto.

11.2 In the event that any term or provision of this Agreement is held invalid, illegal, or unenforceable, it shall be severed and the remaining terms and provisions shall be enforced to the maximum extent permitted by applicable law.

11.3 Neither party may assign its rights or duties under this Agreement without the prior written consent of the other party, except to a successor of all or substantially all of its business and assets.

11.4 The waiver by either party of any term or provision of this Agreement shall not be deemed to constitute a continuing waiver thereof nor of any further or additional right that such party may hold under this Agreement.

11.5 This Agreement will be governed by the laws of the state of Utah, not including conflicts of laws provisions. The parties hereby submit to the exclusive jurisdiction and venue of Utah state and federal courts with respect to any action between the parties relating to this Agreement. In any such action, the prevailing party shall be entitled to an award of its reasonable costs and attorneys' fees from the other party.

11.6 Any notices required or permitted under this Agreement shall be in writing and delivered in person or sent by registered or certified mail, return receipt requested, with proper postage affixed, or sent by commercial overnight delivery service with provisions for a receipt.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as set forth below.

Section 12: Signatures

Accepted and Approved:

Customer

By: ______________________________

Print Name: ______________________________

Title: ______________________________

Date: ______________________________

Spillman Technologies, Inc.

By: ______________________________

Print Name: Lance Clark ______________

Title: President ______________________________

Date: ______________________________

spillman technologies, inc.
Reliable Innovation

4625 West Lake Park Blvd
Salt Lake City, UT 84120
(801) 902-1200
fax (801) 902-1210

SALES QUOTE / PURCHASE AGREEMENT

Park City Municipal Coorporation
1053 Iron Horse Drive
Park City, UT 84060

Contact: Scott Robertson

Phone:	435-615-5255
Agreement Preparation Date:	12/15/06
Expiration Date:	12/29/06
Operating System Server:	IBM/SUN
Quote Number:	
Salesman:	Jeff Andrus

This Sales Quote / Purchase Agreement ("Agreement") is made and entered into this ________ day of ___________, 2006 by and between the Customer and Spillman Technologies, Inc. ("Spillman"), 1325 South 4700 West, Salt Lake City, UT 84104.

Section 1: Quote Summary

Spillman Summit Software	255,547
Spillman Professional Services	Included
3rd Party Products & Services	14,440
Total Purchase Price $	269,987

Approved and Accepted by:

I have read this Agreement in its entirety and hereby approve and accept the terms and conditions of this Agreement as contained herein.

____
Signature of Authorized Representative

____
Print Name of Authorized Representative

____
Title of Authorized Representative

____
Date

Section 2: Spillman Summit Software

Description		Ext. Price
Total Package Price Includes:		
Integrated Hub		Included
Master NAMES, VEHICLES, PROPERTY and WANTS tables		
Geobase (Address verification system)		
Database Licensing for Entire Agency		
Basic File Attachments		
Agency-Wide Spillman Messaging (In-House & Mobile)		
On-Call Scheduling		
Racial Profile Tracking System		
Imaging		Included
Import, Capture, View and Attach Images to Names, Vehicle & Property Tables		
Computer Aided Dispatch (CAD)		Included
CAD Mapping		Included
Pin Mapping & Crime Analysis		Included
Mobile State Query	30 licenses	Included
Mobile Local Query	30 licenses	Included
Mobile CAD Mapping and AVL	30 licenses	Included
Voiceless CAD	30 licenses	Included
State Accident Reporting (DI-9)	30 licenses	Included
Geobase (address verification)		Included
Records Management		Included
Law Incident Management		
Case File Management		
Field Interviews		
Wanted Persons		
Intelligence Tracking System		
NIBRS/UCR Reporting System		
State Link		Included
Interface with State and National databases for easy query and submission of information		
Traffic		Included
Accidents/Citations/Warnings statistics		
InSight		Included
Multi agency data sharing via Utah County InSight Broker		

See Section 7: Notes

Spillman Software Total: **$ 255,547**

Section 3: Spillman Professional Services

Description	Qty
Installation	
Included	
Implementation & Project Management	
Included	
Training (On-site):	
CAD Go-Live Assistance	4 days
4 Days	
Goebase	2 trips
Training/Installation/Setup Assistance/On-site	
Basic Application Administration; Code Table Setup Assistance	1 day
1 Day	
Preimplementation Meeting	1 day
1 Day	
Lesson Plans	Included
Module Training for End-Users (Up to 16 employees per class):	
Introduction to Summit: (Required by all Employees)	2 classes
Computer Aided Dispatch	
Racial Profiling	2 classes
Hub for Dispatchers	2 classes
CAD Mapping	
Cad Mapping user training	2 classes
CAD Mapping Administration Training	1 class
Pin Mapping	2 classes
Imaging	2 classes
Law Records Management	
Law Enforcement Incident Management	2 classes
Law Enforcement Case Management	2 classes
Criminal History Records	2 classes
Law Enforcement Field Interviews	2 classes
Wanted Persons	2 classes
Law Enforcement Intelligence	2 classes
IBR	1 class
Mobile	
State and RMS Queries	2 classes
Voiceless CAD & AVL	2 classes
State Accident Reporting (DI-9)	Included
Mobile Administrative Training	1 class
Traffic	2 classes

See Section 7: Notes

Services Total: **Included**

Section 4: 3rd Party Products & Services

Description	Part #	Qty	Ext. Price
Sun V240 Server:		1	14,440
Model	520		
Processors	1.50GHz	1	
Hard Drive	72GB	2	
RAM	2 GB	1	
OS	AIX 5.2	1	
Tape Drive (external on all systems)	VXA	1	
Data Tapes		20	
Cleaning Tapes		10	
UPS	SUA750RM2U	1	
PowerChute SW	Yes	1	
Monitor (rackmounted flatscreen)	15"	1	
Country Kit	Yes	1	
DVDROM	Yes	1	
Support	1 Yr		
Graphics Card	GXT 135P	1	
Network Support Modem		1	Included

See Section 7: Notes

3rd Party Products & Services Total: $ 14,440

TOTAL PURCHASE PRICE: $ 269,987

Section 5: Second Year Maintenance

Second year maintenance fees are not included in the Purchase Price of this Agreement and is provided here as reference information only. Second-year maintenance fees are charged beginning 12 months after the implimentation of the system.

Description	Ext. Price
Integrated Hub	$5,050
Imaging	$1,480
Computer Aided Dispatch (CAD)	$820
CAD Mapping	$1,750
Pin Mapping & Crime Analysis	$920
Mobile Server	$5,030
Mobile State Query	$210
Mobile Local Query	$640
Mobile CAD Mapping and AVL	$2,120
Voiceless CAD	$1,110
State Accident Reporting (DI-9)	$2,120
Geobase (address verification)	Included in Integrated Hub
Records Management	$420
State Link	$1,030
Traffic	$440
InSight	$1,303

Second Year Maintenance Total:	$24,443

Section 6: Payment Terms

SECTION	DESCRIPTION	CATEGORY TOTALS	PAYMENT UPON CONTRACT SIGNING	PAYMENT UPON INSTALL	PAYMENT UPON GO LIVE DATE	PAYMENT OTHER	"OTHER" PAYMENT DUE BY
2	Software	255,547	153,328	76,664	25,555		
3	Services	Included					
3	First Year Maintenance	Included					
4	Hardware & 3rd Party	14,440	8,664	5,776			

Price Totals:	269,987	161,992	82,440	25,555	

Total Purchase Price:	$ 269,987

SALES QUOTE / PURCHASE AGREEMENT

Section 7: Notes

2ND YEAR MAINTENANCE:

The Computer Software End-User Maintenance Agreement renewal cost on maintenance for year 3 and thereafter will based on an amount to be determined by Spillman at the time of renewal.

If Customer is under a basic maintenance agreement and calls after normal coverage hours, maintenance services will be will be charged at the hourly rate specified on the current Spillman Maintenance Fee Schedule. Rates are subject to change.

SUMMIT IMAGING:

The Summit Imaging module allows the agency to capture photos for names, employees, vehicles, premises, property, and evidence. The picture will be shown on all screens defined for that picture type. Images can be imported from any working twain device such as digital camera or scanner. Images can also be imported from a valid image file on the PC or file server.

General

-- The Spillman software must be loaded on a Spillman-approved hardware PLATFORM, as outlined in current Spillman policies.
-- Spillman technicians must have direct modem access to the server where the Spillman software is loaded.
-- A working TCP/IP network to each PC and server that needs access to the images.
-- Pictures can be stored on the Spillman Applications Server or a NT 2000 server. Each storage solution will have specific needs and limitations that will have to be reviewed and a decision as to which you will use.

Hardware

-- Digital input devices. Camera, scanner etc.

-- Windows 98 machines will require the installation of a new Summit client to allow full functionality of the Summit Imaging product.

Software

-- TCP/IP software on each PC and server.
-- Spillman Imaging software.
-- Twain device software loaded on all hardware that is required.
-- File sharing software.

SUMMIT MOBILE:

Quote valid for wireless connection with a true TCP/IP connection.

Quote does not include hardware installation. Future installations may be performed by the Customer. Should the Customer require additional installations, the Customer will be billed at current Spillman installation pricing. An adjusted quote reflecting the additional installations may be requested.

GEOBASE IMPLEMENTATION (NEW OR EXISTING SPILLMAN USER)

The following are two approaches the Training Department will take regarding Geobase training. The key to these options is who is going to build and maintain the map in ArcView.

APPROACH 1: GIS PERSONNEL

The agency has access to GIS personnel who know ESRI products (i.e. ArcView or ArcInfo) and will build and maintain the map.

-- The Spillman Trainer that is involved meets with the the agency SAA and GIS personnel to discuss the desired structure of the map for it to work with Geobase and CAD Mapping (if purchased). This is a 4 hour meeting.

-- The trainer works with the GIS person via phone and email. It is expected that the GIS person will periodically send a copy of the map and appropriate layers for the trainer to review and make suggestions.

-- When the map is near completion, a two day trip is scheduled. This two day trip is meant to accomplish the following:

- Move the map files onto the server.
- View error logs and show how to correct the errors.
- Test the files in a temporary database.
- Address maintenance issues within Spillman.
- Show the SAA how to activate Geobase within the live database.

APPROACH 2: NON-GIS PERSONNEL

The agency has no access to GIS personnel who know ESRI products to build and maintain the map.

-- The agency is given a list of materials to provide to the Spillman Training Department so the Spillman trainer can begin building a map of the agency's jurisdiction.

-- Once all the materials requested have been received, a three day trip is scheduled with the agency.

– A trip is scheduled to train agency personnel about Geobase maintenance issues and loading the map text files onto the server (2 days).

-- During the time between receiving the materials and the scheduled three day trip, the Spillman trainer will be working on the map. The trainer will have started parts of all that needs to be done for the map to work in Geobase, but we make no guarantees as to what percentage of the map will be complete. This is because the amount of the map that gets completed is dependent on how timely the materials are provided by the agency, as well as how much of the map we choose to complete with the students during the training sessions.

-- During the three day trip, the trainer instructs the student(s) on how to use ArcView using the map the trainer has worked on.

-- After the three day trip, the student(s) are required to complete the map, working with the trainer via phone and email.

-- When the map is near completion, a two day trip is then scheduled. This two day trip is meant to accomplish the following:

- Move the map files onto the server.
- View error logs and show how to correct the errors.
- Test the files in a temporary database.
- Address maintenance issues within Spillman.
- Show the SAA how to activate Geobase within the live database.

-- CAD Mapping Administration and Setup are covered during the normal SAA training.

SUMMIT:

Hardware required:

A TCP/IP network with port 893 open to all Summit users; also ftp and rexec available to the support modem.

Server requirements:

A Spillman Applications Server that is running the SUMMIT server software. Because of the resources needed to run additional processes on the Spillman Applications Server, you need to evaluate your current CPU and memory usage. Each main screen that is accessing the database requires approximately 10 MB of memory on the server. As a general rule, Spillman recommends 40 MB of server memory for each user. If the CPU on your Spillman Applications Server is currently nearing its capacity, running more processes might slow down your server. If this occurs, you might need to upgrade the CPU or install a second CPU. For an individual assessment of the memory requirements for your agency's server, contact our Installation Department.

Third-party hardware required:

A Spillman-approved LAN support modem.

Client PC requirements:

The Spillman Customer Support Department recommends you use the fastest PCs available to you and that you install as much memory as possible. You must also be running a Spillman-approved version of Microsoft Windows and be connected to the server via a TCP/IP network. The following is a list of the minimum requirements:

Minimum Requirements	General User	User w/ Multiple Screens
-- CPU	1.0 GHz	1.5 GHz +
-- Memory	256 MB	512 MB
-- Ethernet network card	10/100 Mbps	10/100 Mbps
-- Network connection to Spillman Applications Server	10 Mbps	100 Mbps
-- Screen resolution (pixels)	1024 x 768 or greater	1024x768 or greater
-- Colors provided by monitor and video card	256 or more	256 or more
-- Hard disk space	200 MB	200 MB
-- Monitor	17-inch	17-inch minimum 21-inch recommended

NOTE: You can run the SUMMIT 4.5 software on a PC with fewer resources than specified in this document. However, if you experience problems, Spillman Customer Support Technicians will recommend that you upgrade the PC before they address any problems on that PC. It should also be noted that these specifications are for PC's only running the Summit application. If you run other applications while running Summit, you will have to accommodate for the increased resources (RAM, CPU, network bandwidth, etc.) required by the additional programs. Before troubleshooting Summit performance issues, all additional programs on the PC being tested must be closed.

Contact the Installation or Development department at Spillman Technologies, Inc. if your agency plans to use a Network Information System (NIS) or Pluggable Authentication Module (PAM) authentication. On a case-by-case basis, Spillman will need to determine whether SUMMIT 4.5 will work with NIS or PAM.

Section 8: Agreement Terms

1. This Agreement only covers the products and services listed herein.

2. Customer agrees to pay all invoices within thirty (30) days of invoice date.

3. Customer agrees to pay Spillman the Agreement Purchase Price according to the payment terms stated in Section 6. The Agreement Purchase Price is valid only through the expiration date indicated and only if all listed products and services are purchased as a complete package. ("Purchase Price" does not include second year maintenance fees.)

4. Customer is solely responsible for the payment of any and all taxes resulting from the acceptance of this Agreement and purchase of the products and services described herein.

5. When signed by an authorized Customer representative this Agreement serves as the Purchase Agreement between Customer and Spillman.

6. This Agreement is subject to all terms and conditions in the corresponding, valid Computer Software End-User License Agreement (the "License Agreement") and the related Maintenance Agreement between Customer and Spillman.

7. Any of the following events shall constitute a "default" under this Agreement:
   a. Customer's failure to pay Spillman any charges, costs, or other payment accruing herein, if such failure has not been corrected within ten (10) calendar days after Spillman has given Customer written notice of such failure; or
   b. Customer's failure to perform any other obligation set forth in this Agreement, including any act of repudiation or wrongful rejection of the product, if such failure has not been corrected within thirty (30) days after Spillman has given Customer written notice of such failure.

   c. Spillman's failure to perform any obligations set forth in this Agreement, if such failure has not been corrected within thirty (30) days after Customer has given Spillman written notice of such failure.

8. Upon occurrence of a default, the non-defaulting party may:
   a. Terminate this Agreement and invoke all rights the party possesses up to termination, including in Spillman's case repossession of the Product, and
   b. If Customer remains liable for any monetary obligations created under this Agreement, Spillman may accelerate and declare all obligations of Customer created under this Agreement to be immediately due and payable by Customer as a liquidated sum and proceed against Customer in any lawful way for satisfaction of such sum; and
   c. In addition to the forgoing, seek any other remedies that may be available at law or in equity.

9. Customer acknowledges that the monetary obligations of the Customer to Spillman under this Agreement constitute a commercial account. Customer shall pay, in addition to all other amounts owed to Spillman, interest calculated at one-and-one-half percent (1.5%) per month on all amounts that have not been paid to Spillman pursuant to the terms of this Agreement, or the highest rate permitted by law, whichever is less. Customer shall also be liable for all costs of collection, including reasonable attorney's fees whether or not a suit is instituted. Any delay or failure of either party in exercising any right hereunder, or any partial exercise thereof, shall not be deemed to constitute a waiver of any right granted hereunder or at law.

10. This Agreement constitutes the entire Purchase Agreement between the parties, with respect to the products and services listed herein, and no amendment to this Agreement shall be binding on either party unless such amendment is in writing and executed by authorized representatives of both parties. The parties understand that the License Agreement and the maintenance Agreement shall be considered with this Agreement as an integrated Agreement and is the complete and exclusive statement of the parties obligations and responsibilities, with respect to the products and services listed herein and therein, except as otherwise provided by law.

City Council Staff Report

PARK CITY 1884

PLANNING DEPARTMENT

Author: Brooks T. Robinson
Subject: United Park City Mines Company Annexation of Lands at PCMR
Date: December 21, 2006
Type of Item: Legislative – Annexation and Amendment to the Official Zoning Map, Amendment to Flagstaff Mountain Development Agreement

Summary Recommendations

Staff requests the City Council conduct a public hearing; review the requested annexation, amendments to the Park City zoning map, and amendments to the Flagstaff Mountain Development Agreement. Because several items are still outstanding, namely the water agreement, conservation easement language, and financial considerations for PCMR, staff recommends that the Council CONTINUE this item to its next regular meeting on January 11, 2007

Topic

Applicant:	United Park City Mines Company
Location:	Park City Mountain Resort west of current corporate boundaries.
Zoning:	Summit County Mountain Remote
Adjacent Land Uses:	Predominately undeveloped land, ski terrain, and contiguous to Treasure Hill subdivision
Reason for Review:	Annexations, Amendments to the Zoning Map, and amendments to a Development Agreement require Planning Commission review and City Council approval

Background

On January 6, 2006, the applicant filed a petition for annexation with the City Recorder for annexation of approximately 2,800 acres currently within the jurisdiction of Summit County. The property is located directly west of the PCMR base area and south to the Flagstaff annexation boundary of Park City Municipal Corporation.

The applicant has submitted all necessary signatures and annexation petition materials according to provisions of the City's Annexation Policy Plan and Utah State Code. A signed annexation plat, prepared by a licensed surveyor, has been filed. The applicant also provided necessary notification of the intent to file the petition to the required affected entities.

Due to the applicant's desire not to formally initiate the process until clear direction to move forward was received, the petition was never certified and notice to affected entities was not sent. Therefore, the applicant re-filed the petition, which the City

Council accepted on November 9, 2006, once again starting the 30 day certification process. The City Recorder certified the petition on November 20, 2006, and notice of acceptance was sent to all affected entities. The Summit County Board of County Commissioners heard this petition on December 6, 2006, and did not protest the annexation petition. No protests were submitted to the City during the protest period.

This annexation is tied to amendments to the Flagstaff Mountain Development Agreement (DA). The substantive changes to the DA have been discussed for over a year with a Task Force and joint meetings of the Planning Commission and City Council and seprate meetings of both bodies.

On December 13, 2006, the Planning Commission held a public hearing on the applications and forwarded a positive recommendation to the City Council. There was no public input.

Analysis

The property consists of approximately 2,800 acres that is contiguous to the Park City Municipal boundary. The parcel is within the Annexation Expansion Area, as described by the adopted Annexation Policy Plan. The majority of the acreage is encumbered by the Park City Mountain Resort (PCMR) ski lease. The ski lease lands will be deed restricted to prohibit residential and commercial lodging. This deed restriction converts to a conservation easement at the end of the PCMR lease. The balance of the acreage, around the Silver King mine site, will be further restricted by a conservation easement. No development other than what is allowed by the PCMR Development Agreement is allowed within the annexation boundary. Therefore, many of the requirements of the Annexation Policy Plan are not applicable.

The Annexation Policy Plan requires an annexation evaluation and staff report to be presented that contains certain items (see Section 15-8-5 (B)). The staff analysis is as follows:

1. General Requirements of Section 15-8-2

With the exception of water, the annexation meets the general annexation requirements as stated in Section 15-8-2. See Section E of this staff report for a detailed analysis of the annexation as it relates to Section 15-8-2.

2. Map and natural features

The property consists of approximately 2,800 acres that is contiguous to the Park City Municipal boundary. The land is within the Annexation Expansion Area, as described by the adopted Annexation Policy Plan. There are areas of wetlands, visible ridges and areas of steep slopes as defined by the Sensitive Lands Overlay criteria.

3. Residential Density

No residential or commercial lodging density is proposed or allowed. All density is transferred to the Flagstaff Annexation Area. Only ski related and resort support development is allowed as contemplated in the PCMR Development Agreement and

Park City Land Management Code.

4. Land Uses-existing and proposed
The property will be zoned Recreation Open Space (ROS) and ROS-MPD, subject to the Sensitive Lands Overlay (SLO). The Park City Mountain Resort is located on the majority of the proposed annexation and will continue to operate. No residential or commercial lodging density is proposed or allowed. All density is transferred to the Flagstaff Annexation Area. Only Ski Related Accessory Buildings and uses as contemplated and defined in the PCMR Development Agreement and Park City Land Management Code.

5. Wildlife
There are no proposed changes to the use and development of the acreage. Information received does not identify any wildlife issues.

6. Environmental Issues
While there are steep slopes, visible ridges, wetlands and streams within the proposed annexation, any impacts to the environment will be mitigated according to applicable City ordinance at the time any Development Activity is applied for.

7. Utility & Access
There is existing utilities and access (via King Road) within the proposed annexation area. Most of these utilities serve the PCMR ski area. King Road provides access up the mountain to the PCMR maintenance shop and further access via dirt roads throughout the resort. No other Development Activity is proposed necessitating utility or access.

8. Character and Development of adjacent property
Surrounding land uses include a multi-unit development to the north (Spiro Tunnel MPD- Silver Star Condominiums) and multi-acre rural/agricultural properties located outside of the City limits to the north. These multi-acre rural properties are located within the Mountain Remote zoning district in the County. The base area of PCMR, large-lot residential of Northstar, Treasure Hill, and 555 King Road also border the eastern boundary.

9. Zoning- existing and proposed
The parcel is currently zoned Mountain Remote in Summit County, subject to the Snyderville Basin General Plan. The proposed zoning is Recreation Open Space (ROS) on the entire parcel. Staff recommends the entire property be included in the Sensitive Lands Overlay district. The PCMR lease area will likely be zoned ROS-MPD upon subsequent amendment of their MPD to include the annexed area.

The proposed zoning of Recreation Open Space is consistent with Park City's General Plan for the West Mountain area and with the surrounding zoning and land uses.

10. Goals and Policies of the Park City General Plan

The General Plan identifies this property as being within the Park City Resort/West Hill Planning Area, and indicates that the majority of development should occur within, or immediately adjacent to, the existing City limits at the base of the ski area. Any residential development in this area should be clustered and not spread out over the hillside. The Plan also encourages within this Area, development of more summer hiking, biking, and horse-riding trails and for these trails to connect with other existing trails.

This annexation is consistent with the goals and policies of the Park City General Plan in that all the residential and commercial lodging and development is transferred off the annexation area to be included in the Flagstaff Mountain Annexation area as part of the proposed Montage Hotel and Resort development.

11. Assessed valuation

Annexation of the proposed area will not have a negative impact on the property's assessed valuation. Beginning in 2001, UPCM petitioned the Utah State Tax Commission for a reduction in the assessed valuation of the PCMR leased lands, on the grounds that 1) there were no development rights associated with such lands, and PCMR's lease prohibited any kind of residential development on such lands by PCMR, and 2) PCMR's Development Agreement with Park City contained further development restrictions prohibiting residential and related uses. After hearings at the Tax Commission, the assessed valuation was reduced.

12. Demand for municipal services

All essential services for the existing and proposed on-mountain resort support will be provided by existing entities. These services include: Park City Fire District, Snyderville Basin Water Reclamation District (SBWRD - sewer), Park City School District (no residential, so not applicable), Questar gas, Rocky Mountain Power, Comcast cable, Qwest gas, and BFI trash removal.

13. Effect on City boundaries

This annexation does not create an island, peninsula, or other irregular shaped City boundary.

14. Timetable for extending services

No services for this annexation are required to be extended.

15. Revenue versus costs

There is no cost to the City as no services are provided. The potential increased revenue from property, sales and transient room taxes will generate $1.3 to $1.9 million per year to the City.

16. Tax consequences

The property will be entirely privately owned. The City estimates an ongoing tax consequence to PCMR (who pays property and other taxes on the ski lease land) of approximately $50,000. PCMR currently pays approximately $15,000. One fifth of the

$35,000 increase is due to the City's higher Business License fees; the rest is the difference in City taxes versus County taxes.

17. Impact on Summit County
Park City Mountain Resort currently pays the property taxes on the ski lease land to the amount of $5,500 per year; staff finds this to be a minimal impact on Summit County. The City Budget Director has reviewed the costs of PCMR for County and City services and taxes. Summit County did not protest the annexation.

18. Historic and cultural resources
This annexation will include historic mining era structures within the Park City limits. The Silver King mine and other mining structures throughout the annexation area are more than 50 years old and would be considered to be historic structures due to the age of construction. No determination of historical significance has been made. Any changes to the historic buildings would require review by the Planning Department for compliance with the LMC preservation ordinance and Historic Design Guidelines. The Flagstaff Historic Preservation Technical Report will necessarily need to be amended to include those resources within the annexed area. The annexation therefore has a significant public benefit in the area of historic or cultural resources, in that several historic structures will be included within the City limits. If the structures are rehabilitated to building code, resort support uses could be permitted subject to a Conditional Use Permit.

Annexation Policy Plan

Purpose (Section 15-8-1)

Chapter 8 of the Land Management Code is considered Park City's annexation policy plan and declaration. In Section 15-8-1 the Code states the following:
The annexation requirements specified in this Chapter are intended to protect the general interests and character of the community; assure orderly growth and development of the Park City community in terms of utilities and public services; preserve open space, enhance parks and trails; ensure environmental quality; protect entry corridors, view sheds and environmentally Sensitive Lands; preserve Historic and cultural resources; create buffer areas; protect public health, safety, and welfare; and ensure that annexations are approved consistent with the Park City General Plan and Utah State Law.

Staff finds that the proposed annexation meets the above stated purposes in that this annexation contributes to the achievement of the goals and policies of the Park City General Plan and further protects the general interests and character of Park City by preserving 2,800 acres of open space to the west of the City, preserving prominent viewsheds and environmentally sensitive areas, bringing several historic structures in the City limits, promoting an opportunity to review this area for additional trails and open space connections, and developing consensus with Summit County on appropriate development patterns in a joint-planned area.

In addition the Annexation Policy Plan states:
If practical and feasible, boundaries of an Area proposed for annexation shall be drawn:

(A) Along the boundaries of existing special districts for sewer, water, fire, and other services, along the boundaries of school districts whose boundaries follow City boundaries... and along the boundaries of other taxing entities;
(B) To eliminate islands and peninsulas of territory that is not receiving municipal type services;
(C) To facilitate the consolidation of overlapping functions of local government;
(D) To promote the efficient delivery of services; and
(E) To encourage the equitable distribution of community resources and obligations.

It is the intent of this Chapter to ensure that Property annexed to the City will contribute to the attractiveness of the community and will enhance the resort image which is critical for economic viability, and that the potential deficit of revenue against expense to the City is not unreasonable.
Staff has reviewed this annexation proposal against these stated purposes and finds that the proposal is consistent with and furthers the interest of the Park City Annexation Policy Plan in that the proposed annexation area is within the boundaries of existing special districts for fire, sewer and school districts. The annexation will bring the property into the Park City Municipal Corporation boundary. The proposal also sets an appropriate land use precedent for the area that is consistent with the City's General Plan.

General Requirements (Section 15-8-2)
Staff has reviewed the proposed annexation and preliminary plat against the following general requirements (findings in ***italics***). The following specific requirements are hereby established for annexation to Park City:
(A) Property under consideration of annexation must be considered a logical extension of the City boundaries.
Complies. The property is contiguous to the Park City Municipal boundary along the western corporate boundary line from the Wasatch County line to the south to the properties abutting the Silver Star development and Snow Lanes.

(B) Annexation of Property to the City must be consistent with the intent and purposes of this Chapter and the Park City General Plan.
Complies. This annexation proposal has been submitted and processed consistent with the intent and purposes of the Annexation Policy Plan. The annexation petition has been accepted by the City Council and the petition certified by the City Recorder. The applicant submitted all required documents and information, per LMC Section 15-8-3 (A)-(J) and including all submittal requirements as stated on the application form. The property has been posted and affected property owners have been notified of the public hearing. Legal advertisement has been posted in the Park Record. The property falls within the

Park City Annexation Expansion Area boundaries.

(C) Every annexation shall include the greatest amount of Property possible that is a contiguous Area and that is contiguous to the City's municipal boundaries.
Complies. ***Property is defined in the Land Management Code as Any Parcel, Lot, or tract of land, including improvements thereon, in the possession of or owned by, or recorded as the real Property of the same Person or Persons. The property is contiguous to the Park City Municipal boundary. The property is a contiguous area owned in its entirety by United Park City Mines Company.***

(D) Piecemeal annexation of individual small Properties shall be discouraged if larger contiguous Parcels are available for annexation within a reasonable time frame in order to avoid repetitious annexations.
Complies. ***The annexation area constitutes 2,800 acres owned by the applicant. Contiguous additional lands are owned by UPCM but will be considered as open space for Summit County development of additional Colony lots to the west. The property is contiguous to the Park City Municipal boundary.***

(E) Islands of county jurisdiction shall not be left or created as a result of the annexation and peninsulas and irregular boundaries shall be avoided.
Complies. ***This annexation does not create an island, peninsula, or an irregular boundary.***

(F) In addition to services provided by existing districts, such as sewer, fire protection, and public schools, the following urban level services, consistent with those normally provided in the rest of the incorporated boundaries will be provided to annexed areas.
Complies as outlined below.

1. Police protection - ***City Police protection currently provided by special agreement with the County Sheriff for routine calls. Criminal investigation is currently the responsibility of the County Sheriff and would transfer to the City.***
2. Snow removal on Public Streets ***No public streets are within the annexation area.***
3. Street maintenance ***No public streets are within the annexation area.***
4. Planning, zoning, and Code enforcement ***Currently Summit County Planning and Building Department and would transfer to the City departments of Planning and Building.***
5. Availability of municipal sponsored parks and recreational activities and cultural events and facilities ***Parks are public and open to County and City residents. This annexation has many trails that link the City and future open space and recreation parcels.***
6. Water services as the Area is developed. Existing water treatment and storage facilities may currently be inadequate to provide services to the annexed Area. Developers of the annexed Area are required to pay for the cost of improvements

related to the extension of and connection with the City lines and systems as well as participate in additional improvements such as storage capacity and distribution as necessary for safe, reliable, and efficient water flows. ***The Flagstaff water agreement needs to be modified to address the increased water rights, facilities, and use demands generated by the additional density transferred to pod B-2. See attached suggested water agreement language from Assistant City Attorney Tom Daley and David Smith, attorney for Talisker.***

(G) If feasible and practical, water and sewer lines shall be extended to the Area proposed for annexation. Expenses associated with such extension shall be the responsibility of the Applicant(s). The City shall determine timing and capacity of extending water to the proposed annexation area. The Water Reclamation district shall determine timing and capacity of extending sewer service to the proposed annexation area.

No sewer service is required to be extended at this time. Future needs will be borne by the property owner. See (6) above for water issues.

(H) Before considering requests for annexation the City shall carefully analyze the impacts of annexation of an Area, taking into consideration whether the Area will create negative impacts on the City and considering whether the City can economically provide services to the annexed Area. Community issues such as location and adequacy of schools and community facilities, traffic, fire protection, particularly in Wildfire/Wildland Interface Zones, useable open space and recreation Areas, protection of Sensitive Lands, conservation of natural resources, protection of view corridors, protection and preservation of Historic resources, affordable housing, balance of housing types and ownership, adequate water and sewer capacity to serve the future needs of the proposed annexation Areas shall also be considered.

There is a net benefit to the City as a result of this annexation, due to the community benefits of 2,800 acres of open space, historic mining structures included within the City Limits, limited additional City services, and visual open space. The applicant will be financially responsible to provide all basic infrastructure and utilities including water, sewer, power, gas, and cable, if needed. The City will provide basic public services including police, planning and building services, etc. As noted above, water issues still need to be resolved.

(I) Situations may exist where it is in the public interest to preserve certain lands from Development where there exist Geologic Hazards, excessive Slopes, flood plains or where the need for preservation of community open space and/or agricultural lands is consistent with the General Plan. In such circumstances, annexation may occur as a means of retaining those lands in a natural state.

Complies. The entirety of the annexation area will be preserved as skiable terrain and open space. The area will be included in the Sensitive Lands Overlay district.

(J) The City shall consider annexation of unincorporated Areas of Summit County that are within the annexation expansion Area.

Complies. ***This property is within the Park City Annexation Expansion Area, adopted by the City Council in 2003.***

(K) In general, the City does not favor annexation of territory, which should be located within another municipality, nor does it favor the annexation of unincorporated territory solely for the purpose of acquiring municipal revenues, or for retarding the capacity of another municipality to annex.
Complies. ***The purpose of this annexation is not to acquire municipal revenues or to retard the capacity of another municipality to annex this property. Provision of municipal services for this property is more efficiently provided by Park City than by Summit County.***

(L) Annexations that expand the resort and/or tourist economy provide second home or rental residential Properties, preserve environmentally Sensitive Lands, and provide significant public open space and community facilities are preferred.
Complies. ***This annexation will provide 2,800 acres of property encompassing the Park City Mountain Resort while transferring all residential density to an approved development site within the Flagstaff Mountain annexation area. The annexation incorporates several historic mining era structures within the City boundaries, preserves environmentally sensitive areas, and provides public access to all trails. It is logical and reasonable to provide municipal level services to this property.***

Annexation Agreement
The Annexation Policy Plan establishes a requirement for an Annexation Agreement to be approved by the City Council to address standard conditions that must be met prior to completion of the annexation. Staff finds that the proposed annexation, as outlined in the draft annexation agreement (Exhibit B) and the Amended Flagstaff Development Agreement, complies with the requirements and criteria of the Park City Annexation Policy Plan regarding Annexation Agreements.

Zoning Map Amendment
The proposed annexation will be zoned Recreation Open Space. In addition, a 139 acre parcel owned by the applicant and currently within the City will change zoning districts from Estate (E) to Recreation Open Space (ROS).

Conservation Easement
Attached as Exhibit D is another draft of the Conservation Easement that has been crafted with input from the Summit Land Conservancy. The Board of the Conservancy has not yet approved the draft. If the Council finds the reserved uses too broad, the Council should consider whether the newly proposed language; 1) appropriately balances the potential for low impact uses that may be permitted under existing ROS zoning; and 2) allows practical re-use of the existing historic structures to facilitate renovation.

PCMR Financial Issues
Although PCMR has met with Talisker on several occasions, as of December 18th, no resolution has been reached on the increased costs that PCMR as a tenant will incur due to the landlord, Talisker/UPCM, annexing the lease lands into the City. The City Council had previously given direction to the applicant to resolve this issue.

Flagstaff Mountain Development Agreement Amendments
The amended Flagstaff Mountain Development Agreement (DA) is attached as Exhibit C. The substantive changes have previously been discussed by the Planning Commission, City Council, and a joint Task Force.

<u>Density (Section 2.2.1 of the Development Agreement)</u>
The additional 80 Unit Equivalents (705 UEs increasing to 785 UEs) of density that is tied to the PCMR annexation causes other effects as evidenced in the amended Development Agreement (DA). There is a slight increase in the developable acreage (84 increasing to 87), the percentage of development in pod A is reduced (65% to 50%) and the number dwelling units increases from 470 to 550. These changes can be found on page 9 of the DA. The additional 192 hotel rooms for the Montage are further discussed as footnote 6 on page 10.

<u>Parking (2.2.1.9)</u>
The DA still requires that the parking be reduced by 25% of Land Management Code requirements. However, through the Task Force, Council and Planning Commission discussions, the request for one assigned parking space for the residential condominiums in Montage was found acceptable. See page 11 of the DA.

<u>Ski Run Separation (2.4.1.2)</u>
A couple of platted Red Cloud (Northside Neighborhood) lots have ski runs that encroach into the lots and may the 50 foot separation difficult to achieve. Each case will be reviewed by the City.

<u>Empire Day Lodge (2.5)</u>
The redline draft approximates the changes that were approved with the 2004 DA Addendum and incorporates the 75 parking spaces allocated to the Day Lodge through the discussions with the Task Force, Council, and Planning Commission. Actual language from 2004 read:

> "Subject to conditional use review, Deer Valley may construct a skier day lodge of a maximum of 35,000 square feet, in the approximate location depicted in exhibit A. The day lodge shall have ~~no public road access and~~ no day skier parking, <u>and</u> must have adequate emergency vehicle access. ~~and shall have only limited~~ <u>Any</u> parking <u>lot</u> for the <u>Lodge shall be for the purpose of</u> ~~to~~ meet<u>ing temporary events, intermittent seasonal dining, and</u> service and administrative requirements, <u>and shall be reviewed by the Planning Commission as a Conditional Use. Such Conditional Uses will have a traffic mitigation plan that may include the number of events, hours of operation, shuttle bus requirements and/or a limit to the number of guests. Pursuant to a conditional use permit, said temporary parking area may be located on adjacent properties. Permanent non-skier parking for the Empire Day Lodge will be considered part of the POD B-2</u>

Master Planned Development. DEER VALLEY shall provide deed-restricted employee/affordable housing units as defined by the City's affordable housing policy in an amount equal to 20% of the commercial Unit Equivalents approved by the City for the day lodge prior to issuance of a Certificate of Occupancy for the day lodge."

The proposed language would eliminate most of this language. Staff finds that the Conditional Use language and the non-skier parking language should remain.

Beano's Style Private Cabin (2.6)
Changes include clarification on vehicular access and parking at the on-mountain restaurant and additional size request. Currently, the DA restricts the restaurant to 7,000 square feet. The applicant wishes to allow the building to be between 7,000 square feet and 10,000 square feet based on CUP review. The Planning Commission reviewed this request and did not object to the increase. Staff's recommendation to the Planning Commission was to keep the size limitation as is. **The Council asked for justification of this increase when reviewing the "deal points" of the proposal.**

Private Road (2.8.2)
Proposed language recognizes possible jurisdictional transfer of SR 224 and the conversion of private road to public. Currently, UDOT would have to approve the public dedication and relocation of the existing SR 224.

Gondola (2.9.2)
The Task Force, a majority of the City Council, and Planning Commission all found that the gondola was not economically feasible or in the public interest for mitigating traffic on the existing roads. Therefore, the No Gondola alternative is accepted and the Developer is to make a contribution of $1 Million to the City for the purpose of providing traffic mitigation measures relating to the project. The City has consistently stated that this $1 Million will be used towards operations and equipment to serve the Empire Pass development. However, the City and applicant agreed to leave in the possibility of a gondola as a resort amenity. As such, the Developer offers to contribute $10,000 towards the cost of a feasibility study and contribute to the costs of the parking improvements at Richardson Flats. These parking improvements (the Park and Ride) will be assured by the posting of completion bond in the amount of $1.8 Million.

Enhanced Environmental Protection (2.9.4)
This section is amended to allow the Montage three wood burning fireplaces. With the potential density and fireplaces in the annexation area and the lack of fireplaces in several of the condo buildings under construction, staff finds the additional fireplace for the Montage acceptable.

Public Safety (2.9.10)
The additional language in this section is relative to the additional density and the size of the Montage building. As neither were anticipated in the original DA, additional fire protection measures may be necessary.

Subsequent Agreements (2.10.2)
This new section relates to water agreements between the City and the Developer. A current water agreement has not been finalized. The amended DA shows a blank date for item (iii). The City Council will need to finalize this water agreement prior to taking action on the DA. The Developer has suggested language and staff has submitted a response and staff recommended language (Separate Exhibits distributed earlier).

Employee/Affordable Housing (2.10.5)
Staff has provided the table and language for the additional Affordable Housing Units (AEUs) requirement. Language is inserted to allow on-mountain mitigation to be off-mountain on a 1.5 for 1 required AEU basis. Developer agrees to provide an additional 20 AEUs to be located at Quinn's Junction. Existing off-mountain obligation is still subject to the approved Technical Report.

Richardson Flats (3.1)
On page 33 is a new paragraph relating to the dedication of 30 acres at Richardson Flats for the Park and Ride and recreation facilities. The Park and Ride will be a total of 750 spaces with 100 of those for the Montage/Empire Pass. Other uses on Richardson Flats are still constrained by the existing language and options. Schedule 3.1 on page 47 further describes the specifications of the Richardson Flats Park and Ride, including the bonding, reconstruction of the County Road leading to the P&R, and parameters of the design. The Developer will need to amend to the approved Transit and Parking Technical Report to incorporate additional City and Developer obligations with regards to the Park and Ride and Transit.

Department Review
This project has gone through an interdepartmental review. No further issues that aren't discussed above have been identified.

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
Please refer to the previously distributed minutes for prior public input at the Task Force, City Council, and Planning Commission. A binder containing all the minutes is available at the Planning Department. Task Force: January 31, February 7 and 28, and March 7 and 21, April 11 and 25 (not a quorum), and May 2, 2006. The Task force recommendations were discussed by two joint meetings (May 10 and 24) of the full City Council and Planning Commission. The Planning Commission opened the public hearing on the proposal on June 14, 2006, and also discussed aspects of the application on July 26, August 9 and 23, and September 23. The City Council held public hearings on October 12 and October 19 on the elements of the amendments to the Flagstaff Development Agreement and remanded the Development Agreement back to the Planning Commission for formal recommendation. The Planning Commission held a public hearing on December 13, 2006, and forwarded a positive recommendation

on the annexation, amended zoning map, and amendments to the Flagstaff Mountain Development Agreement. There was no public input at the December 13th hearing.

Alternatives

- The City Council may approve the UPCM Annexation of Lands at PCMR, the amendment to the Park City Zoning Map, and the amended Flagstaff Development Agreement as conditioned or amended, or
- The City Council may deny the UPCM Annexation of Lands at PCMR, the amendment to the Park City Zoning Map, and the amended Flagstaff Development Agreement and direct staff to make Findings for this decision, or
- The City Council may continue the discussion on UPCM Annexation of Lands at PCMR, the amendment to the Park City Zoning Map, and the amended Flagstaff Development Agreement.

Consequences of not taking the Suggested Recommendation

The proposed annexation would not occur and the 2,800 acres would remain outside of the City limits. In addition, the proposed changes to the Flagstaff Mountain annexation and transfer of density would not occur. The Montage MPD and CUP would not proceed. It is likely that the remainder 185 Unit Equivalents and 98 residential units would be developed in a fashion similar to Pod A.

Recommendation

Staff requests the City Council conduct a public hearing; review the requested annexation, amendments to the Park City zoning map, and amendments to the Flagstaff Mountain Development Agreement. Because several items are still outstanding, namely the water agreement, conservation easement language, and financial considerations for PCMR, staff recommends that the Council CONTINUE this item to its next regular meeting on January 11, 2007.

Should the Council choose to APPROVE the annexation, amended zoning map, and amendments to the Flagstaff Development Agreement, staff has prepared a draft ordinance for the Council's consideration. If the Annexation is approved, there is a 30 day window in which to record the annexation plat. Staff would further recommend that any outstanding issues be resolved prior to recording the annexation plat.

Exhibits

Exhibit A – Record of Survey plat
Exhibit B – Annexation Agreement
Exhibit C – Amended Flagstaff Mountain Development Agreement (under separate cover)
Exhibit D – Deed Restriction and Conservation Easement for Annexed Lands
Exhibit E – Proposed amended Zoning Map

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Ordinance No. 06-

AN ORDINANCE APPROVING THE UNITED PARK CITY MINES COMPANY ANNEXATION OF LANDS AT PCMR AND APPROVING AN AMENDMENT TO THE PARK CITY ZONING MAP TO PLACE THE LANDS AT PCMR INTO THE RECREATION OPEN SPACE (ROS) ZONING DISTRICT AND APPROVING AMENDMENTS TO THE FLAGSTAFF MOUNTAIN DEVELOPMENT AGREEMENT, PARK CITY, UTAH.

WHEREAS, the owners of 2,800 acres of property located in unincorporated Summit County have petitioned the City Council for approval of the Annexation of Lands at PCMR into the City limits, an amendment to the current City Zoning Map and an amendment to the Flagstaff Mountain Development Agreement; and

WHEREAS, the proposed annexation is approximately 2,800 acres in size; and

WHEREAS, the zoning for the 2,800 acres will be Recreation Open Space (ROS) and zoning for the 139 acres currently within the City will also be Recreation Open Space (ROS); 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 December 13, 2006, to receive input on the Annexation of Lands PCMR, the amendment to the Park City Zoning Map, and the amended Flagstaff Development Agreement;

WHEREAS, the Planning Commission, on December 13, 2006, forwarded a positive recommendation to the City Council; and,

WHEREAS, on December 21, 2006, the City Council approved Annexation of Lands at PCMR, an amendment to the Park City Zoning Map and amendments to the Flagstaff Mountain Development Agreement; and

WHEREAS, it is in the best interest of Park City, Utah to approve the Annexation of Lands at PCMR, amendments to the Park City Zoning Map, and amendments to the Flagstaff Mountain Development Agreement.

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 Annexation of Lands at PCMR and amendment to the Park City Zoning Map 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 within unincorporated Summit County and contains approximately 2,800 acres to be annexed into Park City.
2. The current county zoning is Mountain Remote.
3. As part of the annexation petition the petitioner has requested Recreation Open Space (ROS) zoning for the entire 2,800 acre parcel and an additional 139 acre parcel currently within the City Limits and zoned Estate (E).
4. The proposed land uses are consistent with the purpose statements of the proposed zoning district. The applicant has volunteered to restrict all residential and commercial lodging by transferring all potential density to an existing development area within the Flagstaff Mountain annexation area. These restrictions are reflected in the annexation agreement.
5. Preliminary site analysis demonstrates existence of sensitive lands on the property. Therefore, the proposed SLO zoning is appropriate.
6. The proposed annexation meets the purposes stated in the Annexation Policy Plan, in that this annexation contributes to the achievement of the goals and policies of the Park City General Plan and further protects the general interests and character of Park City by including several historic mining era structures within the Park City boundary, and provides 2,800 acres of open space and ski resort related uses.
7. The annexation will bring the property into the Park City Municipal Corporation boundary and enable services to be provided to the Property, such as police and water, which are more easily accessible from the City than the County.
8. Annexation of this parcel will not create an island, peninsula, or irregular city boundary. The annexation is a logical extension of the City Boundary.
9. This property is located within the Park City Annexation Expansion Area, adopted by the City Council in 2003.
10. Provision of municipal services for this property is more efficiently provided by Park City than by Summit County.
11. Areas of wetlands, visible ridges, and steep slopes have been identified on the property. It is reasonable to include this property within the Sensitive Lands Overlay Zone.
12. It is reasonable and logical to provide municipal level services to this property adjacent to the western boundary of Park City. The annexation provides an open space buffer between Park City and the proposed boundary to the west.
13. The application is subject to the City's Affordable Housing Resolution 17-99 in that residential density is being transferred to another location in the City. Affordable Housing is being provided under the current requirements of the Flagstaff Mountain Development Agreement, as amended.
14. The Findings of the staff report dated December 21, 2006, are incorporated herein.

Conclusions of Law:

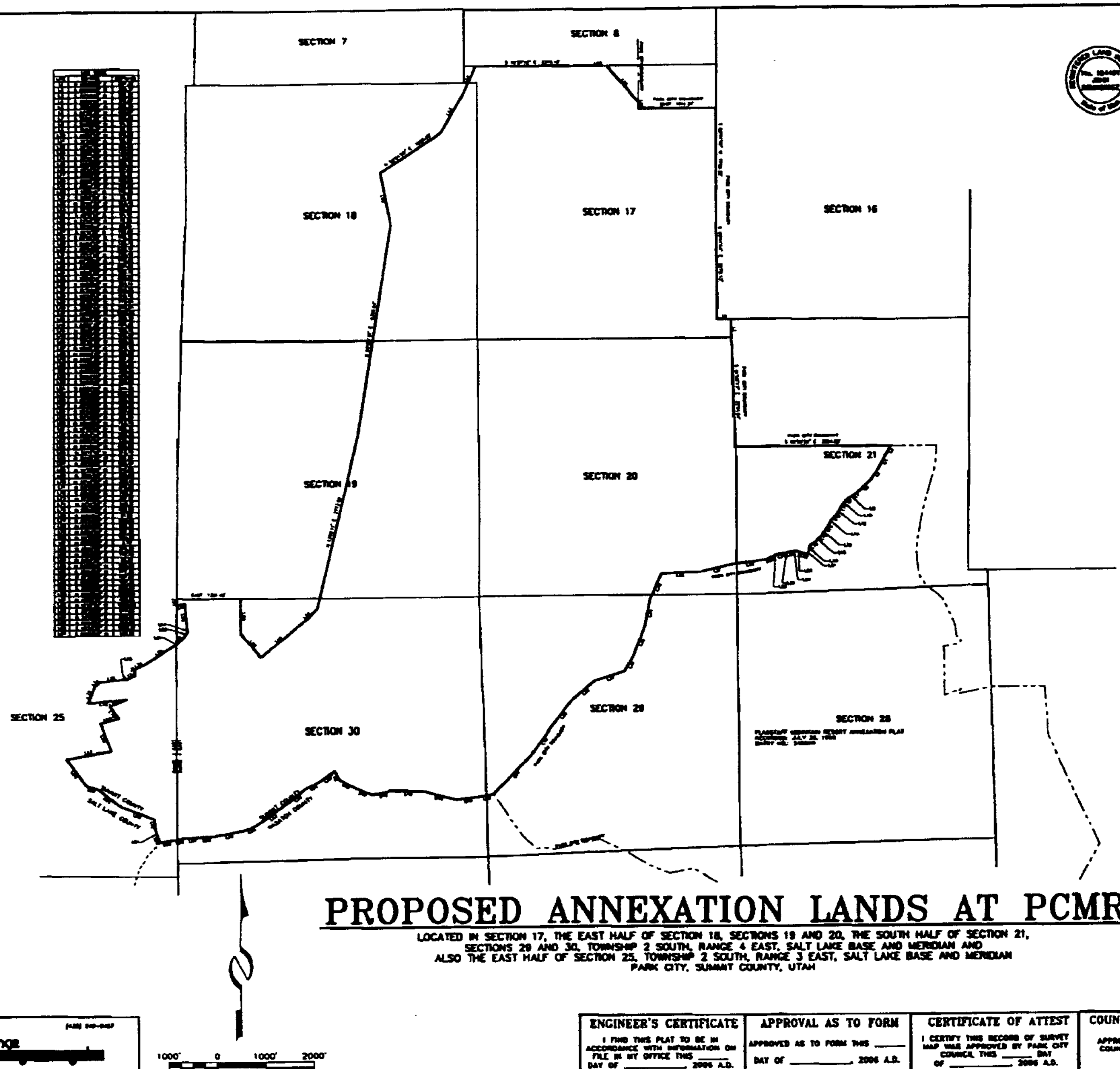
1. The Zoning Map amendment is consistent with the Park City Land Management

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 UPCM Annexation of Lands at PCMR property within the Recreation Open Space (ROS) District and within the Sensitive Lands Overlay (SLO) Zone.
2. The Official Zoning Map shall be amended to change the 139 acre parcel within the Park City limits currently zoned Estate (E) to Recreation Open Space (ROS).
3. The annexation agreement shall be substantially the same as Exhibit B, in a form approved by the City Attorney, and fully executed and recorded with the Annexation Plat.
4. The Flagstaff Mountain Development Agreement shall be substantially the same as Exhibit C, in a form approved by the City Attorney, and fully executed and recorded with the Annexation Plat.
5. The Deed Restriction and Conservation Easement for the Annexed Lands shall be substantially the same as Exhibit D, in a form approved by the City Attorney, and fully executed and recorded with the Annexation Plat.

SECTION 2. EFFECTIVE DATE. This Ordinance shall take effect with the execution of the amended Flagstaff Development Agreement and UPCM Lands at PCMR Annexation Agreeement.

PASSED AND ADOPTED this 21st day of December, 2006.



PROPOSED ANNEXATION LANDS AT PCMR

LOCATED IN SECTION 17, THE EAST HALF OF SECTION 18, SECTIONS 19 AND 20, THE SOUTH HALF OF SECTION 21, SECTIONS 29 AND 30, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SALT LAKE BASE AND MERIDIAN AND ALSO THE EAST HALF OF SECTION 25, TOWNSHIP 2 SOUTH, RANGE 3 EAST, SALT LAKE BASE AND MERIDIAN
PARK CITY, SUMMIT COUNTY, UTAH

SURVEYOR'S CERTIFICATE

I, John Demkowicz, certify that I am a Registered Land Surveyor and that I hold Certificate No. 154491, as prescribed by the laws of the State of Utah, and that this plat accurately describes and illustrates the boundary and the Patented Government Lots of Record as prescribed within the boundary of the PROPOSED ANNEXATION LANDS AT PCMR annexation petition.

John Demkowicz _______________ Date _______________

BOUNDARY DESCRIPTION

[illegible]

OWNER'S DEDICATION AND CONSENT TO RECORD

Know all men by these presents that the undersigned corporate agent for United Park City Mines, the owner of the majority of the land described and illustrated on this plat do hereby petition Park City Municipal Corporation, of Summit County, Utah that said lands be annexed to and included within the legal boundary of Park City, Utah, and be subject to such benefits and restrictions as exist under applicable legal ordinances of Park City, Utah.

____
Name

____
Title

ACKNOWLEDGEMENT

State of Utah
ss
County of Summit

On this _______ day of __________ 2006 ______________ personally appeared before me, the undersigned Notary Public, who being duly sworn, did say that he is the Corporate Agent for United Park City Mines Company, the owner of the majority of the land described and illustrated on this plat and that the foregoing Owners Dedication and Certificate of Consent to Record was signed freely and voluntarily for the purposes therein mentioned and that said Company executed the same.

____
A Notary Public commissioned in Utah

____
Printed Name

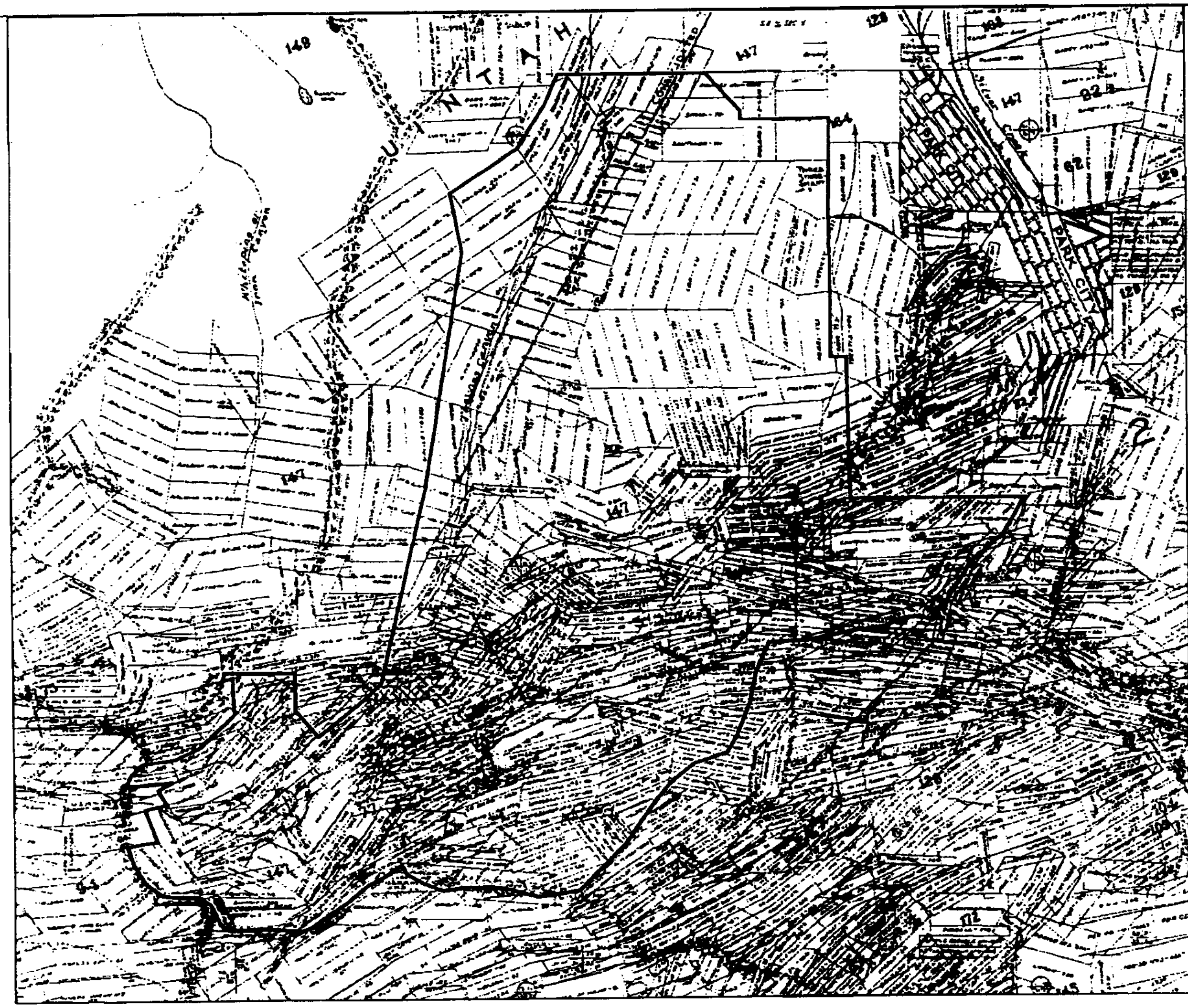
Residing in: _______________

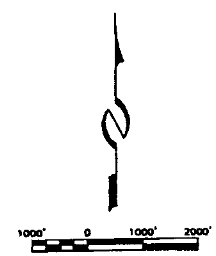
My Commission Expires: _______________

128

SHEET 1 OF 1

ENGINEER'S CERTIFICATE	APPROVAL AS TO FORM	CERTIFICATE OF ATTEST	COUNCIL APPROVAL AND ACCEPTANCE	RECORDED
I FIND THIS PLAT TO BE IN ACCORDANCE WITH INFORMATION ON FILE IN MY OFFICE THIS _____ DAY OF _____ 2006 A.D. BY _____ PARK CITY ENGINEER	APPROVED AS TO FORM THIS _____ DAY OF _____ 2006 A.D. BY _____ PARK CITY ATTORNEY	I CERTIFY THIS RECORD OF SURVEY MAP WAS APPROVED BY PARK CITY COUNCIL THIS _____ DAY OF _____ 2006 A.D. BY _____ PARK CITY RECORDER	APPROVAL AND ACCEPTANCE BY THE PARK CITY COUNCIL THIS _____ DAY OF _____ 2006 A.D. BY _____ MAYOR	STATE OF UTAH, COUNTY OF SUMMIT, AND FILED AT THE REQUEST OF _____ DATE _____ TIME _____ BOOK _____ PAGE _____ FEE _____ RECORDER





PROPOSED ANNEXATION LANDS AT PCMR

LOCATED IN SECTION 17, THE EAST HALF OF SECTION 18, SECTIONS 19 AND 20, THE SOUTH HALF OF SECTION 21,
SECTIONS 29 AND 30, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SALT LAKE BASE AND MERIDIAN AND
ALSO THE EAST HALF OF SECTION 25, TOWNSHIP 2 SOUTH, RANGE 3 EAST, SALT LAKE BASE AND MERIDIAN
PARK CITY, SUMMIT COUNTY, UTAH

SHEET 2 OF 3

JOB NO.: 1-1-01 FILE: [illegible]

RECORDED

STATE OF UTAH, COUNTY OF SUMMIT, AND FILED
AT THE REQUEST OF ______________
DATE ______ TIME ______ BOOK ______ PAGE ______
FEE ______ RECORDER ______

When recorded, please return to:
PARK CITY MUNICIPAL CORPORATION
City Recorder
PO Box 1480
Park City UT 84060

ANNEXATION AGREEMENT
FOR THE UNITED PARK CITY MINES COMPANY LANDS AT PARK CITY MOUNTAIN RESORT

This Annexation Agreement is made by and between Park City Municipal Corporation (Park City) and the United Park City Mines Company, Owner (hereafter referred to as "Petitioner") to set forth the terms and conditions under which Park City will annex land owned by Petitioner into the corporate limits of Park City and extend certain municipal services to that property. This Agreement is made under authority of I0-2-401 et. Seq. of the Utah Code, Annotated 1953, as amended, and shall serve as a supplemental annexation policy declaration when executed by all parties. In consideration of Park City's agreement to annex Petitioner's property and in consideration of the mutual promises contained herein, the parties agree that the terms and conditions of annexation shall be as follows:

1. **Property.** The property to be annexed is approximately 2,800 acres in size as depicted on the annexation plat, attached as Exhibit A, and as more fully described in the legal description, attached as Exhibit B, and the preliminary plat, attached as Exhibit C, and incorporated herein by reference (hereafter referred to as the "Property"). Park City Mountain Resort (hereafter referred to as PCMR) owns a ski lease over a substantial portion of the annexation property.

2. **Zoning.** Upon annexation, the entire Property will be zoned ROS, Recreation Open Space. The entire Property shall also be included within the Sensitive Lands Overlay District. A Deed Restriction prohibiting residential and commercial lodging uses applies over the PCMR ski lease lands and a Conservation Easement applies to those areas within the annexation boundary but not subject to the PCMR ski lease.

3. **Master Plan and Subdivision Plat Approval.** Due to the transfer of development capacity from this property to adjacent lands within the Flagstaff Mountain Resort Annexation, a Master Planned Development is not required.. Following completion of the annexation process, pursuant to Utah Code Annotated Section 10- 2-425, development on the Property shall be governed by the zoning designation provided herein, this Agreement, and the Park City Land Management code in effect at the time complete subdivision and building permit applications are filed with Park City.

4. **Density.** The total density of the UPCM Lands at PCMR Annexation is zero. No residential or commercial lodging uses are allowed. Limited ski area improvements may be permitted subject to the PCMR Master Planned Development and Park City Land Management Code.

5. **Trails.** Numerous trails exist on the annexation property. These trails will be available for public use subject to reasonable restrictions due to construction, maintenance, and

environmental factors including wildlife and erosion.

6. **Open Space**. The entirety of the Annexation will be dedicated open space.

7. **Affordable Housing.** The Petitioner shall comply with all applicable Affordable Housing requirements of Resolution 17-99, as part of the transfer of density to the Flagstaff Annexation area.

8. **Fire Prevention Measures.** Because of significant wild land interface issues on the Property, if required by Park City, the Petitioner agrees to implement a fire protection and emergency access plan, to be submitted prior to 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.

9. **Roads and Road Design.** No new public or private streets or roads are proposed as part of this annexation

.

10. **Sanitary Sewer.** No new public or private sewer line is required or proposed with this annexation.

11. **Dedication of Water Rights.** The Petitioner shall not be required to dedicate water rights as a condition of this annexation.

12. **Water Infrastructure and Other Water System Costs.** No water infrastructure or other water system costs are required as part of this annexation.

13. **Sensitive Lands Review:** At the time of annexation the entire Property shall be included within the Sensitive Lands Overlay District (SLO). A sensitive lands analysis was submitted and reviewed by the Planning Commission during the annexation review for consideration of potential density available to be transferred.

14. **Planning, Building, and Inspection Fees.** Petitioner is responsible for all planning, building, subdivision, and construction inspection fees required by the City at the time of application and/or approvals.

15. **Impact and Building Fees.** Petitioner shall pay all generally applicable fees, such as development impact, park and recreation land acquisition, building permit, and plan check fees due for construction on the Property at the time of application for building permits.

16. **Acceptance of Public Improvements.** No public infrastructure is required or proposed with this annexation.

17. **Snow Removal and Storage.** No snow removal or storage is required or proposed with this annexation.

18. **Fiscal Impact Analysis.** There is no proposed development within this annexation area that requires a fiscal impact analysis to be submitted with the petition. Fiscal analysis including costs and revenues relating to the density transferred to the Flagstaff Annexation area has been reviewed and accepted by the City.

19. **Comprehensive Review and Analysis of Surrounding Property.** The Petitioner submitted with the petition for annexation a comprehensive land use review and analysis of the surrounding properties.

20. **Effective Date.** This Agreement is effective as of the date of the Ordinance authorizing its execution.

21. **Governing Law.** The laws of the State of Utah shall govern this Agreement. Jurisdiction and venue are proper in Summit County.

22. **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.

23. **Assignment.** This Agreement is also a personal obligation of the Petitioner. Petitioner may assign its obligations under this Agreement, only upon prior written consent of the City, upon demonstration that the City's rights are adequately secured by the assignment. Consent to assignment shall rest in the sole discretion of the City.

24. **Compliance with City Code.** Notwithstanding paragraph 20 herein, from the time of City Council approval of this agreement, Petitioner and his agents shall comply with all City Codes and Regulations pertaining to the subject Property.

25. **Full Agreement** This Agreement contains the full and complete agreement of the parties regarding the UPCM Lands at PCMR Annexation and there are no other agreements between these parties in regard to the annexation of the Property. Only a written instrument signed by all parties hereto may amend this Agreement. No Third-party beneficiaries are created by this agreement.

DATED this ______ day of ___________, 2006.

Exhibits: A) Annexation and Zoning Plat
B) Legal Description
C) Preliminary plat

(Signatures, jurats, attestations, approved as to forms etc will be added prior to official signatures)

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WATER AGREEMENT

(2006)

This Water Agreement (2006) ("Agreement") is made and entered into effective as of the ___ day of _______________, 2006, by and between United Park City Mines Company, a Delaware corporation ("UPK"); Park City Municipal Corporation, a Utah municipal corporation (the " City"); and Park City Water Service District, a special service district organized and existing pursuant to the provisions of 17A-2-1301, et seq., Utah Code Annotated 1953, as amended. UPK and the City are sometimes hereinafter individually referred to as a "Party" and collectively referred to as the "Parties".

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RECITALS

A.____ The Parties have a long history of contractual and other dealings with each other involving water and related matters.

B. ___Such contracts include, without limitation,: (i) the February 10, 1975 Agreement among UPK, the City, and other parties regarding the Judge Tunnel; (ii) the June 2, 1981 Spiro Tunnel Water System Agreement; (iii) the October 8, 1991 Agreement Consenting to a Sale of Surplus Salt Lake City Water; (iv) the September 11, 1992 Agreement regarding Woodside Gulch; (v) the June 24, 1999 Development Agreement for Flagstaff Mountain, Bonanza Flats, Richardson Flats, the 20-acre Quinn's Junction Parcel and Iron Mountain (the "Development Agreement"); (vi) An Agreement for a Joint Well Development Program dated January 14, 2000 (the "Well Agreement"); and (vii) the January 14, 2000 Memorandum of Understanding (the "MOU"). All of the foregoing are collectively referred to herein as the "Contracts".

C. ___In connection with recent and anticipated real estate development activity involving UPK and its affiliates including UPK's parent, subsidiary and sister entities (collectively, the "UPK Entities"), discussions have arisen among the UPK Entities and the City involving water and other matters, and the Parties desire to address certain issues related thereto as provided herein.

NOW, THEREFORE, for good and valuable consideration, the Parties agree as follows:

TERMS AND CONDITIONS OF AGREEMENT

1. ___**Capital Contribution**. Within ninety days of commencement of construction of the Capital Improvements described below, UPK will pay to the City a capital contribution in the amount of $4,208,600 (the "Capital Contribution"). The Capital Contribution (i) is for a portion of the cost of capital improvements including the Rockport Importation project, the Boothill water tank, Boothill transmission line, Boothill pump station, and Fairway Hills PRV (the "Capital Improvements"), and (ii) together with the Capital Contribution reimbursement provisions, below, is in lieu and in satisfaction of the Rockport Pipeline participation and reimbursement provisions in the Well Agreement (including Section 9 thereof) as acknowledged under Section 9 of the MOU.

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2. ___**Reimbursement of Capital Contribution.** The City shall reimburse UPK for the amount of the Capital Contribution (also referred to herein as the "Reimbursement Amount"). Unless otherwise reimbursed or paid as contemplated under Section 5, below, the

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Reimbursement Amount shall be paid to UPK in seven equal annual installments beginning October 1, 2007. Each annual installment of the Reimbursement Amount shall be adjusted annually to reflect interest imputed at the greater of the City's then current cost of funds or the then prevailing non-credit enhanced municipal bond rate, as established by the City's bond rating agency.

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3. **Water Reservations.** UPK will pay to the City a water reservation fee of $100 per acre foot per year for 433 acre feet of water (the "Initial Reservation Fee"). The Initial Reservation Fee shall be paid to the City annually beginning October 1, 2007, and shall be reduced each year based on the cumulative total of water, in excess of 333 GPM, utilized by completed developments and improvements for which building permits have been issued by the City and which are constructed in, on and around the area known as Empire Pass and Bonanza Flats on lands owned, developed, sold or transferred by UPK or a UPK Affiliate. The foregoing water utilization shall be computed on the basis of 1 acre foot per 1.2 GPM of peak day capacity.

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For purposes of providing water source capacity (above the 850 GPM referenced in this Agreement) for future developments and improvements within the City's Water Service District Boundaries on lands owned, developed, sold or transferred by UPK or a UPK Affiliate, the City will, on or before October 1, 2007, provide UPK with a written option to reserve an additional 250 acre feet of water (the "Reservation Quantity") for an additional fee (the "Additional Reservation Fee") that is substantially similar to the per-acre foot amount that is the basis for the Initial Reservation Fee above; provided, however, that the Reservation Quantity may be reduced by the City, to an amount not less than 100 acre feet, to the extent the City reasonably determines it will not have access to quantities of water sufficient to supply the original Reservation Quantity. Said option shall expire 4 years after the date it is executed by the Parties. After the option is exercised by UPK, the Additional Reservation Fee will be reduced as the water associated therewith is actually utilized by such completed developments and improvements and UPK will be responsible for any incremental infrastructure costs required to deliver such additional water.

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4. **Financing.** Both UPK's Capital Contribution and the City's portion of approximately $15,000,000 for Judge Tunnel water treatment facilities and the Rockport Importation project can be paid and financed through Zions Bank or another financing source (e.g., the issuance of revenue bonds at the prevailing Zion's Bank Insured Municipal Revenue Bond rate for a period of 20 years). In the event such financing occurs or such bonds are issued after UPK has paid the Capital Contribution to the City, UPK's Capital Contribution shall be reimbursed upon the occurrence of such event, and the Reimbursement Amount shall be reduced by the amount of such reimbursement.

5. **Satisfaction of Source Capacity Requirement.** Based upon UPK's agreement to pay the Capital Contribution, and based further, in part, upon (i) the 333 GPM in source capacity credited to UPK for the Divide Well, and (ii) some of the consideration given to the City under Section 2 of the MOU, the 150 GPM source capacity limitation referenced in Section 2 of the MOU will no longer apply and UPK will be deemed to have satisfied a source capacity requirement of 850 GPM (which subsumes the source capacity requirement referenced in the Well Agreement as acknowledged under Section 9 of the MOU). Beyond the Capital Contribution, there will be no other cost to UPK to deliver any of such 850 GPM to any development in Empire Pass; delivery to any other area (e.g., Bonanza flats culinary) will require an agreement between the Parties as to the allocation of infrastructure costs associated with any such delivery.

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6. **Wells; Remaining Group II Rights.** UPK shall have the right to develop additional source capacity by drilling one or more wells on UPK property including Bonanza Flats and/or Richardson Flats to satisfy future water demands on UPK property including Richardson Flats, Iron Mountain, Bonanza Flats (including irrigation), and the 20 acre Quinn's Parcel. The Parties acknowledge, however, that under the MOU, the City has the obligation to provide culinary water to the Quinn's Parcel as described in the MOU. Any source capacity developed through any such well can be used to divert water from the Remaining Group II Water Rights, as defined in Exhibit A attached hereto and incorporated herein by reference, if point-of-diversion change applications for such are approved by the State Engineer.

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October 25, 2006

In relation to the Remaining Group II Water Rights, UPK shall have the right to elect, by written notice to the City within the thirty (30) year period following execution of this Agreement, to proceed as follows:

(a) UPK may endeavor to move the Remaining Group II Water Rights to one or more points of diversion (including the wells referred to above) by filing one or more change applications, in which event (i) the City shall support and cooperate in the filing and prosecution of any such change applications provided the proposed changes do not interfere with Park City's water rights or water presently available to Park City, and (ii) upon change application approval, the City shall reimburse UPK for its 50% share of the amount of Remaining Group II water actually delivered through any such point of diversion at the rate of $1,000 per acre foot, provided that such water meets applicable treatable culinary and irrigation standards. The quantity of water that qualifies for such reimbursement shall be based on the amount of flow sustainable for a reasonable operating period of time of not less than 72 continuous hours during a pump test conducted by the City in consultation with UPK.

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(b) In the event the change application(s) referenced above are not approved, or in the event UPK does not elect to proceed as outlined in (a) above, UPK may require the City to convey to UPK either: (i) water rights representing UPK's 50% interest in the Remaining Group II Water Rights, in which event the Parties shall split the Remaining Group II Water Rights into two equivalent portions such that the City conveys one of those 50% portions to UPK; or (ii) all of the City's right, title and interest in and to all of the Remaining Group II Water Rights to UPK, in which event the City's purchase and payment obligations related thereto shall terminate and UPK shall pay for the City's 50% portion of such rights at the rate of $1,000 per acre foot.

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In the event UPK does not elect option (a) or (b) above, or in the event UPK elects option (a) and the change application(s) are not approved, UPK will maintain its 50% equitable lien on the Remaining Group II Water Rights and will be paid or reimbursed for such as provided under the Contracts.

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7. Water Treatment.

a. The Parties agree to work cooperatively with the Utah Department of Environmental Quality and the U.S. Environmental Protection Agency and other necessary entities toward the

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goal of exempting the Judge Tunnel portal from the UPDES discharge permit requirements imposed by the Clean Water Act. In the event the Parties are unsuccessful in obtaining such exemption, UPK agrees to obtain the required UPDES discharge permit.

b. In the interest of sharing in the cost of complying with a UPDES discharge permit, should one be required, the Parties agree to participate in the incremental cost of a treatment plant designed to treat Judge Tunnel flows in excess of the 750 gallons per minute (gpm) diverted into City's municipal water system, with UPK agreeing to pay 75% of the incremental cost and City agreeing to pay the remaining 25%.

c. Concurrent with both the pursuit of the exemption described in subparagraph (a) of this paragraph and the design of the treatment plant described in subparagraph (b) of this paragraph, the Parties will work cooperatively with the Jordanelle Special Service District (JSSD) and other necessary entities to engineer the diversion of water from the Judge Tunnel to JSSD's treatment facilities. The parties acknowledge and agree that the goal of such a diversion is to eliminate the need for or reduce the scope of a UPDES permit for the Judge Tunnel discharge while not interfering with City's existing water rights or reducing the amount of water presently available to City.

d. UPK has offered to dedicate an acceptable site for the proposed Judge Tunnel Water Treatment Plant. The Parties acknowledge and agree that said site is the subject of litigation and, in the event UPK's title to said site is found to be impaired, City will likely exercise its power of eminent domain to acquire title to said site. Talisker agrees to not oppose such action.

e. UPK agrees to forego any action that may interfere with City's water rights or water presently available to City.

8. Miscellaneous.

a. ***Assignment***. UPK may assign its rights and interests in and under this Agreement to a UPK affiliate.

b. ***Waiver***. Waiver by either Party of any breach of any condition or provision of the Agreement shall be limited to the particular instance and shall not operate or be deemed to waive any future breach or breaches of said condition or provision; the failure of either Party to insist, in any one instance or more, upon the performance of any of the conditions or provisions of this Agreement or the exercise of any right or privilege herein conferred, shall not be construed as thereafter waiving any such condition, provision, right or privilege, but the same shall continue and remain in full force and effect.

c. ***Severability***. The provisions of this Agreement are severable. If any of the provisions of this Agreement are determined by appropriate legal authority to be invalid or unenforceable for whatever reason, the remaining provisions shall continue in full force and effect.

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d. ***Prior and Existing Agreements; Entire Agreement; Modification.*** To the extent any term, condition or provision of any of the Contracts is inconsistent with any term, condition or provision of this Agreement, this Agreement shall control with respect to the rights and obligations of the Parties relative to each other. This Agreement, together with the Contracts, represents the entire integrated agreement between the City and UPK relative to the matters discussed herein and therein. This Agreement may be amended only by written modification signed by the Parties.

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e. ***Notices.*** All notices shall be deemed to have properly given when sent by certified United States mail, addressed to the City or UPK at the addresses appearing below; the date of such service shall be the date on which the notice is deposited in the United States Post Office; all notices shall be sufficient within the terms of the Agreement when signed by any one or more of the notifying parties or their agents and mailed to any one or more of the other parties; personal deliver of such written notice shall have the same effect as notice given by mail; the attached addresses may be changed for the purposes of this agreement by notification of the opposite party in writing.

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Park City Municipal Corporation c/o City Manager 445 Marsac Avenue P. O. Box 1480 Park City, UT 84060	United Park City Mines Company c/o David J. Smith 900 Main Street, Suite 6107 P. O. Box 1450 Park City, UT 84060
With a copy to the City Attorney 445 Marsac Avenue P. O. Box 1480 Park City, UT 84060	With a copy to Jeff Levine Talisker Corporation 145 Adelaide Street West, Suite 500 Toronto, Ontario M5H 4ES

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f. ***Headings.*** The headings of the paragraphs, sections and subsections of this Agreement are for convenience only and shall not be used to interpret or construe this Agreement or the application of any term, provision or condition hereof.

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g. ***Disputes.*** In the event of any dispute arising under this Agreement, the prevailing Party shall be entitled to its attorneys' fees and costs related thereto.

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h. ***No Third Party Beneficiaries.*** The execution and deliver of this Agreement shall not be deemed to confer any rights upon, no obligate any of the parties hereto, to any person or entity other than the Parties.

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i. ***Choice of Law.*** This Agreement in all respects shall be governed by the laws of the State of Utah. Nothing contained herein shall be construed so as to require the commission of any act contrary to state or federal law. Wherever there is any conflict between any provision

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contained herein and any present or future state or federal statute, law, ordinance or regulation, the latter shall prevail and the provision of this Agreement which is affected shall be curtailed and limited to the extent necessary to bring it within the requirements of such law.

IN WITNESS WHEREOF, the Parties hereto have set their hands the day and year first set forth above.

PARK CITY MUNICIPAL CORPORATION, a municipality of the State of Utah	**UNITED PARK CITY MINES COMPANY**, a Delaware corporation authorized to do business in Utah
By:______________________ Mayor	By:______________________ Authorized Signing Officer
Attest:______________________ Recorder	Attest:______________________

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Exhibit A
To

The "Remaining Group II Water Rights" shall consist of the following water and water rights situated in Summit County, Utah, as evidenced by the records of the Utah Division of Water Rights and as quantified by the Utah State Engineer in the Memoranda Decisions approving the applicable Change Applications for these water rights as set forth below:

Water Right Numbers and Name of Source	Amount Approved for Municipal Use by State Engineer	
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Water Right Nos. 35-2709 and 35-10287: Hannauer Tunnel	723.80 acre feet as quantified in the State Engineer's Memorandum Decision, dated May 19, 2000, as amended, approving Change Application No. a21858	
Water Right Nos. 35-2713 and 35-10285: Jeannette or Thaynes Tunnel	289.5 acre feet diversion and 144.75 acre feet depletion as quantified in the State Engineer's Memorandum Decision, dated May 4, 2001, approving Change Application No. a21847	
Water Right Nos. 35-1660 and 35-10284: Lady Morgan Spring	28.95 acre feet as quantified in the State Engineer's Memorandum Decision, dated May 19, 2000, as amended, approving Change Application No. a21858	
Water Right Nos. 35-2712 and 35-10281: California Tunnel	72.4 acre feet diversion and 36.2 acre feet depletion as quantified in the State Engineer's Memorandum Decision, dated May 4, 2001, approving Change Application No. a21847	Deleted: Deleted: Deleted:
Water Right Nos. 35-2714 and 35-4704: Alliance Tunnel (as modified by approved Change Application No. a7899)	1,447.80 acre feet as quantified in the State Engineer's Memorandum Decision, dated May 19, 2000, as amended, approving Change Application No. a21858	Deleted: Deleted:

December 15, 2006

Mr. Tom Daley, City Attorney
Park City Municipal Corporation
445 Marsac Avenue
Park City, UT 84060

Hand Delivered
(cc: City Council)

Re: Judge Tunnel

Dear Tom:

Following up on the letter I sent you and the City Council yesterday, and as suggested by Tom Bakaly, attached on a single page is both a clean and redline version of United Park's proposed changes to paragraph 7 of the existing draft of the Water Agreement

Sincerely,

David J. Smith, General Counsel

attachment

P.O. BOX 1450, PARK CITY, UTAH 84060. (435) 649-8011. FAX (435) 649-8035

PROPOSED CHANGES TO JUDGE TUNNEL PROVISION IN EXISTING DRAFT OF WATER AGREEMENT

REDLINE:

7. **Water Treatment.** UPK has provided an acceptable site for the proposed Judge Tunnel Water Treatment Plant, and will share in a portion of the cost of the Treatment Plant in the event and to the extent the Treatment Plant is required by regulatory authorities to be sized to accommodate a treatment capacity in excess of 750 GPM. In such event, UPK's portion of such cost shall not exceed $300,000. The Parties shall diligently work together in a~~n~~ cooperative effort to eliminate (i) the need for any such excess treatment capacity, (ii) the possibility of surplus flows from the Judge Tunnel into Silver Creek that are not treated to applicable discharge standards, and/or (iii) any need that may otherwise arise for a discharge permit. Such cooperative efforts shall include, by way of example, ~~ing~~ the exploration of potential options such as the internal diversion of ~~surface~~ flows that may otherwise require treatment at the Tunnel portal, and the possible treatment and return of those flows by the JSSD. ~~The City shall be responsible for the ownership, operation and maintenance of the Judge Tunnel water system and water treatment plant, and all related permits and treatment and discharge liability.~~

CLEAN:

7. **Water Treatment.** UPK has provided an acceptable site for the proposed Judge Tunnel Water Treatment Plant, and will share in a portion of the cost of the Treatment Plant in the event and to the extent the Treatment Plant is required by regulatory authorities to be sized to accommodate a treatment capacity in excess of 750 GPM. In such event, UPK's portion of such cost shall not exceed $300,000. The Parties shall diligently work together in a cooperative effort to eliminate (i) the need for any such excess treatment capacity, (ii) the possibility of surplus flows from the Judge Tunnel into Silver Creek that are not treated to applicable discharge standards, and/or (iii) any need that may otherwise arise for a discharge permit. Such cooperative efforts shall include, by way of example, the exploration of potential options such as the internal diversion of surface flows that may otherwise require treatment at the Tunnel portal, and the possible treatment and return of those flows by the JSSD.

WHEN RECORDED, MAIL TO:

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CONSERVATION EASEMENT

THIS GRANT OF CONSERVATION EASEMENT ("Easement") is made this __ day of ______________, 2006, by UNITED PARK CITY MINES COMPANY, a Delaware corporation ("UPCMC"), which contributes, grants and conveys the rights described hereafter to SUMMIT LAND CONSERVANCY, a Utah non-profit corporation ("Summit"). UPCMC is referred to herein as "Grantor" and Summit is referred to herein as "Grantee". Grantor and Grantee are sometimes collectively referred to herein as the "Parties".

WITNESSETH:

WHEREAS, Grantor owns certain real property located in Summit County, Utah (the "Property") more particularly described on Exhibit A attached hereto and made a part hereof; and

WHEREAS, the Property possesses natural, scenic, open space, public recreation, wildlife and wetland values described in Section 170(h)(4)(A) of the Internal Revenue Code of 1986 (the "Code") (collectively referred to herein as "Conservation Values"); and

WHEREAS, the specific Conservation Values of the Property are documented in a resource manual and is hereinafter sometimes referred to as the "Baseline Documentation," which consists of reports, maps, photographs and other documentation intended to provide the Parties with an accurate representation of the Property at the time of the granting of the Easement as defined below; and

WHEREAS, located on the Property are certain historic mining structures and buildings and improvements identified in the Baseline Documentation (collectively, the "Historic Mining Structures"); and

WHEREAS, the Property is appropriate for substantial and regular year-round recreational and other uses as hereinafter described as the Reserved Use Rights,; and

WHEREAS, Grantor intends that the Conservation Values of the Property be preserved and maintained by the continuation of land use patterns, including, without limitation, those existing at the time of the recording of this Easement, subject to the Reserved Use Rights; and

WHEREAS, Grantor further intends, as owner of the Property, to preserve and protect the conservation values of the Property in perpetuity, subject to the Reserved Use Rights; and

WHEREAS, GRANTEE is a qualified organization described in Code Section 170(b)(1)(A)(vi), (c)(2) and (h)(3)(A); and

WHEREAS, Grantee agrees by accepting this grant that the Easement contained herein significantly furthers conservation values including a clearly delineated local governmental policy of Park City Municipal Corporation, and that Grantee will honor the intentions of Grantor stated herein to preserve and protect in perpetuity the Conservation Values of the Property for the benefit of this generation and the generations to come;

NOW THEREFORE, in consideration of the foregoing recitals and the mutual covenants, terms, conditions, and restrictions contained herein, and pursuant to the laws of the State of Utah and in particular U.C.A. Title 57, Chapter 18, Grantor hereby contributes, grants and conveys to Grantee a Conservation Easement in perpetuity over the Property of the nature and character and to the extent set forth herein (the "Easement").

1. Purpose. It is the primary purpose of the Easement to prevent residential development on the Property and, subject to the Reserved Use Rights described in Section 3 of this Easement, to assure that the Property will be retained forever in its open, generally undeveloped condition as provided herein and to prevent any use of the Property that will significantly impair or interfere with the Conservation Values of the Property. Grantor intends that the Easement will confine the use of the Property to those activities, including without limitation the Reserved Use Rights, that are consistent with the terms of this Easement.

2. Rights of Grantee. To accomplish the purpose of this Easement, the following rights are conveyed to Grantee by this Easement, subject at all times to the Reserved Use Rights:

(a) The right to preserve and protect the Conservation Values of the Property;

(b) The right to enter upon the Property at reasonable times in order to monitor Grantor's compliance with and otherwise enforce the terms of this Easement; provided that such entry shall be upon prior reasonable notice to Grantor and to Grantor's tenants and subtenants, and Grantee shall not unreasonably interfere with Grantor's use and quiet enjoyment of the Property, whether directly or through tenants or subtenants;

(c) The right to prevent any activity on or use of the Property that is inconsistent with the terms of this Easement and to enforce the restoration of such areas or features of the Property that may be damaged by inconsistent activity or use, pursuant to Section 7 hereof; and

(d) The right to enforce this Easement by appropriate legal proceedings, after providing Grantor with reasonable notice and opportunity to cure, as provided in section 7 herein.

3. Reserved Use Rights. The following uses and practices (collectively referred to herein as the "Reserved Use Rights"), while not an exhaustive recital of permitted uses and practices, are consistent with the purpose of the Easement, and the following purposes and practices shall not be precluded or prevented by this Easement to the extent they are not inconsistent with Conservation Values:

(a) Low-impact ~~R~~recreational, low-impact entertainment (incident to skiing), and low-impact retail (not involving retail space leases to third parties) -usages not inconsistent with Conservation Values;~~.~~

(b) Substantial and regular recreational uses consisting of winter and summer recreational ~~and resort facilities and~~ uses to include (i) bike trails, (ii) avalanche hazard reduction, (iii) forestry management, (iv) mobile or modular units for security personnel, (v) culinary water lines, pump stations and storage tanks, and (vi) snowmaking water lines, pump stations, storage tanks and storage ponds, all of which are to be implemented in a manner not inconsistent with Conservation Values;

(c) The protection, maintenance, repair, renovation and restoration of the Historic Mining Structures, and the use thereof (i) as storage, workshop or ~~Grantor office space~~administrative office space for Grantor (specifically excluding leases or subleases of office space to any third party tenants), (ii) to access, monitor and remediate mine workings connected with or related to the Historic Mining Structures, or (iii) for uses consistent with or incident to the Reserved Use Rights-;

(d) The construction, installation, use, maintenance, repair, replacement and relocation of water wells, water lines, sanitary sewer lines, storm sewer lines and the right to discharge their flows, natural gas lines, electric power lines, cable television lines, telephone lines, and other utility lines, together with the right to temporarily stockpile materials and equipment as approved by the Grantee, so long as such uses are necessary for the Reserved Use Rights, are located in disturbed areas such as ski runs or existing utility corridors (unless otherwise approved by the Grantee) and are not inconsistent with Conservation Values;

(e) The ~~construction, installation,~~ use, maintenance, repair, replacement and relocation of secondary access roads provided all applicable land use approvals are obtained from ~~Grantee~~ Park City Municipal Corporation (nothing herein shall be deemed as such approval) and such are done in a manner not inconsistent with Conservation Values;

(f) All activities on the Property that are necessary to perform investigation, remediation, closure and/or reclamation work consistent with or required by law with respect to any portion of the Property that has been used previously for mining activities or mining operations;

(g) The right to access all subsurface oil, gas or other minerals by subsurface techniques to the maximum extent permitted by a "Qualified Mineral Interest" within the meaning of Section 170(h)(6) of the Code provided that such rights are exercised only without use of any surface mining method and only in a manner which is not inconsistent with the Conservation Values.

(h) Passive uses otherwise allowed by the Park City Land Management Code in the ROS District intended to preserve and protect the Conservation Values.

4. Prohibited Uses and Practices. Any activity on or use of the Property inconsistent with the purpose of the Easement is prohibited. Without limiting the generality of the foregoing, the following activities and uses are expressly prohibited:

(a) Any residential construction or use including hotels and overnight lodging, and any surface mining, use of surface mining methods or mining by any method inconsistent with Conservation Values; and

(b) Hunting or trapping for any purpose other than predatory or problem animal control.

5. Existing Encumbrances. The Property is subject to all existing easements and other encumbrances of record.

6. Reserved Rights. Grantor reserves to Grantor and to Grantor's successors and assigns as the owner of the Property all rights accruing from the ownership of the Property, including the right to engage in or permit or invite others to engage in all uses of the Property that are consistent with the purpose of the Easement and that are not expressly prohibited herein, including without limitation the right to engage in or permit others to engage in Reserved Use Rights.

6.1 Minor Boundary Adjustments. Grantor reserves the right to make reasonable and minor boundary line adjustments in the legal description of the Property, provided that any such adjustments are consistent with the Reserved Use Rights and provided that the total area of the Property that is subject to the Easement shall not be reduced as the result of any such boundary line adjustments. The Grantee shall execute, acknowledge and record in the Office of the Recorder of Summit County, Utah any amendments to this Easement proposed by Grantor for such purpose so long as such adjustments are not inconsistent with Conservation Values.

6.2 Notice of Reserved Use Rights and New Uses and Other Purposes. Grantor agrees to notify Grantee in writing at least 30 days in advance of any change in use or exercise of any Reserved Use Right or other activity undertaken by Grantor which may have an adverse impact on any Conservation Value. The purpose of requiring Grantor to notify Grantee prior to undertaking certain permitted activities, such as those provided in Paragraph 3 above, is to afford Grantee an adequate opportunity to monitor the activities in question to ensure that they are designed and carried out in a manner consistent with the terms and Purpose of this Easement Agreement. Therefore the notice shall describe the activity in sufficient detail to permit Grantee to make an informed judgment as to the consistency of the intended action with the requirements and Purpose of this Easement Agreement. Grantor further agrees to give written notice to Grantor of the transfer of any interest in the Property, including but not limited to any sale, gift, or long-term lease, at least thirty (30) days prior to the date of such transfer.

7. Grantee's Remedies. If Grantee determines that Grantor is in violation of the terms of this Easement or that a violation is threatened, Grantee shall give written notice to both Grantor and Current Lessee of such violation and demand corrective action sufficient to cure the violation and, where the violation involves injury to the Property resulting from any use or

activity inconsistent with the terms of this Easement, to restore the portion of the Property so injured. If Grantor fails to cure the violation within thirty (30) days after receipt of notice thereof from Grantee, or under circumstances where the violation cannot reasonably be cured within a thirty (30) day period, fails to begin curing such violation within the thirty (30) day period, or fails to continue diligently to cure such violation until finally cured, Grantee may bring an action at law or in equity in a court of competent jurisdiction to enforce the terms of this Easement, to enjoin the violation, ex parte as necessary, by temporary or permanent injunction, to recover any damages to which it may be entitled for violation of the terms of this Easement or injury to any Conservation Values protected by the Easement, including damages for the loss of scenic, aesthetic, or environmental values, and to require the restoration of the Property to the condition that existed prior to any such injury. Without limiting Grantor's liability therefor, Grantee, in its sole discretion, may apply any damages recovered to the cost of undertaking any corrective action on the Property. If Grantee, in its sole discretion, determines that circumstances require immediate action to prevent or mitigate significant damage to the Conservation Values of the Property, Grantee may pursue its remedies under this Section without prior notice to Grantor or without waiting for the period provided for cure to expire. Grantee's rights under this Section apply equally in the event of either actual or threatened violations of the terms of this Easement, and Grantor agrees that Grantee's remedies at law for any violation of the terms of this Easement are inadequate and that Grantee shall be entitled to the injunctive relief described in this Section, both prohibitive and mandatory, in addition to such other relief to which Grantee may be entitled, including specific performance of the terms of this Easement, without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies. Grantee's remedies described in this Section shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity. Current Lessee shall, with at least simultaneous notice to Grantor, have the right, but not the duty, to undertake any above described cures on behalf of Grantor if Grantor has not commenced such cure at least five days before the end of the cure period described herein.

7.1 Costs of Enforcement. Any costs incurred by Grantee in enforcing the terms of this Easement against Grantor, including, without limitation, costs of suit and attorneys' fees, and any costs of restoration necessitated by Grantor's violation of the terms of this Easement shall be borne by Grantor. If Grantor prevails in any action to enforce the terms of this Easement, Grantor's costs of suit, including, without limitation, attorneys' fees, shall be borne by Grantee.

7.2 Grantee's Enforcement. Failure by Grantee to immediately enforce this Easement in the event of any breach of any term of this Easement by Grantor shall not be deemed or construed to be a waiver by Grantee of such term or of any subsequent breach of the same or any other term of this Easement.

7.3 Waiver of Certain Defenses. Grantor hereby waives any defense of laches, estoppel, or prescription.

7.4 Acts Beyond Grantor's Control. Nothing contained in this Easement shall be construed to entitle Grantee to bring any action against Grantor for any injury to or change in the Property resulting from causes beyond Grantor's control, including, without limitation, fire, flood, storm, and earth movement, or from any prudent action taken by Grantor under emergency conditions to prevent, abate, or mitigate significant injury to the Property resulting from such causes.

8. Access. No specific right of access by the general public to any specific portion of the Property is conveyed by this Easement, but the overall operation of the Property shall be such as to provide the Public substantial and regular access for recreational and scenic uses However, Grantor agrees with Grantee to refrain from taking any action to post against, prohibit, charge a fee, or otherwise discourage access and use of established trails as shown on Exhibit B by the general public for traditional, daytime, nonintensive outdoor recreation such as back country skiing, hiking, mountain biking, trail running, and other activities that are permitted in Park City's ROS zones; except that Grantor and Grantee may mutually agree in writing to temporarily restrict public access on the public trails, but only to the extent and for the duration necessary to assure safety, to permit necessary maintenance, or to preserve important scenic, ecological, or other Conservation Values of the Property. Notwithstanding any public use of the Property and any insurance coverage therefore, neither the Grantor nor the Grantee assumes any obligation to maintain the Property for public recreational use, and Grantor and Grantee claim all the rights an immunities against liabilities for injury to the public to the fullest extent of the law under Utah Code Annotated §57-14-3 and §57-14-4 and or any tort claims act for government, and/or charitable immunity statutes for nonprofits.

9. Costs and Liabilities. Grantor retains all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operation, upkeep, and maintenance of the Property, including the maintenance of adequate comprehensive general liability insurance coverage. Grantor shall keep the Property free of any liens arising out of any work performed for, materials furnished to, or obligations incurred by Grantor.

9.1 Taxes. Grantor shall pay before delinquency all taxes, assessments, fees, and charges of whatever description levied on or assessed against the Property by competent authority (collectively "taxes"), including any taxes imposed upon, or incurred as a result of, the Easement, and shall furnish Grantee with satisfactory evidence of payment upon request.

9.2 Hold Harmless. Grantor shall hold harmless, indemnify, and defend Grantee and its members, directors, officers, employees, agents, and contractors (collectively "Indemnified Parties") from and against all liabilities, penalties, costs, losses, damages, expenses, causes of action, claims, demands or judgments, including, without limitation, reasonable attorneys' fees arising from or in any connection with: (a) injury to or the death of any person, or physical damage to any property, resulting from any act, omission, condition, or other matter related to or occurring on or about the Property, regardless of cause, unless due solely to the negligence of any of the Indemnified Parties; (b) the obligations specified in Sections 9 and 9.1; and (c) the existence or administration of this Easement.

9.3 Insurance. The Grantor covenants and warrants that it will maintain Public Liability Insurance in the amount of $2,000,000.00 insuring against the risks posed by the construction, maintenance, operation, repair, inspection and public trail use of the easement area. The Grantor shall name the Grantee as an additional insured on the liability insurance policy.

9.4 Hazardous Materials. Grantor also agrees to defend and indemnify Grantee against obligations arising from past, present or future dumping of hazardous materials on the Property, and any obligations associated with their cleanup or containment.

10. Property Interest; Condemnation or Extinguishment. The Easement constitutes a real property interest immediately vested in Grantee, which the Parties agree can not be extinguished except by a judicial action as permitted under Treas. Reg. 1.170A-14(g)(6)(i), and which, for the purposes of this Easement, the Parties stipulate to have a fair market value determined in accordance with the requirements of the Code and Treas. Reg. 1.170A-14(g)(6)(ii), as applicable to conservation contributions. Grantor will obtain independent tax counsel and be solely responsible for compliance requirements of the Code. The values as of the date of this Easement shall be those values used to calculate the deduction, if any, for federal income tax purposes allowable by reason of this Easement, pursuant to Section 170(h) of the Code. If the Easement is taken, in whole or in part, by exercise of the power of eminent domain or by an extinguishment by judicial proceeding permitted under Treas. Reg. 1.170A-14(g)(6)(i), Grantee shall be entitled to compensation in accordance with applicable law (but in no event less than the amount required to be received under Treas. Reg. 1.170A-14(g)(6)(ii)) and such proceeds shall be used in solely in accordance with Treas. Reg. 1.170A-14(c)(2).

11. Assignment. The Easement is not transferable by Grantee except to a non-governmental eligible donee within the meaning of Treas. Reg. 1.170A-14(c)(1) in a properly documented transfer complying with all requirements of law including, without limit, Treas. Reg. 1.170A-14(c)(2).

12. Estoppel Certificates. Upon request by Grantor, Grantee shall within thirty (30) days execute and deliver to Grantor any document, including an estoppel certificate, which certifies Grantor's compliance with any obligation of Grantor contained in this Easement and otherwise evidences the status of this Easement as may be requested by Grantor.

13. Baseline Documentation. The Parties acknowledge that an inventory of Baseline Documentation relating to the Property has been completed by competent professionals familiar with the Property and furnished by Grantor to Grantee. Copies of this inventory of Baseline Documentation are on file in Grantee's offices and in Grantor's offices. The Parties acknowledge that this collection of Baseline Documentation contains an accurate representation of the condition of the Property subject to the Easement and the natural resources associated with the Property as of the date of the execution of this Easement in accordance with Treasury Regulation § 1.170A-14(g)(5)(i). Notwithstanding the foregoing, in the event of a controversy arising with respect to the nature of the biological and/or physical condition of the Property, the Parties shall not be foreclosed from using any and all other relevant or material documents, surveys, reports and other information to assist in the resolution of that controversy.

14. Notices. Any notice, demand, request, consent, approval, or communication that any Party to this Easement desires or is required to give to the other Parties shall be in writing and shall be served either personally or sent by first class mail, postage prepaid, or by other courier providing reliable proof of delivery, and addressed as follows:

To United Park City Mines Company, Grantor:	United Park City Mines Company Attn.: David J. Smith P. O. Box 1450 Park City, Utah 84060
To Summit Lands Conservancy, Grantee:	Summit Lands Conservancy Attn: Cheryl Fox, Executive Director PO Box 1775 Park City, UT 84060

or to such other address as any Party to this Agreement from time to time shall designate by written notice to the other Party.

15. Recordation. Grantee shall record this Easement in a timely fashion in the Office of the Recorder of Summit County, Utah, and Grantee may re-record it at any time as may be required to preserve Grantee's rights in the Easement.

16. General Provisions.

(a) Controlling Law. The Code, Treasury Regulations and laws of the State of Utah shall govern the interpretation and performance of this Easement.

(b) Liberal Construction. Any general rule of construction to the contrary notwithstanding, this Easement shall be liberally construed in favor of preserving Conservation Values and to effect the purpose of the Easement and the policy and purposes of both Utah statute and Section 170(h) of the Code. If any provision in this Easement is found to be ambiguous, an interpretation consistent with Conservation Values and the purpose of the Easement that would render the provision valid shall be favored over any such interpretation that would render it invalid.

(c) Severability. If any provision of this Easement, or the application thereof to any person or circumstance, is found to be invalid, the remainder of the provisions of this Easement, or the application of such provision to persons or circumstances other than those as to which it is found to be invalid, as the case may be, shall not be affected thereby.

(d) Entire Agreement. This Easement sets forth the entire agreement of the Parties hereto with respect to the Easement and supersedes all prior discussions, negotiations, understandings, or agreements relating to the Easement, all of which are merged herein.

(e) Amendments. The Parties may by mutual written agreement jointly amend this Easement; provided that no amendment shall be made that would not be in compliance with the then existing Code or the Treasury Regulations (including the interpretation or application thereof by any court) or that would adversely affect the qualification of this Easement or the status of Grantee under any applicable laws, including Sections 170(h) and 501(c)(3) of the Code, the Treasury Regulations, and the laws of the State of Utah, as then existing. Any such amendment shall be consistent with the purpose of this Easement, shall not affect its duration, shall not permit any of the prohibited uses and practices described herein including residential, hotel and lodging uses and development, and shall not permit any impairment of the Conservation Values of the Property. Any such amendment shall be filed in the Summit County Recorder's office. Nothing in this paragraph shall require Grantor or Grantee to agree to any amendment or to consult or negotiate regarding any amendment.

(f) No Forfeiture. Nothing contained herein will result in the forfeiture or reversion of Grantor's title in any respect.

(g) Successors. The covenants, terms, conditions, and restrictions of this Easement shall be binding upon, and inure to the benefit of, the Parties hereto and their respective successors, and assigns and shall continue as a servitude running in perpetuity with the Property.

(h) Termination of Rights and Obligations. A Party's rights and obligations under this Easement (but no part of the Easement itself) shall terminate upon transfer of the Party's interest in the Easement or the Property, as the case may be, except that responsibility for acts or omissions occurring prior to transfer shall survive transfer.

(i) Captions. The captions in this Easement have been inserted solely for convenience of reference and are not a part of this Easement and shall have no effect upon the construction or interpretation hereof.

IN WITNESS WHEREOF Grantor and Grantee have caused this Easement to be executed by persons duly authorized to execute the same as of the day and year first above written.

GRANTOR:

UNITED PARK CITY MINES COMPANY, a Delaware corporation

By: ______________________________

GRANTEE:

SUMMIT LAND CONSERVANCY, a Utah non-profit corporation.

By: ______________________________

Non-Party Approval:

____

STATE OF UTAH)
: ss.
COUNTY OF SUMMIT)

The foregoing instrument was acknowledged before me this ___ day of ____________, 2006 by ___________________ in his capacity as the _______________ of United Park City Mines Company, a Delaware corporation.

____
NOTARY PUBLIC
Residing at: ________________________________

My Commission Expires:

____

STATE OF UTAH)
: ss.
COUNTY OF SUMMIT)

The foregoing instrument was acknowledged before me this ___ day of ___________________, 2006 by _____________________________, as the __________________________ of Summit Lands Conservancy, a Utah non-profit corporation.

____
NOTARY PUBLIC
Residing at: ________________________________

My Commission Expires:

____

EXHIBIT A
TO
CONSERVATION EASEMENT

[Insert Legal Description of the Property]