

**PARK CITY COUNCIL WORK SESSION NOTES
SUMMIT COUNTY, UTAH
MAY 10, 2007**

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

Craig Sanchez, Acting City Manager; Tom Daley, Deputy City Attorney; Phyllis Robinson, Project Manager; Seth Atkinson, Budget Analyst; and Patrick Putt, Planning Director

Bob Kollar, Joint Venture Program

1. Council questions/comments. Marianne Cone commented on the progress of the construction of the police station and the Friends of the Library annual luncheon. Roger Harlan commended the landscaping project at the skate park and felt the joint work session with the Planning Commission last night on the Historic District was very helpful. Council member Joe Kernan acknowledged the recession plan outlined in the budget and asked if there is support to generate a surplus policy, contemplating tax reductions. Jim Hier suggested that this be discussed under *Additional Discussion* during the regular meeting; members agreed. He reported on the joint meeting with the Planning Commission and the COSAC meeting. Candace Erickson appreciated the presentation on the Historic District last night and felt the session was productive. Marianne Cone pointed out several maintenance issues at the Farm tunnel.

Dana Williams commended the Police Department for its presence at the Witt funerals today which made him proud. He referred to a magazine article on sustainability in Utah and noted that the section on Park City is phenomenal. Since the grant from Rocky Mountain Power is intended for the green design of buildings, he suggested using it specifically for a solar power roof program. He spoke about the success of the \$500 incentive program prompting property owners to comply with the Soils Ordinance. Jim Hier pointed out that some home owner associations prohibit solar roofs and this would need to be addressed. Tom Daley believed that eliminating the prohibition in CC&Rs would probably have to be voluntary. Marianne Cone discussed logistical problems with solar power systems caused by snow loads, which should be researched, and Mayor Williams noted improvements in technology over the years. He spoke about his frustration serving on the Governor's Panel on climate change, where the topic is debated and not addressed. The Mayor relayed that green building standards can be enforced and Ron Ivie has come up with some great ideas to bring back to the committee.

2. Joint venture program update. Bob Kollar reviewed the goals of the program, as stated in the Memorandum of Understanding between the City and the Chamber, (1) attract new revenue producing events; (2) program and develop events for in town; (3) market events; and (4) consolidate efforts toward sports/recreation, tourism, and cultural tourism. There's a stipulation of spending 2/3rds of his time on destination tourism and

the balance on community events. Projects include the New York City Cultural Media Event, promoting cultural events in Park City. Bob Kollar spoke about fostering a cooperative marketing relationship between local cultural organizations, which were well represented at Carnegie Hall. As a result of the event, articles were written about summer events in town which has a tremendous value and the cooperation between various groups was a great first step.

Mr. Kollar announced a new event, the Park City Mountain Film Festival, planned for October, and others include the U S Fencing Association Championships recently held on the new flooring in the ice arena. It is anticipated that more events will be held in the arena and also on the fields. Lacrosse is a growing sport and he is working with the US Rugby Association, who is excited about holding competitions in Utah. Mr. Kollar stated that he is also working with the Utah Lacrosse Association on the Ski Town Shootout and the Rocky Mountain Lacrosse Showcase which will be held at Quinns Junction in June. In response to a question from Marianne Cone about the fencing competition, he explained that the group headquartered at the Marriott Hotel and received a lodging package. Council members commented on the quality of the presentation.

3. Affordable housing RFP. Ms. Robinson explained that earlier in the year, Council directed staff to move ahead with an RFP for affordable housing on the Snowcreek and Fire Station Parcels. She stated that nothing in the staff report or Council's action presupposes any approvals and the applications for development will be evaluated by the planning staff and Planning Commission according to the LMC. In providing direction to staff today, Council is acting solely in its capacity as the property owner. She referred to letters included in the meeting packet from residents and property owners at Windrift and Saddleview Condominiums and public input is scheduled this afternoon.

Based on feedback from Council last week on the Sustainability Team's work plan, she asked for direction on RFP issues relating to the preferred development approach, issuance, green building criteria, affordable housing obligations, and the time frame. Ms. Robinson stated that staff conducted an evaluation of the pros and cons of a design-build approach where the City remains the owner of the property and acts as the developer. An alternative is the City donating land to a private developer and again, each option has its pros and cons. The City retains the highest level of control with a design-build approach but it would result in a more staff intensive project. There may be a longer time frame assigned to the construction project in consideration of the number of other capital projects underway and pending Sustainability Team assignments. However, Ms. Robinson felt that increased public accountability realized through building affordable housing would outweigh the extension of a construction date. The land donation approach would make the land available through an RFP

process and the developer would be responsible for constructing and selling the units, removing the City from the real estate business.

Jim Hier pointed out the success of the recreation complex's design-bid-build approach. He favored the City retaining ownership of the land until the project is completed. All members agreed. There was discussion about the demands on staff time and the difficulty of arriving at estimates when the scope of the project has not been determined.

Mayor Williams clarified that a permit from the Army Corps of Engineers is required for crossing wetlands, and this approval doesn't relate to wetland boundaries. Phyllis Robinson noted that the City has hired a contractor to proceed with a wetlands survey but based on the earlier delineation, the buildable area is 1.85 acres. She asked if there is interest in holding a pre-MPD hearing before the Planning Commission so compliance with the General Plan is determined before an application is submitted. In addition, a density determination for the site might be helpful in better structuring an RFP. Jim Hier explained that typically, pre-MPD hearings are initiated by a developer and relate to a density request. It seems inappropriate to ask the Planning Commission to arrive at a density determination; the Council should determine a number to be reviewed by the Planning Commission. Ms. Robinson responded that when the conceptual plans were discussed in February, the direction was to build 12 to 24 at-grade for-sale units which is below the density allowed on the site. Jim Hier reiterated that the City Council, as the land owner, should determine the general density and provide a conceptual sketch plan prior to Planning Commission's review. Ms. Robinson stated that she has renderings available which can again be shared with Council and used as part of the RFP process and Jim Hier suggested conducting the pre-MPD hearing before issuing the RFP. Patrick Putt expressed that after the February work session, staff felt confident it understood the range of the project and a pre-application meeting would focus on compliance with the General Plan with regard to land use, wetlands setbacks, access, etc. and initial feedback from the Commission is valuable for public information. Mr. Hier expressed that the RFP and pre-application processes could be conducted concurrently. Mr. Putt explained that the pre-application meeting is intended to provide information and an opportunity for the community and affected neighborhoods to comment before there is an actual application. With regard to the time frame, Council members supported proceeding with a pre-application hearing.

Ms. Robinson reported that Alison Butz will be presenting Council with green building criteria on City-owned properties, which when adopted, will be applied to affordable housing projects. She referred to the Enterprise Foundation Executive Summary, including 48 pages of check-list items for green communities, which mirrors the City's definition of sustainability. The City intends to apply for grant funding from the Foundation. Marianne Cone felt that the south-facing Snowcreek site would be ideal for passive solar and discussed a solar village in Longmont, Colorado where there is a

common heating/cooling system which is metered to individual units. Mayor Williams stated that it is not the intention of this group to maximum density or take advantage of potential density bonuses relating to affordable housing. There is an opportunity to create a project that is aesthetically pleasing and showcases green building practices. Marianne Cone suggested selecting a design firm familiar with green building and include this qualification in the RFP and Phyllis Robinson confirmed that the Enterprise Foundation check-list would be applied.

She explained that DDRM has requested to bid on the project to fulfill St. Regis' affordable housing obligation. Its development agreement requires 12 units of affordable housing, eight of which may be satisfied with a fee in-lieu. In consideration of payment being the least preferred approach by Council, this may be an opportunity to gain units, instead of only cash toward the same units. Since the City is donating the land, an equitable unit equivalent ratio would need to be determined; one unit equivalent represents 800 square feet, and perhaps the size of units could be increased. There was discussion about St. Regis' obligation to provide on-site housing. Council member Hier expressed concerns about DDRM's ability to efficiently manage a project. Ms. Robinson noted that other developers may be interested in this project and Mr. Hier pointed out that this approach may diminish the City's control. However, if St. Regis is willing to pay the City twice the fee amount, he may consider it but would prefer that the developer build affordable housing units. Marianne Cone agreed. Candace Erickson emphasized that if the development community were aware of this project, there would be many more requests. She supported the City creating its own affordable housing. The whole concept of the affordable housing obligation is to house employees generated by a development. The Mayor understood that the fee-in lieu is not adequate to build housing and concurred with Mr. Hier's comments about increasing the fee payment.

In response to a question from Marianne Cone, Phyllis Robinson estimated that a design-build project may take up to 70% of her time. Dave Gustafson and Matt Twombly are already committed to other projects and an alternative may be to contract for construction management services. There was discussion about issuing an RFP for both projects or advertising them separately. Mr. Hier suggested that staff obtain some outside advice on RFPs. Ms. Robinson reported that the Park Avenue Fire Station land transfer will occur on June 1. The Mayor invited the audience to comment.

Sheila Haloff-Berry, Windrift Condominiums resident, asked how the City can build on wetlands. Mayor Williams stated that 1.85 acres of the Snowcreek property is not wetlands, and before the City proceeds, it will be re-evaluated by the Army Corps of Engineers. She insisted that construction will further affect the Windrift Condominiums residents who are currently impacted by flooding. The Mayor pointed out that diverting water into the ponds in the area is illegal and is causing the flooding. The only reason

the Council is considering this site is because the 1.85 acres are defined as uplands and not wetlands. Ms. Haloff-Berry felt the property should be designated as open space not affordable housing. Candace Erickson explained that the City has established a goal of building affordable housing in more than one location. There are few options and Snowcreek appears to be an appropriate location for tasteful for-sale units to accommodate people working in this town. Sheila Haloff-Berry argued that there should have been better planning over the years and reiterated her interest in designating the parcel as open space.

Howard Anderson, President of Saddleview Condominiums HOA, agreed that it is an excellent idea to provide some affordable housing for policemen, firemen, and teachers and maybe some full-time employees on Main Street. It is a poor idea, however, to provide affordable housing to someone who works in Salt Lake and would like to live in the mountains. Will Park City have control over who will buy the units? Does Park City have any buyer control over previous affordable housing projects and how well has it worked? He criticized the problems associated with the The Line Condominiums on Deer Valley Drive and wondered why the City would want to build another project. The Snowcreek area is designated as a flood plain and buyers will be required to purchase federal flood insurance which is very expensive at \$2,000 to \$3,000 annually. This will be an added cost and there may be a better location for an affordable housing project.

Jim Kennicott, Windrift Condo home owner, explained his experience as an attorney working regionally in the ski industry. The problem of housing employees is a major issue for employers as well as retaining key employees and tying them to the community. Some key personnel need to be close and available on short notice and a three-pronged approach to housing is typical. When existing housing stock becomes available, his clients have made an effort to acquire it for rentals for employees. The employer can also provide employees with financial help in acquiring their own properties, either through mortgage assistance or a housing allowance. If taxpayers want police officers, firemen, EMTs and teachers within the City, people need to be prepared to pay for it, including employers paying inflated salaries. Mr. Kennicott stated that the City should control the mix of tenants, acknowledging that some discrimination will occur since not everyone can be selected.

Dana Williams emphasized that although he appreciated his comments, the City has already put several of his suggestions into practice. He assured Mr. Kennicott that many firemen, police, etc. are living in affordable housing projects and could provide him the numbers. Joe Kernan stated that he is living in the Silver Meadows Estates affordable housing project where there are about 15 to 19 owner-occupied townhouses; owners include business managers, three to five police officers and other City employees. Mayor Williams expressed that if other large employers had done the same over time, we wouldn't be having this discussion. He explained that the term *essential*

employees was eliminated from City discussions because it generally included police, teachers, etc., but excluded a portion of the community who performs essential services in a resort town. Jim Kennicott felt that emergency and public safety services are more critical. With regard to Mr. Kennicott's comment about paying employees more so they are able to afford to purchase a house, Jim Hier explained that the City provides a housing allowance for employees living within the School District boundaries, which is broader than the City limits. If the City were to compensate a \$40,000 a year job at \$80,000 for instance, and assuming the 1:3 ratio for a mortgage payment based on salary, that person could probably afford roughly a \$475,000 to \$500,000 house, with a 20% down payment. There is no \$500,000 house available in town. Mr. Hier emphasized that the cost of land drives housing prices and the City has an opportunity to build and provide housing on its property, without having to consider doubling or tripling salaries, which is not practical.

Nancy Salomon, Saddle Condominium resident, stated that she feels disadvantaged because staff and Council have deliberated on this project but the public has little information on the nature of the project. Jim Hier explained that the purpose of the pre-hearing on an MPD is for the landowner to provide information to the public who can render comments prior to any further review. Documents will be made available to the public. Candace Erickson stated that this is being discussed today in work session, where it is not typical to invite public input, especially in the early stages of formulating general parameters. Ms. Salomon agreed with Sheila Haloff-Berry's suggestion to see it remain open space and asked what happened to the Old Sewer site location. The Mayor advised that a fire station is planned there and the building pad behind it was too constrained by adjacent wetlands to develop housing. She stated that the City is spending money on purchasing open space, and here's a beautiful piece already owned by the City. There ought to be a better location for affordable housing. The Mayor believed that the neighborhood has convinced itself that this whole parcel is wetlands while the Corps' analysis reveals close to two acres not in the wetlands. Ms. Salomon argued that there are two streams there and it all looks like wetlands from a visual perspective. If the City builds affordable housing there, she asked that the City maintain tight controls on it and adhere as rigidly as possible to Park City design guidelines and density requirements, without any bonuses for affordable housing, i.e., The Line Condominiums is an eyesore.

Craig Elliott, architect, commented on the question of advertising two projects in one RFP. He didn't feel there will be a difference in response either way, but all projects seem to cost more than expected and it may be a good idea to begin the process earlier rather than later.

Laurie Clark, President of Windrift Condominiums HOA, asked that the City share its wetland boundary survey with them as they are intending to hire an attorney and

environmental engineer to review the City's plans due to the flooding experienced in the area currently. The HOA wants to make sure it is legally protected in the event they are negatively impacted by construction. She feels that the area is better suited as open space than affordable housing because of the wildlife. The land has been well utilized by the City with a post office and a new police station located there. She views the City acting as the developer as a conflict of interest because of the lack of checks and balances. Ms. Clark referred to the St. Regis letter. If the City made developers stick to their original agreements, it wouldn't have to build affordable housing and with all of the growth, there should be plenty of affordable housing. Why is this happening? Mayor Williams explained that affordable housing requirements have only been enacted for a decade.

He stated that he appreciated the attitude of her letters, but does not feel the same about her Dad's correspondence. When he receives a letter stating, *don't reinvent us as a middle class community*, he knows it is from someone who doesn't know Park City's history, demographics, culture, and/or community spirit. The Mayor commented that it is not his only job to protect Mr. Clark's property investment but to maintain the diversity of the community. Based on Mr. Clark's letter, no one on the Council would qualify to live here and he was very offended by the letter. Mr. Williams acknowledged that this is a tough decision and will explore things like the cost of flood insurance, but as elected officials it is important to pursue affordable housing. An attitude that the working middle class should live in Heber and not in the community is an affront to him.

Scott Loomis, Mountainlands Community Housing Trust, felt that Council is on the right track in recognizing the scarcity of land. He advised that the City retain control of the land which is essential to the future and he encouraged considering land leases as opposed to deed restrictions. If deed restrictions are still used, he recommended including an assignable right of first refusal to the City which effectively controls sales prices.

With no further input, the public input session was closed.

Prepared by Janet M. Scott, City Recorder

**PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
MAY 10, 2007**

I ROLL CALL

Mayor Dana Williams called the regular meeting of the City Council to order at approximately 6:30 p.m. at the Marsac Municipal Building on Thursday, May 10, 2007. Members in attendance were Dana Williams, Marianne Cone, Candace Erickson, Roger Harlan, Jim Hier, and Joe Kernan. Staff present was Craig Sanchez, Acting City Manager; Tom Daley, Deputy City Attorney; and Seth Atkinson, Budget Analyst.

II COMMUNICATIONS AND DISCLOSURES FROM COUNCIL AND STAFF

1. Request to proceed with Museum expansion project review - Candace Erickson referred to last week's manager's report about directing the Historic Preservation Board to review the Museum expansion project. The Historical Society Board of Trustees discussed this and welcome the oversight. She asked that the project be scheduled as soon as possible, hopefully on the May 21 HPB agenda so it could be reviewed by the Planning Commission on May 23.

2. Bike to Work Week – Dave Pitkin, Mountain Trails Foundation – Dave Pitkin thanked the Mayor and City Council for proclaiming Bike to Work Week and invited members to a free breakfast from 7 a.m. to 9 a.m. at both The Yarrow Hotel and Snyderville Basin Recreation Center. A community ride is planned on Friday, May 18 at 5:30 p.m. from Cole Sports, which will be police escorted, and culminating at Squatters for a celebration. He thanked Council for making Park City such a great place to live and to bike. The Mayor read the resolution into the record which was presented to Mr. Pitkin.

3. Peace Officers' Memorial Day – Sergeant Bob Lucking, President of the Local Lodge of the Fraternal Order of the Police, thanked Council for recognizing once again our fallen officers. The local lodge was formed in 1984 after Officer Scheurs lost his life in the line of duty. The Mayor read the Resolution into the record and presented it to Sergeant Lucking. Council members expressed their appreciation of the service of the professionals of the Park City Police Department.

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

1. Museum expansion project - Sandra Morrison thanked the City Council, Kirsten Whetstone, and Jonathan Weidenhamer for their support of the museum expansion project.

2. Sustainability presentation – Alexander Loft, founder of lesscoal.com, explained that the focus of the group is to address stationary power plant emissions and air quality and their impact on our region's economic competitiveness. He requested that he have

an opportunity to make a formal presentation to Council on these issues and to seek the City's support. He has teamed with other commercial real estate professionals in Salt Lake and has collected 1,400 signatures and corporate endorsements on a petition to change our power plant future.

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

Marianne Cone, "I move that we passed Resolutions Nos. 1 through 4". Joe Kernan seconded. Motion unanimously carried.

1. Resolution proclaiming the week of May 13 – May 19, 2007 as Bike to Work Week in Park City, Utah – See attached resolution and comments above.

2. Resolution proclaiming May 19, 2007 as Arbor Day in Park City, Utah – See attached resolution.

3. Resolution proclaiming May 15, 2007 as Peace Officers' Memorial Day in Park City, Utah - See attached resolution and comments above.

4. Resolution proclaiming May 12 – May 20, 2007 as National Tourism Week in Park City, Utah – See attached resolution supported by the Chamber Bureau.

V ADDITIONAL DISCUSSION – AGENDA ITEMS

Budget surplus policy – Joe Kernan requested discussion during work session which was moved to the regular meeting. He referred to the existing recession policy and asked if it is appropriate to formulate a surplus policy. Jim Hier believed that a recession prompts an action like an adjustment; the same urgency would not occur in a surplus scenario. A policy would be a challenge to craft and it may be unwise to commit surplus funds to unknown needs in the future. Mr. Kernan explained that the overall goal is to control taxes and incorporate this effort in a policy statement. He pointed out the 20% of those surveyed for the recreation needs assessment weren't interested in paying more for services and maybe there is a way to serve that 20%. If a goal is set and the surplus hits a certain trigger, a portion of the allocation could be used to keep taxes down. The Mayor emphasized the loss of income over the past several years due to state legislation and the trend is not to gain more dollars. There are a variety of capital projects, including OTIS, the walk-ability project, and long term water projects many of which aren't fully funded. Candace Erickson felt the concept is good, but to cut taxes doesn't make sense when considering the scope of the OTIS Program and when

Old Town is improved, the Prospector area will be ready for a similar overhaul. Between 20% to 24% of revenues are generated by sales tax and a bad snow year can significantly impact this source; it is important to have funding for a recession plan. Marianne Cone expressed the importance of not being in a deficit situation and was unsure if the 20% of the tax base will ever be engaged. She would hate to begin a program that didn't last; consistency is critical as well.

Seth Atkinson distributed copies of the reserve policy included in the budget document. According to the current policy, surpluses are allocated to fund existing capital project needs and controls debt in the future, which affects the property tax rate. Roger Harlan stated that he is having a difficult time envisioning a surplus, without having the benefit of a number. Jim Hier expressed that it makes more sense to focus on the 80% of the citizenry. Candace Erickson pointed out that buying down bonds translates into decreased taxes which would benefit everyone. Mayor Williams agreed and felt it wise to pay down the City's debt whenever possible. Joe Kernan expressed his appreciation of members discussing this and felt that reducing debt service is a valid point. Council members thanked him for sharing his idea.

VI ADJOURNMENT

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

