PARK CITY COUNCIL WORK SESSION MINUTES
SUMMIT COUNTY, UTAH
MAY 17, 2012

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

Tom Bakaly, City Manager; Mark Harrington, City Attorney; Ken Fisher, Recreation Manager; Clint McAffee, Water Manager; Thomas Eddington, Planning Manager; Kayla Sintz, Planner; Nate Rockwood, Grants and Budget Analyst; and Jed Briggs, Budget Analyst

Chris Hague, Trailside resident; and Alison Butz, HPCA

1. Council questions/comments. Alex Butwinski spoke about the Art Board Meeting. Liza Simpson relayed Friends of the Farm business and pointed out damage on the China Bridge Parking Structure. Andy Beerman reported on a BOSAC, Summit Lands Conservancy, and Summit County Commission meetings. Dick Peek discussed attending the HPB tour of homes and the Justice Center awards.

Cindy Matsumoto referred to the manager's report and pointed out her concern on the location of the water smart meters for tying into homeowners' use. Diane Foster described the system, measuring five features, and explained that although it is not perfect, the data is much better than other methods. She referred to the report on the PC MARC parking and it was decided to discuss the carpool spaces during a work session. Ken Fisher explained that the parking plan is tied to LEED certification but the carpool section can be removed without jeopardizing the rating. This will return to Council. Having just returned from her trip, Ms. Matsumoto spoke about the popularity of outdoor dining in Italy.

Mayor Williams addressed SBWRD business and the annual open meetings law training for board members at Summit County. He presented a slide show of his trip to a biodiversity conference in China.

2. Round Valley reservoir testing. Clint McAffee explained that considering the concept for a reservoir is part of the due diligence the City committed to do with Weber Basin, Summit County Mountain Regional Water Special Service District and Summit Water to look at a regional water supply system. The groups are inventorying each entity's assets in terms of water rights, supply, and infrastructure to meet demands into the future. A large storage area has been identified as a primary need in order to accomplish the long-term water supply goals. Alternatives include importing water from East Canyon Reservoir which would require pumping and constructing a long pipe line. The Round Valley Reservoir fits well with the long term water supply solution for build-out in Park City. He relayed that the City is 10 to 15 years out from being in another water deficit situation. In 2005, Park City, through the Corps of Engineers, conducted a preliminary study on the site and testing the area is part of the due diligence stage.

Mr. McAffee stated that the ownership of the land is an issue. It is open space paid for with public money with a conservation easement intended to preserve the recreational value of the land. Staff found it important to meet with the major stakeholders including Summit Lands Conservancy, Mountain Trails Foundation, Summit County and the public. An open house was held on Tuesday. A Trailside resident was very opposed to the concept but other input he received was more understanding of the value of having water storage. The letter in the meeting packet from SLC indicates it has no position on the reservoir but is willing to allow testing on the property. Clint McAffee stated that staff's recommendation is to allow the testing to be conducted which is a two-day process and Park City staff will be on site. SLC also expressed an interest in monitoring the work which will involve digging 10 test beds with a rubber-tired backhoe. All efforts will be made to minimize disturbance and the holes will be immediately filled in and seeded. Staff would like to get the project underway as soon as possible.

In response to a question from Andy Beerman, Mr. McAffee explained that the geological formations will be examined which are the supporting structures and the soil would act as a seal. A plan for further work will be formulated which will likely require drilling into the bedrock. Mayor Williams felt it would be helpful to provide SLC with a document which highlights potential enhancements to the property benefitting the wildlife, stream corridor, etc. The Mayor invited public input.

Cheryl Fox, Executive Director SLC, asked about access and whether the test holes are on existing trails. Mr. McAffee explained that general access will be through the Trailside neighborhood. She asked if equipment remaining on the trails could be stipulated. Clint McAffee stated that Weber Basin is sensitive to this and City staff will also be there to make sure that disturbance is minimal, but he cannot guarantee that equipment will remain only on the trails.

The Mayor invited public input.

Chris Hague, Trailside resident, stated that the property was purchased with public money intended to preserve it. Backhoes and other equipment that will have to be used will destroy the beauty of the area and the City is going backwards. The Council in 2003 questioned the legality of these activities and it is shameful that Charlie Sturgis, Mountain Trails Foundation, is keeping a closed mouth because of the politics involved. Mayor Williams interjected that he takes offense to that comment which is completely inaccurate. Mr. Hague continued that people should be protecting our open space purchased with bond money and the reservoir is not a purpose within the purview of the purchase of the property. It is interesting that the reservoir is planned for the north end, as far away from Park City as possible. He understands that the terrain is supposed to be conducive to a reservoir but the adverse impacts will be felt by people outside Park City. Mr. Hague stated that he didn't mean to offend anyone but it is striking that some of the people that should be speaking out against this seem to be quiet.

Mayor Williams added that some of those who have been working on open space preservation for 25 years are not convinced either, however, water storage tanks are not an option. He stated that he doesn't necessarily disagree with Mr. Hague. Having the ability to store water is a real issue, and it isn't based on any growth approved in the last 20 years but based on what has been vested.

Liza Simpson believed that conducting the open house was worthwhile and Mr. McAffee recognized staff who organized the event. Members were supportive of proceeding.

3. Nominations to the Historic Site Inventory. Thomas Eddington explained that the ability to nominate to the HSI was discussed by the Historic Preservation Board a couple of weeks ago. The Code provides that property owners may nominate their sites to the HSI or the Planning Department who conducts research to determine whether a full intensive survey is warranted. The HPB is the only entity that can officially designate properties to the HSI and members decided they did not want to be in the position of nominating and conducting the research and preferred the current Code process. The intensive level surveys will go a long way in clearing up many issues experienced the past couple of years. He pointed out that the CIP includes a request for funding for intensive level surveys to begin the two to three year process for the Main Street District, National Register District, and landmark and significant structures. Mr. Eddington stated that the HSI is based on a more cursory basis.

Cindy Matsumoto asked why the HPB would be doing the survey work. Mr. Eddington explained that in order to bring a nomination forward, there needs to be data for the Planning Department to accept the application. The HPB is the designating body and the Planning Department updates the HSI annually. Ms. Matsumoto pointed out that the Council would not be asking other boards to do the work and Mr. Eddington felt that is why HPB members agreed to the current process. HPB members can approach planning staff with a request to look at a building and do an analysis. She reiterated that she doesn't understand why HPB members would be doing the work. Thomas Eddington explained that they can still request that staff do the research.

Ms. Matsumoto noted that there is no mention of a public hearing if staff decides a property doesn't meet the criteria of the Code. Kayla Sintz suggested that the HPB be informed of any inquiry not meeting the criteria at a public meeting. Cindy Matsumoto felt there should be an opportunity for public input as there may be more information. Thomas Eddington pointed out that the HPB could also call-up the matter, request more analysis and then take the matter to a formal public hearing. Ms. Matsumoto pointed out that it will be two years before the HSI is complete.

The Mayor asked what triggers a review and Mr. Eddington explained that a request for review can be formal or informal and staff and owners have the authority to nominate. Mark Harrington interjected that this is similar to the process for zoning where applications are submitted by the Planning Department or property owners. This is very consistent. Thomas Eddington felt that the HSI is thorough given the addition of the criteria in 2009. When applications go through HDDR, staff can make a determination on conducting an intensive survey.

Dick Peek agreed that a random person nominating a property is inappropriate but he felt that the Historical Society should be able to nominate and staff do the research. He wasn't sure if it is appropriate that the HPB nominate and designate and suggested fee structures for research on behalf of the Historical Society. The Historical Society has a lot of data which has been shared with the Planning Department and is still being used. Mr. Peek felt that having an advocacy group like the Historical Society to be able to nominate is a positive change.

Liza Simpson thanked staff for bringing this matter back because she understands the process better, including that informal requests can be made to the planning staff to research a property which already exists. Thomas Eddington pointed out that it keeps the process centralized rather than entities acting independently. Andy Beerman suggested that once or twice a year the HPB could invite the Historical Society to a public meeting for the purpose of making recommendations for nominations with follow-up from staff. This formalizes requests somewhat. Thomas Eddington stated that the HPB board has a voting member from the Historical Society.

Alex Butwinski asked if the Board can do both. He supported having a fee that would prohibit people from frivolously nominating a property. A fee structure would also give the Historical Society an opportunity to disagree with staff's determination. It is not clear that requests can be made to staff and if that is the practice, it should be codified.

Cindy Matsumoto understood the fee was $1,000 for the Younger's application and Thomas Eddington responded that it was the fee for a determination of significance and their house did not meet the criteria because of the modification to the facade and roof structure but the HPB ruled contrary to the criteria. Tom Bakaly asked members if they want to decentralize the technical review for designation. The HPB is still able to designate and everyone is able to request the technical review. Decentralizing the technical review may prompt conflicting opinions. He assumed this issue is related to the demolition of the shed at 920 Empire Avenue and if this is the case, this specific situation should be addressed or a policy discussion about decentralizing the technical review should occur. Cindy Matsumoto stated that there may have been no mistake but it would be nice to air opinions publicly. The Mayor pointed out that the HPB has public input sessions and public hearings.

Mr. Eddington relayed that all three criteria must be met, including age of the structure, essential historic form group and façade, and local significance so the determination is objective. Dick Peek explained that it is not his intent to open it up to everyone but the Historical Society consists of experts; it is a licensed non-profit and should be allowed to nominate to the HSI. He felt staff, the property owner, Historical Society and possibly the HPB should be able to nominate. Mark Harington relayed there is a way to frame it to satisfy due process requirements and directing staff to make a nomination as opposed to making the nomination creates no functional difference. He reiterated the zoning example where the Planning Commission may direct staff to initiate a zoning process and this is essentially the same thing.

Mayor Williams pointed out that the HPB has final authority which may trigger a public hearing and the City Attorney explained that process can be added. If the HPB requests staff to initiate a review the results should be brought back to the board with an opportunity for public input.

Mark Harrington emphasized the importance of balancing property rights and predictability of the listing which has a huge impact on people's property rights. The whole concept of the list is not supposed to be fluid. There is an annual review to update the HSI but not a constant sense of unknown by those making development decisions based on the listing. Liza Simpson stated that she is uncomfortable giving the Historical Society the power to nominate properties. The way to address this issue is to make sure that all of the nominations come back to the HPB at a public meeting not just the ones with a positive recommendation. Thomas Eddington believed this can be accomplished. Ms. Simpson pointed out that the Historical Society is still able to chime in on a property and supplement information. The Mayor suggested that the Historical Society simply talk to property owners about nominating their homes. Dick Peek spoke about the economic benefits of historic preservation and having a third party non-profit organization being able to nominate sites to the HSI which is a good thing and an improvement to the current Code. Alex Butwinski pointed out that if a property is never nominated, it will never go to a public meeting and the Historical Society will not have an opportunity to present its case.

Andy Beerman stated that the HPB has the ability now to make a request which is basically the same as nominating a property. If the Historical Society can make the same requests, the Code doesn't have to be changed, just the process. Dick Peek believes one triggers a public hearing and the other doesn't. The Historical Society has a significant data base to add to the City's knowledge base which may influence the HSI over time. Mark Harrington suggested adding an opportunity 30 days prior to the staff's annual review for either the HPB or the Historical Society to submit requests for the staff to include on its review list. The disposition of staff's recommendation has to be part of the annual report so if the HPB disagrees, the decisions can be called-up and revisited at a public hearing. This provides some predictability to the annual process rather than accommodating ad hoc determinations.

Cindy Matsumoto clarified that she was interested in the public hearing component and directing staff to clarify the process. Tom Bakaly understood consensus to have a public review of all requests. Dick Peek again emphasized that his request was to just add the Historical Society and the process remain the same as it is now.

Liza Simpson recited the current process, emphasizing that a Historical Society representative is a voting member on the HPB. The perfect venue already exists and the only piece missing is not having a public meeting on negative determinations. She doesn't feel the Historical Society should be added as a nominating body and Mr. Peek again clarified his request that the Historical Society be able to nominate. The Mayor polled members and Cindy Matsumoto, Alex Butwinski and Dick Peek supported Historical Society nominations. Alex Butwinski explained that he wants someone other than staff be able to nominate, specifically the HPB and Historical Society. Tom Bakaly pointed out that the HPB has declined nominations because of the associated research. Dick Peek stated that research is an unreasonable request to make of a board and Cindy Matsumoto felt it is an odd request. Thomas Eddington believed there has to be some exercise to determine if the property meets the criteria of the Code and if staff is asked to research, there is no change.

Dick Peek reiterated his recommendation of adding HPB and the Historical Society as nominating entities to determine if the HPB can nominate and designate, and review the fee structure. Andy Beerman discussed altering the process so that the Planning Department presents positive and negative recommendations at a public hearing without changing the Code. Dick Peek felt it puts nominations into a process where appeals could go to the Board of Adjustment. Tom Bakaly pointed out that the Council would be giving a non-profit the ability to determine whether or not something met City Code. Mark Harrington disagreed. The Historical Society would be given the authority to apply but not make determinations. Cindy Matsumoto again expressed that adding a public hearing component satisfies her concerns.

The Mayor suggested that this matter return to Council and in the meantime that Councilmembers Peek and Matsumoto meet with staff to reach agreement on process. Mark Harrington stated that the option will represent the majority of Council looking to expand the nomination process. In addition to that, staff will bring one or two options back that illustrate formalizing the public process with or without an amendment to the LMC.

4. Capital Improvements Budgets. Nate Rockwood explained that the CIP process begins with Visioning and the presentation of the FIAR. In February, budget staff meets with managers to review potential modifications to current projects and to submit new project requests. Project requests are evaluated by the CIP Committee, consisting primarily of project managers and projects are ranked by established criteria. Once the capital budget is prepared, it is presented to the City Manager who makes adjustments if needed. The CIP is broken out into different funding types based on the flexibility of the funding. Mr. Rockwood explained that the CIP Committee focuses primarily on the transfer from the General Fund which can fund any capital projects outside of transit, water and golf. This year, based on FIAR projections and the operating budget, it was determined that approximately $3.2 million is available for adjustments in 2012 and about $3 million each for FY2013-14. Of this, approximately $2 million goes toward on-going CIP projects which he named and two new additions for public art and aquatic equipment replacement. He referred to a list of new CIP projects which are water or transit fund related with the remaining $1 million of the

General Fund transfer. There is some flexibility with regard to the timing of projects like the soils repository which helped with funding as many projects as possible. He pointed out the projects not recommended for funding, some of which were considered operating requests or something the asset management fund would cover.

Cindy Matsumoto pointed out that the Pavement Management Program should include Old Town. Nate Rockwood explained that the program focuses on pavement work as opposed to reconstructing streets in Old Town. She asked at what point streets need to be reconstructed as opposed to repaired. Matt Cassel explained that reconstructions occur basically when the utilities need to be replaced which dictate the life of the road. The asphalt itself can easily be replaced through a Pavement Management Program. Exceptions like Royal Street and Deer Valley Drive were discussed. The Mayor pointed out the failed infrastructure in Old Town streets. Andy Beerman noted that it is only a matter of time when the streets in Prospector or Park Meadows will need to be replaced. When the Council addresses the funding for OTIS, funding for other parts of town should be considered.

Nate Rockwood stated that the CIP contains funding for intensive historic surveys and budget software. Jed Briggs explained that the budget staff has been using Excel spreadsheets for a number of years to create the budget. This approach is somewhat archaic and staff has been exploring software that could really help in the BFO process, performance measurements, and transparency tools tied to reporting, like mobile apps for the public. He pointed out Park City's progressive budget system but the software is needed to match the approach. The quote is for five years. Tom Bakaly noted that a new software system will bring all of the budget programs together, whether or not the City continues with the BFO approach. Mr. Briggs interjected that it can do incremental budgets as well; it is a very dynamic system with a lot of development and training involved.

Alex Butwinski hoped that staff will not be asking for more money for software in the fifth year. Andy Beerman cautioned on choosing software too soon and asked for assurances that flexibility is built into the cost. Mr. Rockwood responded that it is extremely flexible, which was one of the considerations in looking at the bids. The likely award will be the most flexible. Jed Briggs pointed out that it may be used for data-based applications other than budget but the BFO component will be customized. If the budget approach reverts back to an incremental budget, the software will help produce a great product. There are now over 200 spreadsheets in the budget document and if there is a change to a spreadsheet all of them would be updated automatically with the software. Interactive tools will also be available to the public.

Tom Bakaly stated that OTIS, downtown projects and open space are not funded. The Empire Street reconstruction is slated for this summer and a contract will be coming to Council for the project for design and engineering next week which is not typical because it is not budgeted. The intent is to keep the project moving forward. He encouraged Council to think about a comprehensive funding strategy for all OTIS projects rather than funding them incrementally. This was not done last year. Nate Rockwood added that the water line replacement for Empire Avenue is funded by the Water Fund but the street portion has never been budgeted. Tom Bakaly noted that the costs for reconstructing Empire may be bridged with the fund balance in the CIP and other places and staff can return next week with options. All members were supportive of doing the project this summer.

Alex Butwinski felt that OTIS should be funded but a bridge plan should be considered this year. Liza Simpson discussed working on tying associated revenue sources with projects. Cindy Matsumoto suggested formulating a street plan broader than Old Town and investing $500,000 a year toward street projects. Mayor Williams remarked on installing unused conduit.

Nate Rockwood suggested starting with authorizing a revenue bond to build a fund and then bond for large projects and use cash for some of the smaller projects on the list. Ms. Simpson discussed using a property tax increase and Ms. Matsumoto pointed out that an increase is projected to raise only $500,000 annually and she would rather use another mechanism raising more revenue for OTIS and downtown projects. Andy Beerman felt that increasing the resort cities sales tax by .5% is a good option to fund a number of projects. A property tax is too much pain for so little gain. Increasing the resort cities sales tax will raise $3 million a year. The Mayor reminded members that the County and School District are intending to raise taxes this year. Cindy Matsumoto expressed that she would like to hear from the public about a resort cities sales tax increase.

Alison Butz, HPCA, stated that the membership likes the idea of tying associated revenue sources to tourist attractions.

Mr. Beerman spoke using new resort cities tax revenues to free up $500,000 or more in the General Fund that now goes toward economy-based and tourist-related expenditures. Mr. Bakaly explained that the restaurant tax and transient room tax have a much stronger connection to tourism than resort cities tax. Resort cities sales tax is tied to the impacts of being a resort town and having a high number of visitors added to the population. Liza Simpson felt that discussing a property tax increase should occur annually. Cindy Matsumoto relayed that if voters do not approve an increase to the resort cities sales tax, there has to be a source for projects and a property tax increase may be necessary. Andy Beerman pointed out that businesses are hit harder by a property tax increase. If the City comes up with a long term street replacement plan, a property tax increase may be considered, but even a 6% increase will raise only 15% of what is needed. He believed the resort cities sales tax places the majority of the burden on tourists rather than residents.

Prepared by Janet M. Scott, City Recorder

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
MAY 17, 2012

I ROLL CALL

Mayor Dana Williams called the regular meeting of the City Council to order at approximately 6 p.m. at the Marsac Municipal Building on Thursday, May 17, 2012. Members in attendance were Dana Williams, Andy Beerman, Alex Butwinski, Cindy Matsumoto, Dick Peek, and Liza Simpson. Staff present was Tom Bakaly, City Manager; Mark Harrington, City Attorney; Nate Rockwood, Grants, Debt, and Capital Budget Manager; Kirsten Whetstone, Planner; and Kent Cashel, Transportation Director.

II COMMUNICATIONS AND DISCLOSURES FROM COUNCIL AND STAFF

None.

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

None.

IV MINUTES OF MEETINGS OF APRIL 26, 2012 AND MAY 3, 2012

Alex Butwinski clarified language in the Study Session regarding emails between members and corrected circuit financing to read conduit financing. Liza Simpson, "I move to approve the minutes of April 26th and May 3rd (as corrected)". Alex Butwinski seconded. Motion unanimously carried.

V NEW BUSINESS

1. Consideration of a Resolution designating May 14 – 19, 2012 as National Invasive Weed Awareness Week in Park City, Utah – Liza Simpson complained about not having a list of weeds included. Andy Beerman, "I move we designate May 14-19, 2012 as National Invasive Weed Awareness Week in Park City, Utah". Alex Butwinski seconded. Motion unanimously carried. Ms. Matsumoto requested a list of noxious weeds.

2. Consideration of an Ordinance amending the plat for 573 Main Street and 564/572 Park Avenue, Park City, Utah – The Mayor invited public input. There was none. Dick Peek, "I move we continue New Business Item No. 2 to June 7, 2012". Andy Beerman seconded. Motion unanimously carried.

3. Consideration of an Ordinance approving the 7700 Marsac Avenue Subdivision, Park City, Utah – The Mayor invited opened the public hearing; there was no public input. Liza Simpson, "I move that we continue the consideration of an Ordinance

approving the 7700 Marsac Avenue Subdivision to a date uncertain". Alex Butwinski seconded. Motion unanimously carried.

4. Consideration of an Ordinance approving a condominium conversion for the 7700 Marsac Avenue Subdivision, Park City, Utah – Alex Butwinski, "I move to continue the consideration of an Ordinance approving a condominium conversion for the 7700 Marsac Avenue Subdivision to a date uncertain". Dick Peek seconded. Motion unanimously carried.

5. Consideration of an Ordinance amending the 200 Ridge Avenue Subdivision, Park City, Utah – the Mayor opened the public hearing; there was no public input. Cindy Matsumoto, "I move to continue Item No. 5, 200 Ridge Avenue, to a date uncertain". Liza Simpson seconded. Motion unanimously carried.

6. Public hearing on the issuance and sale of up to $5,000,000 aggregate principal amount of water revenue bonds of the City; and providing for related matters – Nate Rockwood explained that a public hearing is a requirement in the bond process. The City Council approved the Resolution authorizing the date of the public hearing and the notice of the bonds two weeks ago. There was no public input and the public hearing was closed.

7. Consideration of an Ordinance annexing approximately 29 acres of property located in the southwest corner of the SR248 and US40 interchange in the Quinn's Junction Area, known as the Quinn's Partnership Annexation, into the corporate limits of Park City, Utah and amending the Official Zoning Map of Park City to rezone the property Community Transition with a Regional Commercial Overlay designation – Kirsten Whetstone introduced Peter Pillman from IBI who introduced his team including Greg Erickson, the landlord. The Mayor stated that he appreciated the efforts of the Planning Commission and understood its decision. The City Council has a different charge. She added that the Planning Commission held five meetings on the annexation and accomplished a lot.

Kirsten Whetstone displayed a map of the property and pointed out the annexation boundary area and adjacent zoning. A public hearing is scheduled tonight and a continuation is recommended to May 24, 2012. On January 26, 2012, the City Council approved an annexation agreement and accepted the annexation petition. The proposed zoning is the Community Transition Zone with a Regional Commercial Overlay. Because of the terms of the Settlement Agreement, there is a Master Planned Development presented in tandem with the annexation, including a 374,000 square foot movie studio center. After the work session in February, the Planning Commission held four public hearings and the plans were further refined. The MPD will guide the administrative CUP reviewed by the Planning Department staff. She displayed and discussed a number of slides including adjacent properties, the access point, and illustrated an exhibit regarding context. She stated that the Planning Commission voted 4:2 to forward a negative recommendation on the annexation and the MPD.

The Planning Staff has reviewed the annexation with the Land Management Code, General Plan, and the state's provisions. Staff took a broader view than the Planning Commission with regard to the General Plan and considers this key property within the Park City annexation expansion area, likely to be annexed at some point. She urged members to consider reviewing this project under City codes as opposed to having it processed by the County. She referred to a comparison of codes which were similar but the Annexation Agreement further refines the project and considering the Settlement Agreement is a unique situation. She stated that the General Plan is in the process of being updated but the vision considers diversity in the economy and the Annexation Agreement provides some protection for Sundance and the Park City brand. Ms. Whetstone pointed out that the property was contemplated as a potential commercial receiving zone.

Peter Pillman, IBI, through a Power Point presentation, summarized the topics to be addressed. He displayed a map of the property; the main access is SR248 and US40 and internal circulation was explained. The trail plan connecting into the trail network is a benefit and a good the facility is a good destination. The original site plan included casitas which were removed to better showcase open space and Building #7 was moved from the north corner to mitigate visual impacts. Part of the mitigation was providing screening through landscaping externally and internally. He addressed screening the 50 foot sound stage building with trellised work and trees which also helps provide shade and screening for the zone between them which contains trailers and trucks. More landscaping was added for Building #7 as well to buffer views coming from Kamas. Certain buildings are specified at certain heights. The road has been moved off of the City property line to provide potential access to City property and the truck ingress and egress between Buildings #6 and #8 have been removed from the plans as a result of a meeting with UDOT.

Mr. Pillman pointed out that the campus is split into two pieces, a public access component and the secured piece with perimeter fencing. Buildings were analyzed for placement of green roofs and Building #8 was selected which is intended to blend into the landscape. Building #7 has a partial green roof with an office component in front of the high walls of the sound stage which the Planning Commission felt might provide some visual benefits. The Planning Commission discussed breaking up the sound stage building walls with color. A number of slides were shown from different vantage points to illustrate mitigation measures. He pointed out that the buildings do not break the ridgeline and the berm is eight to twelve feet high. He spoke about design guidelines, drought tolerant plantings and placing fire pits throughout the project.

Mr. Pillman recognized that parking has been a topic of discussion. Parking will be phased in tandem with the development of buildings and the Settlement Agreement provides for 1,000 parking stalls which are allowed by Code. QJP believes this number is required; the film studio is a different use than anything else in the City. Off-site parking doesn't work very well for the studio because most people come and go at all hours making it hard to carpool or do other things to reduce parking. The parking meets Park City Code but is not a reduction below the requirement. Mr. Pillman explained that the design is clustered and the Settlement Agreement requires zero percent open space but there is 40% open space on site. He pointed out areas for snow storage on-site and clarified parking locations. Public transit was another discussion and he pointed out three possible locations on the site. The potential trail connection to Park City Heights would provide trial users access to public restrooms and food services. The berm varies in elevation and distance from the road to make it more interesting and effective and the same grasses will be used on the roof. Aspects of the project from different locations were reviewed.

Dick Peek asked if a fence will be installed on the berm and Craig Haan, IBI, explained that the fence will be connected to the building. Mr. Pillman presented the fencing plan and the seven foot perimeter fence requested will function well. The fencing is higher at the gates which will have an aesthetic treatment. He showed examples of fencing materials and styles. Native drought tolerant plantings, deciduous trees and evergreens will be used. Mr. Pillman described a number of architectural zones within the project. There was a discussion of having a green roof on the sound stage but it didn't seem as if it would be effective. Mr. Pillman suggested installing a number of fire pits throughout the site.

Peter Pillman felt the film studio project will embrace, showcase and encourage arts and culture, and contribute to a year-round offering of different uses and activities, including the trail. He felt the project will attract a diverse demographic. The studio will contribute to a sustainable economy as a new industry and provide public services by increasing national, regional and local employment offerings. He felt the tourist economy can be enhanced through unique attractions that could be hosted on the property. The film studio could nurture and grow the success of the Sundance Film Festival, promote the film industry within the state of Utah, and increase awareness of Park City's international brand of Park City. Social equity impacts include fostering community diversity, attracting part-time and permanent residents, attracting and enhancing year-round events and activity offerings, and enhancing the community's identity and image. Increase and diversity educational offerings.

He continued to explain that the School District and colleges are interested in having a campus here. Demonstrating responsible environmental stewardship, promoting the transit and trail connections to help cut down on vehicle miles traveled are all goals of the project. Green building design and construction aiming to the LEED Silver Standard baseline is also a commitment. The plan includes water conservation by planting native drought tolerant plants and storm water management to minimize and filter the run-off. He felt these attributes contribute to the community. Mr. Pillman added that the Planning Commission was complimentary with regard to the transition in the design which is summarized in his presentation.

In response to questions from Alex Buwinski, Mr. Pillman clarified that requested parking was illustrated and the restrooms will be in the buildings. The trailhead with signage will be located on the corner. The landscaping will be scattered throughout the berm and not necessarily on the top. The Mayor understood parking is phased with the development of the buildings. Mr. Pillman relayed that the studio building will be the first element constructed and it is unknown when the hotel will come on line, but that parking will be underground.

Dick Peek asked if the installation of the security fencing will be similarly phased and Mr. Pillman believed the security fence would probably run the perimeter and would have to be installed when the studio is built. In response to a question from Andy Beerman regarding number of stalls, he stated that there are 886 on the plan. He explained that needs were evaluated against the Code and if everything was operating at once with no shared parking, the number is about 1,800. It was determined at least 30% will be shared. The County Code is about 1,000 and City Code is almost 1,000 without reductions and he felt it helpful if Mr. Penrod described operations. Andy Beerman understood that the number for the secured area at the studio is 450 stalls.

Brent Penrod, Raleigh Studios, stated that reducing parking would be problematic. He explained that an average television show (20,000 to 30,000 square foot stage space), may require 350 employees. There is interest in the insert stages and office building space if Raleigh was able to occupy that as well, and another 300 people may be on site. The nature of production is that along with the one show, there will be somewhere between 20 and 40 trucks or trailers. Lumber deliveries and grip and electric trucks staged by the lighting shop come and go. There is a surface parking and a surface staging need for normal activities. He hoped that all three stages can be accommodated plus the creative space. Mr. Penrod emphasized the need for security because the facility is open 24/7 to the tenants and he spoke about charging for parking to cover security costs. Typically service vehicles are parked as close to the stage area as possible.

Ms. Matsumoto asked about the potential early hours of production. Brent Penrod explained that sometimes there are night shoots but the normal day is about 12 to 15 hours. It was pointed out that the project meets the City's night sky ordinance. Mr. Pillman added that outdoor lighting is shielded and if areas are not being used, Raleigh has suggested that it be shut off. Mr. Butwinski asked about outdoor generators. Mr. Pillman explained that this was discussed by the Planning Commission. Mr. Penrod interjected that each stage has permanent power with a dedicated transformer. When more power is needed, silent generators are used. Production generators are silent because they are used for exterior filming. Ms. Simpson asked if a dump station for the trailers will be available on-site and Mr. Penrod stated that the service is off-site. Her concern was increased vehicle trips. Propane is delivered on site.

Andy Beerman acknowledged exceptions tied to the project because of consideration of economic benefits. He asked about job creation. Mr. Penrod explained that a movie made in Baton Rouge cost $25 million and about 90% went back to the community. The studio itself has few employees but a production employs 350 people easily using local vendors for services, materials and supplies. Almost all production people would be local because of the good crew base. It was pointed out that the Louisiana studio was a lot larger. Brent Penrod believed that there would be a minimum of one production per year. Seventy percent would include at least two movies with a potential community benefit of $54 million. Six hundred people would be employed on-site full time. Mr. Beerman asked about Raleigh's commitment to the project and Mr. Penrod expressed that it is a partnership and a long-term commitment. This is an exceptional opportunity for Raleigh for many reasons and a lot of thought has gone into its success. Raleigh may not be a tenant but will be here to manage the facility.

The Mayor opened the public hearing.

Jerry Grenetti, resident, expressed concerns about the taxpayer having to help Raleigh out if the project fails. Brent Penrod stated that there is no request for public money and components on-site will sustain the operation. The approach is cautious.

Bob Derber, resident, voiced his appreciation of the work of the Planning Commission and felt that the public has not been very vocal because of its trust in the Commission and the City Council.

Jerry Grenetti asked if a study has been done on the wildlife. Mr. Pillman explained that they have not but the site is currently fenced.

Kirsten Whetstone referred to staff questions outlined in the staff report. She asked about considering a provision in the LMC regarding waiving certain elements of the General Plan, as described in the Annexation Agreement. She detailed the conditions that would be impacted by either decision. Mr. Butwinski complimented the Planning Commission on crafting the conditions, specifically Jack Thomas. The Commission is charged with compliance with the General Plan and its recommendation was appropriate. He emphasized that the City Council must consider the special conditions surrounding the annexation which is to arrive at solutions to make the project work and he will consider the waiver.

Liza Simpson acknowledged there was no wildlife study and that this is a unique situation and agreed with Mr. Butwinski and staff's recommendation. Andy Beerman stated that he doesn't agree with it at this point and agreed with the Planning Commission that the project does not comply with the General Plan in any way. He will continue listening but he does not perceive enough "gets" to justify compromising principles and is not there yet. Dick Peek agreed with Mr. Beerman and would say no. Cindy Matsumoto stated that she has not made a decision yet. Mayor Williams summarized that members are split.

Ms. Whetstone clarified that a wildlife study was submitted identifying species on site as part of the general application and that data is linked on the City's website. The information is available; no mitigation efforts needed.

With regard to mitigation of environmental issues, the Mayor supported staff's recommendation. He felt all members want to understand parking better and Ms. Whetstone described the analysis and the resulting 957 number but the Commission reduced it to 668 with shared parking and some of the support uses in the hotel were eliminated. Mark Harrington interjected that staff disagrees with the assertion that the Settlement Agreement specified minimum parking; it is silent with regard to the actual number and the LMC clearly states minimum requirements unless reduced through the MPD process. He believes that reduction can be stipulated by the Council as part of the MPD. The more relevant question relates to operational requirements. He encouraged Council to focus on impervious surface coverage as opposed to number of stalls.

Dick Peek asked about the load in and out and the timing of resort traffic on SR2248. Mr. Pillman explained that direction is to avoid activity during those times which would be managed. A traffic study is posted which considers Park City Heights' traffic impacts. Mr. Penrod felt that this can be easily managed. He added that there is a 16,000 square foot meeting space proposed which may be a benefit for conventions, especially in the off season. Andy Beerman felt that large conventions would be challenging in a location with so little on-site bed base. He also asked for clarity about the total number of proposed parking spaces.

Alex Butwinski asked about structured parking and Mr. Penrod stated that 150 parking stalls will be constructed under the hotel. Mr. Butwinski hoped there may be opportunities to build more structured parking and to acquire state funding. Mr. Penrod relayed that enhanced transit may provide solutions.

Cindy Matsumoto asked why Raleigh feels Park City is such a great opportunity and asked about the partnership with Sundance. Brent Penrod pointed out the uniqueness of the project and its great environment and any affiliation with Sundance would be positive. He hopes Sundance will lease the studio every year and other space if needed. Park City is a special place.

Tom Bakaly asked the number and willingness of retail and hotel employees to park at the Park and Ride and shuttled to the site. It could also be used for construction parking. Mr. Penrod relayed this is easily accomplished with shift workers. Ms. Simpson spoke about better calculating the total number of studio parking spaces at the administrative CUP review and Ms. Whetstone expressed that there will be more information in terms of number of employees at that point. Ms. Simpson pointed out that the studio is the wild card compared to other uses. Ms. Whetstone stated that the condition currently reads 668 but a 20% adjustment up or down could be made at the time of CUP review. She emphasized that there may be an additional 30 to 40 on-street spaces not included in the 668 number.

Andy Beerman asked about bonding. Ms. Whetstone stated that the Commission's main concern related to the landscaping. The Building Department collects a bond with a building permit for remediating the site in the event the project ceases. Mark Harrington explained that the question is whether Council wants additional bonding beyond what is currently specified because of the magnitude of the project. He further explained that the flexibility of the CUP is proposed because the Planning Commission was running out of time and the tenant spaces are still undefined. Both sides want to see this narrowed as much as possible for predictability. The phasing plan goes a long way to address the first part of that. The question may be if there is a way to bridge the gap on the last phase as it relates to the Park and Ride or a more specific trigger to build the last section that staff recommends to be eliminated.

Because of the visibility of the project, Mr. Beerman requested a condition for adequate bonding and Mr. Harrington felt members should provide some direction on elements that need to be mitigated in conjunction with the phasing. There hasn't been as much progress on the building phasing compared to the parking and Council may have to provide standards with regard to the buildings, as recommended by the Planning Commission to address this possibility. The Building Department can provide recommendations and the CUP would be subject to call-up if Council does not feel it meets the criteria, but he felt confident that staff can define standards.

The Mayor asked if conditions have been agreed to by the applicant. Mark Harrington stated that a meeting has been held on potential redlines which are considered non-substantive. Of course, the biggest issues lie with the parking and the contribution for the public trail.

The Mayor questioned how many annexations have met the General Plan. He recalled the discussion about Flagstaff which didn't meet the General Plan and the City Council is not required to look at the General Plan with regard to where the property is coming from or going to. He understands and respects the Planning Commission review of the General Plan, but it is not Council's only consideration. He felt that a lot of property annexed into the City in the past didn't fit the General Plan and this practice needs to be recognized.

Mark Harrington felt it is a matter on how strictly the mandates of the General Plan are viewed. The General Plan needs to be balanced with pragmatic considerations. He felt that the way Commission Strachan framed it was too focused on the litigation which is inaccurate because the bigger problem is the lack of hard zoning on the County borders. Members are faced to make a decision without having a traditional determination of growth boundaries as most municipalities are afforded and it is a guessing game with regard to planning for impacts on the community. That has created a more natural tension with the Counties which is a matter of the different priorities reflected by each jurisdiction's plans. He felt the Annexation Code utilizes both the legislative plan and the General Plan as decisions points that all annexations have been consistent with the Code and the General Plan in totality. The question is which priorities and various interests are the bases of the decision which are within the discretion provided in the Annexation Code which is broader than the General Plan. It is ultimately a legislative determination in terms of quantifying the values of the community and sacrificing those ideals for the pragmatic ones that wouldn't be employed two miles down the road. Mr. Harrington acknowledged that this is a hard decision and the one Council members are faced with.

Ms. Simpson stated that her concern with this project all along has been its appearance. She would love to have open space surrounding us, but that is unrealistic, and every time open space is considered, it has to be balanced with economic opportunities for the community. This property will be developed and the applicant, the design group and the Planning Commission have done a heroic job of making the project better which is a balance with the shortfalls with the General Plan. Alex Butwinski asked the applicant if he agrees with the conditions proposed, other than parking. Mr. Penrod stated yes, it is very close. In response to a question from the Mayor regarding timing, Mark Harrington relayed that by tomorrow parties have to agree. The main issues are parking and the trail.

Andy Beerman understands that every annexation has exceptions to parts of the General Plan but with this application, the City has given away so many of its tools. He doesn't think that it meets major tenants of the General Plan. The economic benefits are possible but uncertain and he personally is not willing to comprise our principles on the speculation. Ms. Simpson interjected that it would be his principles not "ours".

Cindy Matsumoto agreed with Ms. Simpson about the importance of the appearance of the project and is hopeful that the berm, landscaping and green roofs will be effective. She is also concerned that the project is economically viable.

With regard to conditions, Dick Peek stated that during the tour of the property there was talk about using the City's adjacent open space as a potential path for run-off to enhance the wetlands. He wants to make it clear that the site drainage would be to Code and that no increase in off-site run-off be allowed. There is a substantial amount of hard surface adjacent to the area. He suggested deleting the language after the semi-colon on Condition #29 regarding shadowing LEED standards. Mark Harrington explained that the condition is stating a fact that shadow does not require certification. The Mayor acknowledged that verification is expensive and the City has not pursued it because of the impact to tax payers, but certification would be a positive in terms of marketing the studio. He asked the applicant if certification could be considered and Mr. Penrod felt it is worthwhile to address.

Dick Peek suggested that no projected image, back-lit, or moving image display signs be visible from off-site. Kirsten Whetstone assured Council that the project will comply with the City's Sign Code. Discussion ensued on types of signs prohibited in the Sign Code. In response to a question from Andy Beerman regarding the lighting in the atrium, Peter Pillman responded that the atrium will be held to the Night Sky Ordinance requirements.

Dick Peek understood that not all of the conditions in the Annexation Agreement are identified in the conditions of approval in the Ordinance and felt there should be a statement incorporating all conditions. Mark Harrington referred to Condition of Approval #2, which incorporates the Annexation Agreement by expressed reference.

Mayor Williams felt that gas fireplaces are not functional or fitting with regard to the effort to reduce the City's carbon footprint. Alex Butwinski and Dick Peek agreed. Mr. Butwinski felt this could be addressed in Condition #39. In response to a question from Liza Simpson, Kirsten Whetstone estimated that over 100 parking spaces were planned for the far north end (later removed). Ms. Simpson stated that she doesn't have a problem with the higher number, she would like it reduced some, but would rather see efforts into how much the parking could be semi-permeable in consideration of run-off problems. The Mayor asked the applicant to consider using the Park-and-Ride which will reduce the parking number. Brent Penrod felt that the Park-and-Ride can accommodate full-time employees, shift and construction workers but not for the people who come and go. It is difficult to reduce the parking and make the facility viable. In response to a comment from Dick Peek, Mr. Penrod explained the differences between location and studio filming and the importance of adequate parking for its success.

Ms. Matsumoto believed the most exposed view is from the north and asked if the Planning Commission discussed the berm on City property. Peter Pillman pointed out that the uses off of the corner have been removed and the open space buffer was increased on the approaching corner. The building on the corner was moved in so that there is more landscaping on the Raleigh site than illustrated. Mark Harrington explained that the Planning Commission generally had the view that the applicant should be mitigating its impacts on its own property and not utilizing City property or the Park-and-Ride. Cindy Matsumoto stated that she would like to see a revised site plan to see what that would look because that area is the most exposed on our view corridor. The Mayor suggested that the street be moved 100 feet east and some landscaping installed between the property line and the road and he spoke about potentially blocking the visual impacts of Buildings #1A, #1C, and #1E. Craig Haan added that the design incorporates berming and swells to manage water. Cindy Matsumoto expressed she can support landscaping on City's open space as part of the project. Dick Peek disagreed.

Liza Simpson asked if secured parking could be used for special events if there are no productions going on at the time. Brent Penrod responded absolutely; anything to keep the studio active is of interest. In the event of an emergency the facility can be used as shelter for the community. Mr. Pillman assured Ms. Matsumoto that the landscape plan will be revised so that it reflects as much coverage as possible on the property.

Alex Butwinski pointed out the City's commitment to providing transit to the Park-and-Ride. Kent Cashel stated that service is anticipated because of Park City Heights coming on line within two years. Mayor Williams interjected that this project does not trigger transportation there because service to the area was anticipated before Raleigh. Mr. Cashel agreed that service is included in the short term transit plan and Mr. Butwinski felt the plan may need to be accelerated if it is addressed in the conditions.

The Mayor believed there is agreement on eliminating the fire pits and more berming on the corner from Building #2 to SR248 and below Building #2. There was discussion on hitting real LEED standards rather than shadowing them. Dick Peek commented on the importance of Code compliance with regard to signs, atrium lighting, hours of operation, and storm water management. Performance bonding was another point. Alex Butwinski understood parking to be 682; he referred to language giving the Planning Director latitude to adjust the number by 20% if a need is demonstrated. Mark Harrington clarified that there is language in the LMC that addresses a demonstrated need but a trigger to get to the last phase of parking could be identified. It could be tied to specifics measuring use or additional visual mitigation. He referred to Ms. Simpson's suggestion of using a different surface material. The Mayor spoke about under-parking The Montage and the proposed PCMR development by using mass transit but in his opinion, this project is different. Cindy Matsumoto referred to comments that adequate parking makes the facility economically viable which is important to her.

Andy Beerman stated that the Settlement Agreement refers to acquiring funding from the state for structured parking. It was pointed out that this is no longer feasible and Kirsten Whetstone stated that the Agreement reflects this. Alex Butwinski agreed that the success of the project is important.

Discussion ensued on the recommendation to approve or deny. Mark Harrington clarified that the Conditions of Approval are not recommended by the Planning Commission. They were modified by the Planning Commission to reflect conditions as noted if the Council moved forward with annexing the property but the Commission clearly rendered a negative recommendation. The Mayor asked if the mitigation discussed tonight changes Council members Beerman's and Peek's opinions. Mr. Peek stated that he has not made a decision yet and needs another week to decide. Cindy Matsumoto suggested moving forward with conditions to approve and deciding at the meeting whether or not to approve them. Alex Butwinski, Liza Simpson and Cindy Matsumoto supported moving ahead. Mark Harrington asked the importance of the trail connection. Kirsten Whetstone described Park City Heights' trail plan and staff is suggesting a portion be constructed by the applicant which crosses City property and would require an easement. The Mayor didn't feel that the trail will be used by the general public and making it a mandatory trail head is not something he is worried about. The City Attorney understood that members are more concerned about the trail connection than trailhead parking and amenities. The trail will be a benefit for hotel patrons. Andy Beerman stated he is comfortable with just the trail, paved or unpaved and is not very concerned with amenities like rest rooms.

The City Manager explained that the Annexation Ordinance will be amended for possible approval next week. If it is not approved, the deadline will expire and a negative recommendation will have to be ratified. The findings will be for approval, as conditioned. The Mayor requested a motion to continue to May 24, 2012. Cindy Matsumoto, "I so move". Andy Beerman seconded. Motion unanimously carried.

8. Consideration of a Resolution adopting the Revised Budget for Fiscal Year 2012-2013 and the Proposed Budget for Fiscal Year 2013-2014 for Park City Municipal Corporation and its related agencies – The Mayor opened the public hearing.

Tom Fey, resident, suggested that a balance sheet be added to the budget website because it would allow the public to see if the City has an unfunded pension liability, the level of debt and how much debt has been amortized. He would like to know how much of the $10 million debt amount represents debt reduction and what portion represents interest. The Country is headed into a financial catastrophe which burdens tax payers. He noted that the capital budget is high and it appears $5 million is anticipated to be funded with additional bonding which makes a balance sheet relevant.

With no further input, the Mayor asked for a motion to continue the public hearing to May 24th. Liza Simpson, "I so move". Alex Butwinski seconded. Motion unanimously carried.

Tom Bakaly explained that the work session discussion addressed the cost of the reconstruction of Empire Avenue which will be bridged with other funding alternatives. The General Fund will be examined as well for funding capital projects. He stated that he will update Mr. Fey at a scheduled luncheon meeting tomorrow.

VII ADJOURNMENT

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

MEMORANDUM OF CLOSED SESSION

The City Council met in closed session at approximately 2 p.m. Members in attendance were Mayor Dana Williams, Andy Beerman, Alex Butwinski, Cindy Matsumoto, Dick Peek, and Liza Simpson. Staff present was Tom Bakaly, City Manager; Diane Foster, Deputy City Manager; Tom Daley; Deputy City Attorney, Jim Blankenau, Environmental Regulatory Program Manager; Joan Card, Environmental Regulatory Manager; Jason Christensen, Environmental Regulatory Counsel; Jon Weidenhamer, Economic Development Manager; Thomas Eddington, Planning Manager; and Mark Harrington, City Attorney.

Liza Simpson, "I move to close the meeting to discuss property and litigation". Andy Beerman seconded. Motion carried unanimously. The meeting opened at approximately 3:30 p.m. Alex Butwinski, "I move to open the meeting". Liza Simpson seconded. Motion unanimously carried.

The City Council met again in closed session after the regular session. Alex Butwinski, "I move to close the meeting to discuss property and litigation". Andy Beerman seconded. Motion unanimously carried. Alex Butwinski, "I move to adjourn". Dick Peek seconded. Motion unanimously carried.

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

Prepared by Janet M. Scott, City Recorder