PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
MAY 9, 1996

PUBLIC NOTICE IS HEREBY GIVEN that the City Council of Park City, Utah will hold its regularly scheduled meeting at the Marsac Municipal Building, 445 Marsac Avenue, Park City, Utah for the purposes and at the times as described below on Thursday, May 9, 1996.

AGENDA

Work Session

3:00 p.m. Council comments and questions
3:20 p.m. Budget process
- Introduction
  - Summaries and process review
- Staffing strategy
  - Community Development Department
- Capital improvement budget
  - Marsac Building
  - Recycling Center
  - Education Center Landscaping

Review of regular meeting
4:40 p.m. McIntosh Mill employee housing agreement
5:00 p.m. Town Run appeal

Regular Meeting

6:00 p.m.

I ROLL CALL

II PUBLIC INPUT

III COMMUNICATIONS FROM COUNCIL AND STAFF

IV WORK SESSION NOTES OF MEETING OF APRIL 25, 1996

V NEW BUSINESS - RDA MEETING

McIntosh Mill employee housing agreement

VI OLD BUSINESS

Appeal of Planning Commission approval of February 28, 1996 of the Sweeney Town Run Large Scale MPD

VII ADJOURNMENT

Posted: 5/6/96

PARK CITY WORK SESSION NOTES
SUMMIT COUNTY, UTAH
MAY 9, 1996

Present: Mayor Brad Olch; Council members Hugh Daniels, Roger Harlan, Shauna Kerr, Paul Sincock, and Chuck Klingenstein

Toby Ross, City Manager; Jodi Hoffman, City Attorney; Tom Bakaly, Finance Manager; Rick Lewis, Community Development Director; Frank Bell, Chief of Police; Jerry Gibbs, Public Works Director; Kirsten Whetstone, Planner

Mary Morrison, Recycle Utah; Jim Steinmetz, Old Town resident; Mary Wintzer, appellant; Jack Mahoney, developer; Pat Sweeney, appellant/applicant; David Belz, developer; Marianne Cone, appellant

1. **Council questions/comments.** Chuck Klingenstein thanked Eric DeHaan for his efforts in producing the new aerial map. He added that the school impact fee task force met and the School District will administrate the refunds. It is contemplated that the application process will begin in June and there will probably be a 180 day turn-around time for refunds.

Shauna Kerr reported that the garden club members would like to participate in the tree planting project, but expressed concerns that there be some training and supervision and that the soil is prepared. Toby Ross stated that there will be crew leaders and the holes will be dug. Paul Sincock stated that he received a call about a dispute between the Eagle Point developer and the Mountaintop Subdivision over Mountaintop moving a utility line for a road at an expense of $30,000. He asked if the City could act as a mediator. The Mayor felt that it may take a lot of staff time to resolve an issue between two private parties. Jodi Hoffman added that she has talked to both sides and there is a problem because Mountaintop doesn't have a utility easement and she advised that a government not intervene between two private parties over property and use.

Jodi Hoffman commented that the execution of releases for all of the liens placed on second homes for the residual portion of school facilities impact fees, about $2,500, was discussed at the task force meeting the other day. The liens were placed on properties to ensure that the home wasn't converted to primary use within a year period and the owner wasn't circumventing the $3,393 fee per primary residence. The task force felt it appropriate to process the releases. Ms. Hoffman asked Council for the authority to handle this administratively through the Legal Department, rather than having the Mayor or City Manager sign. Council supported the City Attorney's recommendation.

2. **Budget:**

Introduction - summaries and process review. Through illustration of slides, Tom Bakaly displayed options in the budget, options requested by departments, and adjustments to maintain same service levels. This is the second year of a two-year budget; last year a budget was adopted for FY 95-96 and a plan for FY 96-97. The Finance Manager pointed out that the FY 96-97 budget will be adjusted from $37,286,425 to $55,142,864. He explained that capital projects don't expire, but carry-over until the project is completed and approximately $12 million of that figure needed to be transferred to this year to show projects that are still on-going. Mr. Bakaly discussed adjustments in the FY 95-96 budget and the FY 96-97 plan. He emphasized that there will not be a tax increase and revenues from taxes are up. He discussed that his department will be developing a data base to better track sales tax receipts and sources. The State provides information that only compares percentages among cities. Roger Harlan brought up the $3 million surplus reflected in the FY 96-97 budget and Mr. Bakaly explained that the budget policy provides that revenues are budgeted conservatively and this is a sound accounting practice. He felt that the surplus is a result of the resort environment and growth that has occurred. Mr. Sincock pointed out the large projects that paid fees based on valuation that came on line. Kent Parker added that historically Council has allocated the surplus to the capital improvement fund.

Staffing strategy - Community Development Department. Rick Lewis stated that he is recommending the addition of one full-time planner and the reclassification of a Planner III to a Planner IV to assist in the supervision of staff. Also, there is an option for a contract planner which could be supported with project fees, and in the event there are large project applications, Mr. Lewis has budgeted more money for the current contracted employee. The Building Department is proposing to contract for another inspector. Mr. Lewis discussed the success of the intern program. He continued that phase two of the General Plan update is estimated at $60,000, not including the transportation element. Mr. Lewis pointed out adjustments for overtime and consulting services for plan checks. The supervision of the Planning Department was discussed and Paul Sincock expressed his support for additional staffing and consulting services. Roger Harlan addressed his concern of asking Nora Seltenrich to increase her hours as he wanted to avoid revisiting a stressful situation. Mr. Lewis responded that she will be working on special projects, won't have the tasks associated with a Planning Director, and the increase in hours may be temporary. Hugh Daniels also expressed his support of the staffing and contracting recommendations for the upcoming budget.

Capital improvement budget - Marsac Building. Tom Bakaly stated that the capital budget has been described in three areas, policy, new projects, and budget clean-up. Frank Bell explained that the high level of remodeling anticipated in moving various departments triggered the Chief Building Official's strong feeling that the building comply fully with the UBC. This may involve ADA and seismic requirements and he pointed out that the City applies these standards in the private sector when there is a major remodel. Staff consulted with Richardson Design Partners and Karren & Associates and there were large discrepancies between what each firm estimated remodeling costs would total. Karren felt the building could be brought up to Code for $200,000 to $250,000; Richardson estimated $1.5 million and Chief Bell felt that realistically the cost is probably somewhere in between. There are two ways of bringing the Marsac Building into Code compliance, to build a wall outside the existing wall and tie the building into that and the other is to build a wall inside the existing wall and tie the outside wall to that, which is the expensive plan because it involves redoing utilities. This is an extremely disruptive process. The outside wall will require covering corner windows and will change the character of the building, but it is less disruptive. Chief Bell added that Karren's estimate assumes that the roof is acceptable, where Richardson disagrees.

In consideration of both projects being time-consuming, expensive and disruptive, Chief Bell questioned to what extent the City should remodel the building with regard to Code compliance. He believed that it is necessary to do something at some point as the Marsac Building has a poor seismic rating. He pointed out that after the expense of bringing the building up to Code, the building still will not be remodeled with a floor plan providing more space for various departments, customer service, and better security. There is also an increasing time pressure because of the Olympics. Staff is now recommending that some cosmetic things like painting and modular furniture be done and after the Olympics, decide what to do with the building. This may involve building an annex or building a new city hall. Paul Sincock suggested moving the Police Department to the new Public Works facility; Chief Bell felt that the department operates better at City Hall.

Roger Harlan asked about the seismic history of the area. Chief Bell felt a large earthquake in Salt Lake will be substantially absorbed by the mountains. The building may not collapse but it is likely to develop substantial cracking along the unreinforced masonry walls and create hazards. He added that this building is a dangerous building and was never intended for the sorts of uses today. Paul Sincock felt that this site is excellent for City Hall and suggested that an annex be built on the north side, move people into it, and demolish and replicate the existing building in phases. Mr. Ross indicated that this would also be expensive, but discussed an annex in connection with a parking structure. Chuck Klingenstein stated that he appreciates the City living by its own rules with relation to Code compliance, and suggesting tearing down this historic building is contrary to what the City demands in the Historic District. Hugh Daniels stated that he would almost prefer building a new city hall and suggested that this issue and the reuse of the Marsac Building be topics at a community meeting. The City Manager discussed formulating a plan to bring the building up to minimal standards with time frames. He asked to what extent the Council Chambers should be remodeled. Discussion ensued regarding the court's use of the room and Chief Bell pointed out that most of the time, this large room is not fully utilized. The City Manager added that the Chambers could be reconfigured into conference space and a partition could create additional meeting rooms. Mr. Sincock asked if there was any liability for postponing decisions on the structural integrity of the building. Mr. Ross responded that Council will need to make a policy decision and the law provides that the City must have a plan to upgrade.

The Mayor suggested that the City build an annex and replicate the Marsac Building. Hugh Daniels supported cosmetic improvements to the Marsac Building and formulating a plan ten years out. Ms. Kerr stated that she wasn't convinced that City Hall needs to be in a prime real estate location and ultimately it may become cost effective to sell the building to a private developer willing to upgrade it, and build a facility somewhere else. She noted that she could not support an annex, tearing the Marsac Building down and replicating it, as it would be hypocritical. Mr. Harlan stated that he could not support a structural retrofit in the short term.

Recycling Center. The Public Works Director explained that the issue before Council is whether the City should finance and construct the recycling facility. The proposed space at the new Public Works facility is approximately 14,000 square feet so that additional services can be provided. Recycle Utah would lease the space from the City but the broader issue is the policy for non-profits who request the use of City facilities and the funding of those properties. In response to questions from the Mayor, Ms. Morrison, Director, explained that the center is used by County residents but that the County provides a grant. She added that Recycle Utah would be requesting a rent waiver. The Mayor asked what additional services would be extended as he is concerned about giving up valuable Public Works space. Mary Morrison explained that because of space restraints that they are unable to accept materials such as magazines and plastic, and are in need of machinery that needs to be covered. A bailer and glass crusher would allow more materials to be collected and stored until the market is optimum. She explained that there are drop-off sites at Walmart and Coalville, but that they cannot really help other communities recycle without this facility. The Mayor asked if they would be better off at a more central location. Ms. Morrison emphasized the importance of having a building and that recycling will improve tremendously with a processing facility. Mr. Gibbs noted that the new recycling area will displace the impound lot which will be moved and better shielded from the public but probably will result in a smaller lot. Roger Harlan pointed out that a state-of-the-art recycling center with equipment makes every trip by the hauler far more productive for the community. Mary Morrison explained that they are the largest non-profit recycling organization in the state and discussed the private curbside providers who drop off materials at the center. Ms. Morrison commented that with the new facility, that they would be subcontracting with these individuals to better regulate their business interests.

Ms. Kerr pointed out that the County has the responsibility of the landfill and recycling is relieving it of some burden. She stated that she is in support of expanding Recycle Utah's ability to provide services, but felt that the County should provide half of the financial assistance. It is a greater benefit to the County than the City because it is the County that has a legal responsibility to take care of trash. Recycling lumber was discussed. Mr. Sincock stressed that he hoped that support of the expansion of the recycling center was not contingent on County funding, because it may take a long time for a decision. Hugh Daniels stated that he supports the efforts of this organization but expressed he concerns with regard to a policy decision and didn't want the City to be the bank for non-profits. He pointed out that Recycle Utah may outgrow this space and asked if it would be reusable for the City's needs. He would like to look at other options like Recycle Utah obtaining financing. Roger Harlan noted that because the Council may fund one organization, it doesn't have to support them all and Recycle Utah has an outstanding track record. He stated that he favors supporting the request as presented. Chuck Klingenstein expressed that he is nervous about precedent setting and felt that this is opening the door for others. Mr. Kerr explained that when the grants committee was reviewing different types of organizations receiving funding, it categorized Recycle Utah as providing a quasi-governmental service. She could distinguish allocating grants and extending the City's credit for a service organization as opposed to the arts or the youth organizations. Mr. Sincock discussed the additional cash flow with the processing capability, and the educational component which is accomplished through grant funds; he felt that the lease should be separated from the grant issue. The City Manager asked that Council give general direction so that staff could draft a policy for supporting the recycling effort and distinguish it from other requests. He noted that this does not need to happen today, but Recycle Utah needs to know within a reasonable time so that they can design the space. Ms. Morrison was encouraged to approach the County Commission for funding and Council will again consider this request in the near future.

3. Review of regular meeting:

McIntosh Mill employee housing agreement. The City Manager explained that this is authorization for a land sale on Park Avenue which would accommodate an employee housing project. He added that the property must be used for employee housing. The provision of the property is the City's subsidy and there won't be the other traditional subsidies as all fees will be paid. The write-down of the property will keep costs down for buyers and the agreement prohibits developer profit. The City anticipates purchasing a unit. The project has received a conditional use permit from the Planning Commission and construction would begin soon if the agreement is approved. Roger Harlan expressed his concern that the price of the units, based on construction costs, is unknown. The City Manager indicated that the rents will be relatively high, not to market but high when compared to other affordable housing projects, because McIntosh will not benefit from tax credits or other subsidies. The units will be designed to be occupied by employees and is at a good location for employees. Ms. Kerr expressed her reservations about monitoring construction costs. The City Manager explained that rents will be established at 3/4 of the construction cost as opposed to 100% which was provided for in the original agreement. As a result there is a 25% rent reduction over what the original agreement would have allowed. Ms. Kerr expressed her concern that construction costs could be artificially inflated and who on the staff would monitor this project. The City Manager stated that he will be involved to some extent because of his familiarity with the contract and the City will have the ability to audit McIntosh's accounting and change orders. It was pointed out that the units may not be "affordable" at this point, but will be in the future with the rising cost of living. Mr. Harlan felt that costs can be estimated with a contingency. Mr. Ross stated that that number can be provided in a couple weeks and thought it would be $135,000 to $145,000 per unit. Mr. Harlan stated that he would not be inclined to support this without that information. It was pointed out that the City would not transfer the land unless the construction costs were reasonable. See regular minutes.

Town Run appeal. Planner Kirsten Whetstone distributed a matrix describing what options would relate to a "no bridge" decision and a "bridge" decision. There are eight alternatives including the (1) Planning Commission approval; (2) applicant's request on appeal; (3) narrow bridge; (4) Park Avenue closure; (5) mid-station enhancements; (6) west side lift station; (7) enhanced pedestrian plan; and (8) denial of Planning Commission approval/status quo. She described the features of each proposal which is attached.

The City Manager explained that the purpose of the work session is to discuss the decision making process, not the merits of any of the alternatives, described on the matrix. If Council decided to support a bridge or road closures, Alternatives 1 through 4 would apply. If that is not acceptable, Alternatives 5 through 8 would relate. He pointed out that Alternatives 5 and 6 would involve the Ski Area more than the applicant because of the kind of skier improvements required. He added that encroachment of the right-of-way is an issue that should be addressed as is maintenance of facility development which could include the bridge and landscaping. It would also be helpful to hear Council comments about the commercial development on the west side. It is staff's contention that the Planning Commission approval didn't endorse that and it would take an amendment by the Planning Commission to clarify commercial uses. There was discussion about limiting the commercial to certain less intense uses. The Mayor opened up the discussion.

Jim Steinmetz, Old Town resident, strongly felt that residents should not have to participate in the special improvement district. For the benefit of Mary Wintzer, Toby Ross described the subtle differences between Alternatives 7 and 8. Jack Mahoney, developer, felt that a decision to bridge or not to bridge is important and then the process begins again. Pat Sweeney emphasized that this project has been under review for six years, and he is not interested in going back to square one as that has happened about three times. Paul Sincock stated that he felt that Mr. Sweeney wouldn't have to go back to the Planning Commission and that Council could render decisions with enough detail. David Belz added that there is another issue of who will benefit from the bridge and the open space. There seems to be a large constituency who believes that the only beneficiaries are those in the Summit Watch area and he didn't buy that logic. He felt that the park will be used by the community as a whole and the City should participate in its maintenance. Marianne Cone noted that although Mr. Belz indicates that people adjacent to the bridge will like it, there are people living as far as in the County who don't want it. Mary Wintzer stated that there are people who live there who aren't interested in using the park and are concerned about financing its maintenance.

At this point, the work session adjourned and Council convened in the regular session. See regular meeting minutes.

Prepared by Janet M. Scott

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
MAY 9, 1996

I ROLL CALL

Mayor Brad Olch called the regular meeting of the City Council to order at approximately 6 p.m. at the Marsac Municipal Building on Thursday, May 9, 1996. Members in attendance were Brad Olch, Hugh Daniels, Roger Harlan, Shauna Kerr, Chuck Klingenstein, and Paul Sincock. Staff present were Toby Ross, City Manager; Kirsten Whetstone, Planner; and Jodi Hoffman, City Attorney.

II PUBLIC INPUT

The Mayor invited the public to comment on any matter of City business. Hearing none, the public input session was closed.

III COMMUNICATIONS FROM COUNCIL AND STAFF

None.

IV WORK SESSION NOTES OF MEETING OF APRIL 25, 1996

The Mayor requested a motion to approve. Paul Sincock, "I so move". Shauna Kerr seconded. Motion carried unanimously.

V NEW BUSINESS - RDA MEETING

McIntosh Mill employee housing agreement - See work session notes and Redevelopment Agency minutes of the meeting of May 9, 1996.

VI OLD BUSINESS

Appeal of Planning Commission approval of February 28, 1996 of the Sweeney Town Run Large Scale MPD - After reviewing the matrix and Town Run Appeal alternatives in work session, Eleanor Griffin, appellant, felt that all of the alternatives should be discussed comprehensively and then Council would be prepared to decide on a bridge. Paul Sincock felt that reviewing the alternatives in detail is what has been accomplished over the past several weeks. He continued that ultimately they break down into two categories of a bridge or no bridge.

Planner Kirsten Whetstone explained Alternative 1 which is designated as the Planning Commission approval. This provides for a 40 foot skier bridge; no bridge supports in the City's right-of-way; Woodside Avenue closure, new 7th Street between Park and Woodside; 35 foot height limitation in the HRC and 27 feet in the HR-1; commercial uses in the HRC as per proposed revisions to the HRC zone, no ski rental shops, and up to 10.75 unit equivalents of density. Alternative 2 is the applicant's request on appeal. It allows a 40 foot skier bridge, supports in the City's right-of-way; Woodside Avenue closure; new 7th Street between Park and Woodside; 35 foot height limitation in the HRC and 27 foot in the HR-1; commercial uses in the HRC as the Land Management Code reads today, excluding restaurants and bars; and up to 10.75 unit equivalents of density.

She continued that Alternative 3 is a bridge narrower than 40 feet. It is uncertain if it is a skier or pedestrian bridge as is the location of the supports. The new 7th Street is dependent on the closure of Woodside Avenue. The heights are approved per the MPD; commercial uses would be based on the LMC or proposed revisions, and there would be up to 10.75 unit equivalents of density. Alternative 4 is the Park Avenue closure. There would be no bridge over Park and perhaps no bridge over Woodside. There would be a new configuration of streets; heights as approved or per the MPD; commercial uses per the LMC or proposed revisions with density to be recalculated.

Alternative 5 is described as the mid-station enhancements. There would be no bridge over Park or Woodside and no road closures. There would be additional ski area infrastructure and activity at the mid-station site. The heights would be per Planning Commission approval or MPD; commercial uses per the LMC or proposed revisions to the HRC; and density to be recalculated. Alternative 6 is the west side lift station resulting in no bridge over Park Avenue and maybe no bridge over Woodside. Additional skier infrastructure would be required and there would be additional activity on the west side of Park Avenue. The heights would be per Planning Commission approval or the MPD; commercial uses per the LMC or proposed revisions to the HRC; and the density would be recalculated.

Ms. Whetstone added that Alternative 7 is the enhanced pedestrian plan where there would be no bridge, road closures, or additional ski area infrastructure or activity on the west side of Park Avenue; the heights per Planning Commission approval or the MPD; commercial uses per the LMC or proposed revisions to the HRC; density as approved in the MPD or recalculated; and additional crosswalks, sidewalks, stop signs, and other pedestrian amenities in the vicinity of the Town Lift. Alternative 8 is the denial of the Planning Commission approval or status quo, which would bring the project back to the master plan prior to the February decision. There would be no bridges over Park or Woodside, road closures, no new 7th Street, sidewalk on 8th Street; heights as previously approved; uses as described in the Sweeney Large Scale MPD, i.e., residential (condos, hotel rooms, studio apartments, etc.) on the west side of Park; and density of up to 16 unit equivalents.

The Mayor invited Council comment on the bridge issue. Hugh Daniels stated that he has always supported the concept of a logical end or extension of the ski run. While we are a community that is and will continue to have a tourism based economy, we also have a history that contributes to that economy and he didn't find these two items mutually exclusive. Change is difficult but also inevitable. Mr. Daniels added that the Council is making a decision on a concept that may or may not come to fruition based on the restrictions that the Planning Commission has levied and those that the Council may choose to place on the project. He believed that the Planning Commission did excellent work on their recommendations and the only error was not looking at the total MPD as one unit, but at this point it doesn't seem reasonable or expedient to remand it back to the Planning Commission on that one item. Further, he supports the clustering of the density in Creole Gulch as opposed to spreading it out on Treasure Mountain. Mr. Daniels did not view the extension of the ski run and bridge as the end of Park City or the end of the Historic District and added that there was the China Bridge and there was the Crescent Tram which had a number of trestles and bridges that came right down into town. While the net decrease in density is not large, it is a step in the right direction and he preferred a view corridor up Treasure Mountain versus large buildings on those corners. Although this may not be the best open space, it is in fact open and useable and positive for the neighborhood, and residents have the choice to use it. Mr. Daniels stated that he has confidence that the staff, Planning Commission and HDC who must continue to act on this project will do a good job on the small scale MPD and it may be that the applicant will not obtain demolition permits, but those are not the decisions before this body at this time. With the height of the existing buildings and those planned, this space is meaningful and Mr. Daniels indicated that the input he has received has been more pro than con and a large portion of comments has come from Old Town. He supported the concept of the extension of the ski run and a bridge across Park Avenue and he believes that the Planning Commission acted correctly.

Mr. Harlan recalled attending City Council meetings in 1991 where the bridge was denied. He emphasized that almost everyone in town is impacted by the activity of skiing and there are a number of beautiful valleys in the vicinity, but none of us live in those respective towns, probably for a lot of reasons. He submitted that the reason he does not live in Peoa or Heber is because he enjoys skiing. Mr. Harlan stated that he majored in history and has a great respect for history and the organization he works for has a facility near St. Elmo, Colorado which is a charming ghost town, but no one lives there. He continued that we have the challenge of maintaining the history of Old Town and yet maintaining a viable ski industry. A ski run that comes into town, while it is significantly reconfigured from what it was several years ago, is still an acceptable way of dealing with enhancing the ski visitor's experience, who allows him to ski. Mr. Harlan commented that gambling is the number one attraction for the American vacation dollar, cruise ships are number two and the ski industry is fighting. Without a bridge to accommodate the Summit Watch bed base, Mr. Harlan felt that we are adding to the traffic on the road. While this is not a perfect project, it is one that enhances the major ethos of what we are about in this town and he stated that he is in favor of the bridge.

Shauna Kerr stated that she has never been persuaded that this discussion was about skiing, rather it is about marketing hotel rooms. She pointed out that skiers can currently walk down to the project a distance that is shorter than the Resort Center parking lot and there has not been a problem walking across the street. She felt that there has been an artificial need created here and if the City were building a park, it would not be in this location. She doesn't perceive that this is some place that we would choose to maintain a bridge or that it is in our best interest to cover one of our major streets with a bridge and close another one of our streets. Mr. Kerr saw no reason to entertain the thought of a bridge abutment within our right-of-way when the street is already narrow. She does not support a bridge as the historic integrity of the City is compromised and does not feel that it adds anything to the skiing experience. It is not a ski run but a proposal to transport people across the street. Mr. Kerr added that it is a marketing ploy to sell rooms in a part of town where rooms are being created and it is a private benefit. She felt that people believed that the ski run would be less intrusive than the buildings, but in this part of town, she is less afraid of the buildings than a ski run coming across the streets.

Chuck Klingenstein thanked everyone involved for their hard work, including the appellants. He agreed with Ms. Kerr to a certain extent but believed that this adds to Park City's marketing edge and competitiveness in the ski environment. However, he doesn't see the area as a park or viable open space. He felt that the bridge will allow skiers to cross in a safer manner and is willing to support the bridge and a street closure under very tight circumstances. As a former Planning Commissioner, he probably would have supported its approval except for the 40 foot bridge and is still not convinced that it needs to be that wide.

Paul Sincock also thanked the staff, appellants and applicant and although his options created a lot of work, it helped to examine alternatives. He pointed out that there was not an intense dialog between parties, because of the quasi-judicial nature of the review, which resulted in a clear understanding of positional bargaining, but this is part of the governmental process and he is not blaming anyone. He stated that a public decision was made ten years ago to install a ski lift in Old Town and at the same time there was an approval for the bed base which no one thought would be built on lower Main Street. Whether or not there is a bridge, the impacts are going to be substantial including traffic and parking. There is no skier parking with this project, and coupled with paid parking at the Park City Ski Area and Deer Valley Resort, will result in people trying to park in downtown and adjacent streets at the ski resorts, whether there is a bridge or not. In placing a ski run downtown there is an implied obligation to be able to bring skiers back to the base of the lift and the idea of open space, parks, plazas and somehow bringing the ski run down to the lift was implicit in the approval of the ski lift. With regard to the mid-station concept, Mr. Sincock believed that most people would not download and would ski down as they do now. Also there would be less open space and more development, which in the long run may create more impacts than a bridge. In consideration of this, he concluded that some type of a bridge option is appropriate.

The Mayor invited Council comments about the size of the bridge. Hugh Daniels stated that 40 feet is too wide and there doesn't seem to be an industry standard. He concurred that this is not really a ski run but a transportation area to get people downtown and suggested that it be a 25 foot ski-way, perhaps a 30 foot wide bridge, the bridge be aligned so that it is parallel to the ski lift and as low-profile as possible. He discussed the narrowing of ski runs in the area and felt the bridge should be narrower. Roger Harlan agreed with Mr. Daniels and would like to see more aesthetic options. Shauna Kerr stated that she felt that the bridge width needs to be reduced and was never persuaded that it needed to be 40 feet as the surface is almost flat at that point. She stated that 20 feet works for her. Chuck Klingenstein stated that this is clearly a bridge and not a ski run and 25 feet for skiable area is appropriate. He would like the profile of the bridge as small as possible.

Paul Sincock referred to the proposal of a bridge over Woodside and closing Park Avenue, and although the appellants have strongly indicated that they do not want to consider this, he believed that it is the best alternative. This would not be the same as the 1991 application which was to close both Woodside and Park Avenue simultaneously in the winter. Putting a bridge over Woodside would change the traffic patterns in lower Park Avenue area. It offers a greater contiguous open space park and provides Mr. Sweeney a larger footprint to develop a historical village and twice as much parking. There would be a better traffic flow and a lower site line for the ski run. He pointed out that a portion of Park Avenue is one way in the winter any way and this would only force people to turn left two blocks north of Heber Avenue. There would be more pedestrian areas contiguous with the open space. However, he felt that there was no support by the applicant or the Ski Area for this plan. With regard to the width of the bridge, Mr. Sincock agreed that 40 feet is too wide as it is not a ski run. The mass, scale, size and public safety issues are important. He summarized that he would support a ski bridge over Park Avenue no wider than 30 feet maximum; that the bridge be a clear span across the street with no abutments in the right-of-way. He felt that the bridge should be parallel to the lift, as much as practical, which would reduce shadowing over 8th and Park Avenue and reduce the overall length of the span. The design of the bridge should use some form of trestle or suspension design to minimize the mass, reduce the depth of the base girders so as to create a visual icon that is interesting and can be identified with an element of the lower Old Town area. Chuck Klingenstein agreed that he would also like to see the bridge realigned to open up the intersection. The Mayor added that even his eleven year old son commented that 40 feet would be too narrow a bridge for visitor skiers.

Planner Whetstone stated that now Council is addressing Alternative 3 and all Council members indicated that it is inappropriate to allow encroachments in the City's right-of-way. Hugh Daniels stated that the Ski Area handling maintenance in the winter has merit; he felt it inappropriate for the City to handle any maintenance of the bridge itself. He would consider some City involvement in the open space in the summertime if this proves to be a useable park area, however if it is not, he is not as interested. Roger Harlan stated that he could not support a SID as it benefits the resort industry. He added that he cannot visualize a park with a slope, but could consider the City's partial involvement in maintenance of a summer park. There would have to be a two year demonstration that the park is as benefit to the community before the City takes on any maintenance. Hugh Daniels also stated that he could not support a SID beyond the commercial development. The Mayor believed that there should be an SID for the commercial users. He felt that the City may be in the best position to provide maintenance with funds produced from the SID. Shauna Kerr stressed that this is a totally private benefit not a public project, capable of even having a legal SID. She didn't believe that the City should be involved in maintenance and is particularly concerned about the plaza area. The area below Park Avenue between the buildings was clearly identified as the required open space as part of the approved project, and to try to shift maintenance responsibility there is erroneous. She continued that if there is a public benefit with the sloping summer park area, that maybe a future Council could look at that, but right now it is a private benefit and should be funded privately for operation and maintenance. Chuck Klingenstein agreed that there shouldn't be SID, and agreed with Mr. Harlan's recommendation regarding maintenance. Paul Sincock commented that the City's granting of an easement across the street and giving up air space is in return the open space and the ability of bringing skiers down. He could not support a public SID and suggested that the property owners who directly benefit from the amenities form a private assessment district. He is concerned about long-term maintenance, and added that all liabilities relating to the bridge should be borne by the developer or the private district and the City should be held harmless for any liability. There should be a performance bond for completion to assure the timely completion of the bridge and a landscaping plan for the public open space park. The applicant should agree to plant, groom and maintain such area in perpetuity. The City does not make it a policy of maintaining parks on private property. Mr. Sincock added that if the developer requested a grant in the future, after the park is determined a public benefit, he would support that. He stressed that there needs to be a plan for the City accessing all sewer and utility lines under Woodside.

Kirsten Whetstone explained that the Planning Commission allowed HRC uses on the west side per the revised HRC zone and Council concurred to uphold those findings. Jodi Hoffman raised an issue in Mr. Sweeney's appeal with regard to the characterization of his prior MPD based on commercial uses on the west side. In the existing amendment the commercial uses are limited and the Council has just indicated its support. She clarified that staff and the Planning Commission have identified the prior MPD as residential only on the west side, however the Planning Commission has indicated that limited commercial is appropriate on the west side. Staff has taken the position that in order to change his existing MPD to limited commercial as it would appear in the amendment, the 1987 MPD would have to be amended to allow the limited commercial on the west side. Mr. Sweeney believes that he already has it. In the event, Mr. Sweeney does not accept the amendment to the MPD, Council may direct the Planning Commission to make this amendment to the prior MPD or make its own findings. Shauna Kerr asked if this would open up the MPD for review. Ms. Hoffman felt that this just ties up a loose end and this is a matter that has been appealed by Mr. Sweeney and one that Council could deliberate on.

The Mayor felt that staff needs some direction on the Woodside closure. Paul Sincock expressed that if there was a bridge over Park Avenue, he assumed Woodside would be closed. Chuck Klingenstein supported Mr. Sincock's recommendation with regard to access to utilities and Hugh Daniels agreed. Jodi Hoffman noted that the City Engineer has strongly recommended against a seasonal closure of Woodside Avenue.

Paul Sincock commented that allowing the closure of Woodside Avenue and the encroachment of a bridge over Park Avenue, that the Ski Area should commit to keeping the Town Lift open from December 1 to April 1. He suggested that there be snow-making according to the conditions outlined by the Planning Commission and that it cannot occur within 300 feet west of Park Avenue because of drifting snow on 8th and Park Avenue. The snow could be made up the mountain and pushed down across the bridge and the lower park by a machine.

Mary Wintzer, appellant, didn't realize that things would move so quickly tonight, otherwise they would have had all of the copies of their petition together. She currently has 100 signatures and found people to be happy that they have taken a stand. She felt that Council has weighed its decision and she holds no animosity toward anyone. Ms. Wintzer believed that everyone, except Ms. Kerr, missed the point that the citizens group was trying to make. She stated that she is relieved to know the direction the community is going. A community is shaped by its values and now when the world comes, it will know that the main value of our community is money. It is what we worship, what we aspire to and what we live for and we hold that love of money above all else. She continued that peace, serenity, quality of life, simplicity, understated beauty will not be our trademark and the beauty of the mountains will be overshadowed by the beauty and magnitude of our bridges. Ms. Wintzer explained that the citizen appellants decided what they wanted when they started and the most important thing was to know that they have done their best job as citizens. She believed that Mr. Sweeney has done his best job as the developer. Only time will tell if they are right.

Mr. Harlan discussed the stressful nature of the school impact fee meeting and by comparison has greatly appreciated this dialog as the applicant and appellants have expressed kindness and clarity of thought with a lack of sarcasm, which he finds painful in a public forum. He also appreciated Ms. Wintzer's closing remarks. Mr. Sincock agreed and recognized their efforts and discussed the seven steps that move public opinion to public judgment. He has appreciated the community's involvement and believes that the bridge is a symbol for the overwhelming amount of change that is occurring in the Park Avenue area.

In response to a question from Doug Clyde of the Ski Area, Mr. Ross stated that it is appropriate for the Ski Area to respond and it is hoped to have findings and conditions available to the Council by its meeting of May 23. Any information from the appellants, applicant or Ski Area that would hone more useful conditions would be beneficial. Doug Clyde emphasized that Council has made it feelings clear about the width of the bridge, and he is not here to argue, but to let Council understand that there is potential for repeat skiing if the lift is realigned. He explained that the Ski Area brought its best efforts forward in determining the width and views this project as one bringing a lot of benefit to Old Town and the surrounding property owners and substantively less to the Ski

Area. Their approach was to make sure that this would not be a perpetual burden to the Ski Area at the benefit of the surrounding properties.

Mr. Ross clarified for Mr. Klingenstein that comments would not be open to the general public, but to the appellants, applicants, and Ski Area. Jodi Hoffman further clarified that comments on the findings and conditions are not invited to argue Council's direction but to make certain that they reflect the decision the Council has made. At Ms. Kerr's request, these will be distributed to all parties as soon as possible.

VII ADJOURNMENT

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

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The meeting for which these minutes were prepared was noticed by posting 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, Deputy City Recorder

PARK CITY
1884

COUNCIL AGENDA REPORT

DATE: May 9th, 1996
DEPARTMENT: Administrative Services
AUTHOR: Tom Bakaly, Finance Manager
TITLE: Budget Review: Capital Improvement Program (CIP)
TYPE OF ITEM: Informational

SUMMARY RECOMMENDATION: No individual/separate action is required at this time. Action will occur in conjunction with the adoption of the budget (June 6th & June 20th).

DESCRIPTION:

A. Topic: Review of CIP Budget adjustments for FY 1996 & 1997

B. Background: The 1997 Plan that was adopted as part of the two-year budget last year included a conservative forecast of capital projects with the hope that revenues would exceed projections and the capital program could be enhanced. Excess CIP fund balance from prior years and FY 1997 revenues for capital projects are sufficient to fund the enhanced projects as outlined in Appendix A. The City's policy with regards to Capital Improvements is as follows (Pages 33 - 35 of the multi-year budget document):

A. The public Improvements plan (CIP) will include:
   1. Public Improvement which cost more than $10,000
   2. Capital purchases of new vehicles or equipment (other than replacement of existing vehicles or equipment) which cost more than $10,000
   3. Capital replacement of vehicles or equipment which individually cost more than $50,000
   4. Any project which is to be funded from building related impact fees
   5. Alteration, ordinary repair or maintenance necessary in order to preserve a public improvement (other than vehicles or equipment) which cost more than $20,000.

B. The purpose of the Capital Improvement Plan (CIP) is to systematically plan, schedule, and finance capital projects to ensure cost-effectiveness as well as conformance with established policies. The CIP will be a five year plan, reflecting a balance between capital replacement projects which repair, replace, or enhance existing facilities, equipment or infrastructure; and capital facility projects which significantly expand or add to the City's existing fixed assets.

C. Development Impact Fees are to be collected and used to offset direct impacts resulting from the development within the area of the development and some citywide impacts resulting from the corresponding growth and development. The City no longer maintains an accounting of impact fee areas as changed by City legislation. ~~The city will maintain an accounting of impact fee collections by general area (Deer Valley, Old Town, Park Meadows, Prospector and Resort) which areas may have some overlap. Projects funded from Impact fees will be identified to specific area(s) or as citywide. Money for citywide projects will be deducted from area balances in proportion to the average fees received in the three most current years. Allocation of funds to an area can not exceed the balance for that area by more that what can reasonable be expected to be collected during the next Fiscal Year.~~

C. Analysis: For purposes of this presentation we have grouped the proposed changes in the City's CIP budget into three major groupings. (See attachment A)

Policy Discussion: Projects and Issues - These are projects or issues which need a policy level discussion by City Council. These projects/issue include: 1) The Marsac Building; 2) The Recycling Center; 3) Education Center Landscaping; 4) Parking and 5) The Bus Barn project. Staff has dedicated budget review time to these projects, and agenda reports relating to each of these topics are included in the May 9, 1996 City Council agenda packet.

New Projects: Although these projects are "new", Council has had the opportunity to hear presentations upon the specifics of these projects in the past. Staff will be available to answer any questions that you might have on these projects.

CIP Project Clean-up: These are projects which are already underway whose budget should be adjusted to reflect increased revenues or expenditures relating to the project. Roughly $1 million of these changes reflect loans from the CIP fund that must be shown for accounting purposes (Aspen Villas Purchase and Affordable Housing Units - MBA). Another $1 million in appropriations in this section is due to additional revenues that must be recognized as part of the budget process (School Impact Fees, Affordable Housing in-lieu fees, and School Fields). As with the previous groups, staff will be available to answer any questions that you might have on these projects.

Policy Discussion: Projects and Issues

1) The Marsac Building: Scheduled for Discussion 5/9/96 (Report Attached)

2) The Recycling Center: Scheduled for Discussion 5/9/96 (Report Attached)

3) Education Center Landscaping: Scheduled for Discussion 5/9/96 (Report Attached)

4) Parking: Scheduled for Discussion 5/16/96 (Report in 5/16/96 Packet)

5) The Bus Barn project: Scheduled for Discussion 5/16/96 (Report in 5/16/96 Packet)

New Projects

Land Purchase Lower Park Ave.: This $700,000 appropriation is in the Lower Park Ave. RDA fund for the purchase of land. It is necessary to budget the entire project (even though a bond issue is planned) for accounting purposes. The (94,000) represents the reduction in existing Lower Park Ave. projects needed to cover the annual debt service cost for the land purchase bond issue.

Information System Enhancement/Upgrade: The $120,000 additional appropriation for this existing computer project partially memorializes earlier City Council action relating to the new finance software package. $70,000 of the additional appropriation transfers money from other funds as outlined in the December 14, 1995 report to City Council. An additional $50,000 has been recommended for hardware and enhancement costs relating to the new software package. Please note that the original project authorization was limited to one software vendor.

Bonanza/Deer Valley Drive Signalization: $105,000 adjustment to fund a traffic signal at Deer Valley Drive and Bonanza as approved by City Council.

City-wide Signage: $100,000 adjustment to develop and replace city-wide roadway,bus, auto, parking, and general signage for the City.

Computer Mapping: $67,000 adjustment to fund computer graphics mapping capability. The appropriation will be used to link topographical information so that the City will be able to general maps in-house for use by the Water Division and the Community Development Department. The project includes money to develop a master plan for computer-based geographical information management.

4th Street Boardwalk: $50,000 adjustment to fund repairs to the 4th Street boardwalk.

Enhancement Fund Projects: $44,064 represents funds received from donations and and the contribution from the County ($21,000). The project will reflect the City's $21,000 matching contribution with the adoption of the FY 1997 Budget.

Equipment Replacement - Snow and Streets: $38,500 adjustment to purchase snow blades and other equipment for snow removal and street sweeping.

Swede Alley Pocket Park: $24,000 adjustment to install a new pocket plaza to the south of the China Bridge Parking Structure. The project will also address the front stairway to the Marsac building by adding trees.

Fiber Optics - Marsac Building: $12,000 adjustment to install fiber optics cabling at the Marsac building as part of the City's technology enhancement program.

Cochise Court Drain: $10,000 adjustment for drain repairs at Cochise Court.

D. Department Review: The City's CIP Committee is made up from representatives from each department of the City. The projects are prioritized, for recommendation to the City Council, by this committee.

ALTERNATIVES:

A. Approve the Request - Either approve the CIP budget changes as recommended or as adjusted during City Council review over the next couple of weeks.

B. Deny the Requested Changes - City Council could deny (in total or in part) the recommended CIP changes. The impact of such denial would need to be elaborated upon during the individual departmental presentations.

C. Continue the Item - June 20 is the last date that adoption can occur in order for us to meet the filling dead lines with the County.

D. Do Nothing - Not an Option.

SIGNIFICANT IMPACTS: Establishes the Capital Projects program that the City will provide for the next year and authorizes expenditure of funds.

CONSEQUENCES OF NOT TAKING THE RECOMMENDED ACTION:

The specific impacts of not approving individual recommended changes will be discussed during department presentations.

RECOMMENDATION:

The City Council should review the projects as described above and tentatively approve the recommended changes to the FY 1996 and FY 1997 CIP budget (or revisions thereof) by June 6, 1996.

Park City Municipal CIP Budget for FY 1996 & 1997

	FY 1996 ADj Budget	FY 1997 ADj Budget
1) Policy Discussion: Project and Issues		
Marsac Building		
Marsac Building remodel	(50,000)	
Police Department Communications	50,000	
Recycling Center	200,000	
Education Center - Outside Sitting Area	36,000	
Parking		
In-Lieu-of Parking Fee Projs	58,025	
Parking - Main & Swede Alley	120,212	
Gateway Parking Membrane	50,000	
Refurbish Bus Barn	30,000	
Total Policy Discussion: Project and Issues	**494,237**	
2) New Projects		
Land Purchase - Lower Park Av RDA		700,000
Lower Park Av. RDA Projs	0	(94,000)
Information System Enhancement/Upgrades	120,000	
Bonanza/Deer Valley Drive Signalization	105,000	
City Wide Signage Program	100,000	
Computer Mapping	67,000	
4th Street Boardwalk	50,000	
Enhancement Fund Projects	44,064	
Equipment Replacement - Snow & Streets	38,500	
Swede Alley Pocket Park	24,000	
Fiber Optics - MARSAC Bld.	12,000	
Cochise Court Drain	10,000	
Total New Projects	**570,564**	**606,000**
3) Budget Clean-up		
Affordable Housing: FY96 Council Commitment	250,000	
Affordable Housing: Aspen Villas Loan	500,000	
Fees Collected In-Lieu for Affordable Housing	264,000	
Housing Authority Balance	1,300	
CDBG - North Horse	113,500	
Affordable Housing Units - Purchase (MBA)	480,756	
School Impact Fee Usage	691,977	
School Fields	60,500	
Park Meadows Rec. Facility	32,044	
Library Donations Expenditures	30,595	
Community Entryway	27,590	
Spiro Flow Measurment	26,566	
Deer Valley Water Improvements	25,735	
Park Meadows Sidewalks	21,871	
Parks Irrigation Central	4,103	
Equipment Replacement - Film Eq.	3,000	3,000
Water Master Plan Implementation	1,462	
Town Lift Project	1,140	
Spiro Water Filtratin Plant Filter	237	
Buses	0	79,000
China Bridge & Marsac Hill Landscape Project	(1,140)	
Lower Park Ave RDA Projects	(36,000)	
5 Year CIP Project Funding	(1,478,071)	1,646
Total Budget Clean-up	**1,021,165**	**83,646**
Grand Total New Capital Improvement Appropriations	**2,085,966**	**689,646**

ATTACHMENT A

PARK CITY
1884

CITY COUNCIL REPORT

DATE: May 9, 1996
DEPARTMENT: Community Development
AUTHOR: Richard E. Lewis, Community Development Director
TITLE: Community Development Department Staffing Strategy
TYPE OF ITEM: Legislative

SUMMARY RECOMMENDATIONS: Review the Community Development Department staffing strategy and authorize additional personnel as deemed appropriate.

DESCRIPTION:

A. Topic: Review of Community Development Department staffing strategy.

B. Background: Over the past two years the workload for the Community Development Department has increased significantly due to the complexity of projects, the higher activity level, and the General Plan update process. Each Planner is carrying a full complement of projects while coping with ever increasing demands for information and individual service. The Building Inspection Department is already experiencing a work load demand similar to last year which was an all time record construction season. Several new subdivisions and major MPD's are beginning construction which will demand ongoing engineering review and inspections.

The Planning Department was being assisted by a contract planner until February of this year which helped relieve some of the workload. That contract employee left the City for another position.

We are anticipating several major projects to be filed within the next few months (including annexations) which will require a high level of professional planning experience to review. We have had some preliminary indications that the applicants of these major projects may be willing to bear some of the cost of a contract employee in order that their project can be processed in a timely manner.

C. <u>Analysis</u>: In order to continue providing the same level of service that we have in the past to applicants and the public, I have prepared the following staffing strategy which I believe will increase the efficiency of the department and enable us to meet the work load demand:

1. <u>Full-time Planner.</u> The existing and anticipated work load justifies another experienced full-time professional Planner. This planning position would relieve some of the work load from our more experienced planning staff, allowing them to concentrate on the more complex projects. If this additional employee can be hired soon, several of Nora Seltenrich's projects will be assigned to other planners so she can concentrate on the update of the General Plan and the Flagstaff Annexation.

2. <u>Contract Planner.</u> Some of the short-term work load (one year) can be relieved by hiring a contract professional planner in addition to the full time planner. This person could be assigned to review the anticipated annexations and provide the staff with the necessary analysis, reports, and recommendations. It may be possible to locate an independent planning professional or we could hire a consulting firm for this function. Some of the cost for this position may be offset with fees from the annexations, plan review fees and direct cost billing.

3. <u>Reclassification of Planner III.</u> Efficiency of the Planning Department would be increased by reclassifying one of our Planner III positions to a Senior Planner. The Senior Planner would assist in the supervision of the planning staff, coordinate and monitor report preparation, assist with inter-departmental project reviews, and would coordinate and serve as project manager on complex projects.

4. <u>Additional funding for the Special Projects Planner</u>. A short-term strategy for the next six months is to increase the hours of the part-time Special Projects Planner (Nora Seltenrich) as her schedule allows. This additional funding would help support the update of the General Plan.

5. <u>Building Inspector.</u> Another building inspector should be hired in order to maintain a reasonable level of service for inspections and miscellaneous code enforcement. This position could be a contract employee.

6. Expanded Intern Program. The use of planning interns to relieve some of the routine work load from the planning staff will allow more time for the planners to concentrate on projects requiring experienced professionals.

7. Planning Services Funding for General Plan. Additional consulting services will be needed to supplement the staff effort to complete Phase II of the General Plan.

SUMMARY OF STAFFING STRATEGY

Current Planning Staff:
- One (1) Planning @ Zoning Administrator
- Three (3) Planners
- One (1) Landscape Architect/Graphics Tech.
- One (1) half-time Planner
- Two (2) part-time Interns
- One (1) Secretary

Current Building Inspection Staff:
- One (1) Building Official
- One (1) Plan Check Coordinator
- One (1) Building Inspector Supervisor
- Five (5) Building Inspectors
- One (1) Community Services Officer
- Two (2) Secretaries
- One (1) Part-time secretary

Requested additional staff and planning services:

One (1) full time Planner & staff upgrade	$61,000
One (1) Building Inspector (contract)	$36,000
One (1) Contract Planner	$Fees
Additional funding for Intern Program	$20,000
Planning Services for General Plan	$68,000 *

* (Includes planning and engineering consulting services and additional funding for Special Projects Planner)

Department Review: The Community Development Department and Administrative Services Department have reviewed this suggested strategy.

ALTERNATIVES:

1. Add no additional staff or funding to the budget.
2. Approve the requests of the Community Development Department as recommended by the City Manager.
3. Approve a portion or modify alternative No. 2.
4. Suggest alternative approaches to meet the workload demand.

RECOMMENDATION: The City Council should review the Community Development Department's staffing and operational requests and authorize the hiring of additional staff, supplement the budgets for contract services, overtime as included in the recommended budget.

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REQUESTED BUDGET ADJUSTMENTS - 1996

Dept.		Amount	Description
CD Admin		$ 19,271	Additional funding for Secretary. Contract Secretary moved to full-time.
Planning		17,006	Additional secretarial services while Planning Secretary is on sick leave
Planning		21,937	Funding for Intern Program that was previously part of Administrative Services
Planning		10,000	Additional funds for Planning Contract Services for General Plan
Planning		11,300	Transfer of unspent HDC salaries to Planning for grant purposes
Building		44,293	Building Inspection overtime and Plan Check Contract Services
CD		282	Miscellaneous budget line item adjustments
	Total	$124,094	

REQUESTED BUDGET ADJUSTMENTS - 1997

Dept.		Amount	Description
CD Admin		$ 18,625	Additional funding for full-time Secretary (previously part-time position)
Engineering		10,000	Contract Services for Transportation Planning Element of General Plan
Planning		8,452	Overtime and Secretarial services
Planning		38,000	General Plan Planning Consultant Services
Planning		60,970	Additional funding for full time Planning position including benefits
Planning		20,159	Planning Intern Program
Planning		10,000	Additional funding for more hours from part-time Planner (Special Projects Planner)
Building		12,000	Software upgrade for Permits Tracking System - Windows
Building		38,145	Funding for consulting services for plan reviews.
Building		36,000	Contract Inspector/Code Enforcement
CD		282	Miscellaneous Budget Line Item Adjustment
	Total	$252,633	

PARK CITY
1884

DATE: 5-2-96
DEPARTMENT: Executive
AUTHOR: Frank Bell, Jerry Gibbs, Toby Ross
TITLE: Marsac Remodeling
TYPE OF ITEM: Budget Review

SUMMARY RECOMMENDATIONS: Preserve the Marsac Building as City Hall, make minor improvements and for the next 7 years or so, and explore alternatives to move small or independent city functions to other facilities.

DESCRIPTION:
Staff recommends that, given the constraints of money and the approaching Olympics, we preserve the building as City Hall, make minor improvements and for the next 7 years or so, and explore alternatives to move small or independent city functions to other facilities. Once the Olympics are finished, the recommendation is to look at long term strategies for remodeling and retrofitting, including the possibility of building an annex.

A. Topic: Capital Improvement Plan (CIP)-Marsac Building Options and Considerations for Remodeling

B. Background:

For the past year, we have been looking at options to make better use of existing space in the Marsac Building and improve customer service through realignment of city departments. The plan involved moving the Police Department to the lower floor, and moving CDD to the main level. Such a move required the relocation of many several original walls, and was, for permitting purposes, a "major remodel". The current CIP includes about $300,000 for the remodeling.

In the opinion of the Building Official, and in accordance with standards often used by the City to bring historic buildings in the private sector to improved building code standards, a major remodeling triggers requirements in the Uniform Building Code (UBC) or lesser standards in the Uniform Code for Building Conservation (UCBC) or Dangerous Building Code (DBC) to bring the building up to improved earthquake standards. In a cascading set of code compliance conditions, it appears that once construction occurs to meet earthquake standards, we must also meet ADA standards that are included in the UBC.

Given that assessment, we requested a structural analysis. We consulted with two design firms: Richardson Design (Reaveley Engineers), our present consultant on the project, and Karren & Associates as a second opinion to define the building deficiencies, ascertain what construction strategies might work to bring the building into compliance, and the approximate costs.

For background, the building structure is steel frame, with unreinforced masonry walls in generally good condition. It was built in 1936 and was not designed to withstand the maximum lateral forces that could be exerted by the sort of major earthquake that could be anticipated in our seismic region. Given a quake of sufficient magnitude (6.5 or greater), the steel frame would likely remain in place while the floors and exterior walls would collapse. The exterior walls would likely suffer serious cracking or crumbling in a quake of lesser magnitude (5.0 to 6.5) with risk to people outside the building from falling bricks. For small earthquakes (less than 5.0) the structure of the building may be adequate. From structural engineering standpoint, the building has a seismic performance rating of "very poor". The building's structural integrity would depend on the magnitude of the earthquake and the distance to the epicenter of an earthquake. Even though Park City and Salt Lake City are in the same seismic zone (3), the risk of damage from earthquakes is generally considered to be lower in Park City than in the Wasatch Front because of the stability of the local geology and the distance from the most active faults.

C. <u>Analysis</u>:

The cost of meeting seismic standards varies with the code applied. The DBC can be used to improve an older building to reduce life safety risk without fully complying with current codes. This approach results in structural values of 50 percent to 66 percent of current UBC requirements. If this building were classified as an "essential facility" as defined by the UBC, the standards are 50% higher than current UBC requirements. Police stations are usually considered essential facilities. No buildings in Park City were designed to meet the essential facilities standards although the new jail complex will be.

The two structural engineering reports differ in scope, approach and related costs. The first approach for addressing seismic structure, proposed by Richardson Design, involves building a reinforced wall around the inside of the exterior walls, tying the new wall to the old, and tying both to a redesigned roof diaphragm. This plan also involves upgrading heating, electrical, and plumbing in the new walls. This plan could be used to meet UBC standards or higher.

The Richardson plan is very complex, disruptive, and expensive. Though it could be phased working from the ground floor up, it would be impossible to for our employees to work on the floor being retrofitted, and significantly unpleasant but manageable on the other floors. Under the Richardson plan, there would be little change to the exterior of the building except for modifications in the area of the ramp wells where steel reinforcing would be added from ground level to roof. These supports would be bricked over so as not to detract from the historic character of the building.

The second approach, proposed in the Karren Report, addresses only the retrofitting necessary to bring the exterior walls up to minimal DBC compliance based on their understanding of the building from past work. In a major earthquake the building wouldn't collapse but it could sustain so much damage that it would be unusable. The Karren Report did not address ADA compliance, and presumed the existing roof diaphragm to be of sufficient strength to tie into new reinforced exterior walls. The Karren plan focuses on building a reinforced wall and column system around the exterior of the building, tying it to the existing wall and the existing roof structure. While less complex, disruptive, and substantially less expensive, their plan alters the exterior of the building, primarily by strengthen the corners of the building. Six window panels would be covered. If the structural improvements were covered with matching brick, the changes would not significantly alter the exterior appearance.

Advantages and Disadvantages of each approach

1. Richardson Plan Advantages - comprehensive assessment of problems and solutions, minimizes exterior impacts, long term approach, construction and expenses can be phased.

2. Richardson Plan Disadvantages - expensive, may overstate the case for compliance, highly disruptive, costs of relocation not included, lengthy phasing and construction process - at least three years unless uses were moved out.

3. Karren Report Advantages - comparatively inexpensive, minimal internal disruption, could be done at anytime before, during, or after interior remodel, relative ease and speed of construction.

4. Karren Report Disadvantages - may not provide desired levels of seismic protection, may understate case for compliance, does not address ADA, may be subject to change upon further analysis, alters exterior of building, cannot be phased, may require relocation of some emergency service functions.

What does all this mean?

In short, we need to rethink our remodeling desires and options on a somewhat larger scale, particularly if we continue along the path of a major remodel. Our construction and financial priorities will have to change. The minimalist approach of Karren & Associates estimates retrofitting costs at $186,000, which may be substantially underestimated given the question of roof compatibility and the exclusion of ADA requirements. Conversely, the much more comprehensive Richardson plan is very expensive in its long term approach to solving the multitude of problems associated with the building. They estimate costs between at $1,671,000 and compliance at $1,750,000 depending on the level of code compliance. Of these costs, a significant portion of the costs is for ADA compliance and upgrades of building systems.
services (police, communications, public gatherings for emergency relief etc.) which could be compromised in the event of an earthquake and associated building damage.

With the police station in the building, the engineers are inclined to hold us to the higher UBC (1994) standards where the costs or retrofitting are higher (though not substantially) than those associated with the lesser UCBC standards.

D. Department Review:

The Public Works Director, Police Chief, City Engineer, Chief Building Official and City Manage have reviewed the issues and concur with the recommendation.

ALTERNATIVES:

Given this new information, we must now consider what our vision of the Marsac Building is for the long term. We have a variety of options which seem to fall into two categories. The first category of options considers ways to preserve the building and use as it as City Hall or a city facility . The second category considers options associated with not preserving the building.

Each option must also be viewed from a short, medium, and long term perspective. Whatever we do, we must also consider that we probably do not want to be in the midst of a high impact construction project from about the year 2000, through the 2002 Olympics.

1. PRESERVE THE BUILDING AS CITY HALL WITH MINOR REMODELING SHORT TERM (now until 2003)

The building could be made more useable without serious alteration to our capital improvement budget for the building, and without triggering a major remodel. A plan for ADA and seismic compliance would be required. This approach could serve the City until a longer term solution of reconstruction or relocation could be designed and implemented. Such things as window replacement, new carpet and paint, redesign of council chambers, modular furniture, new offices in basement, and relocation of some Marsac services (courts or police), either temporarily or permanently, could take us through the Olympics. Adjustments in the use of the space would be required to avoid increasingly cramped working conditions in some departments as staff is added. After the Olympics, we could proceed with seismic retrofitting, complete reconstruction, or relocation.

2. PRESERVE THE BUILDING AS CITY HALL WITH SEISMIC UPGRADING PRIOR TO 2000

We can proceed with seismic retrofitting now, prior to the Olympics. However, we must start soon. If the Richardson plan is chosen, we will have to find space to relocate an entire floor for an extended period of time. The new public works facility might be an option. This option also requires additional money funds in the CIP since the existing budget didn't anticipate the costs of seismic upgrades or finished space in the Public works building. In conjunction, we could continue with the plan to move the Police to the basement and CDD to the main floor. Depending on the scope of the project, this approach could cost between $500,000 and $2 million.

3. BUILD AN ANNEX ON OUR EXISTING SITE

The property is large enough to accommodate an annex. This could be both a short term or long term solution to retrofitting and space needs. An annex could accommodate our existing space needs, as well as services relocated during corresponding retrofit of Marsac, and provide space long into the future. The existing building is about 24,000 square feet and was never intended for office use. An annex of 6,000 - 8,000 sq feet of modern space could be constructed adjacent to, or in close proximity to the existing structure (i.e. the top of China Bridge, the north side parking lot, something in conjunction with a future parking structure in Swede Alley). This approach would cost $1-2 million and would require several years to complete. Some work to assure the continued useability of the Marsac Building would still be required.

4. ABANDON THE BUILDING

We could move out and rent or build space somewhere else. We could sell the building to the private sector. We could convert the building to some other community use. We could demolish the building making way for other uses such as an expanded Marsac Avenue and replacement building. To use this strategy in the short term, we would have to act quickly so that our replacement building would be fully functional before the Olympics. In the longer term, we could decide to relocate after the games and in the meantime design and implement a plan. Though some costs might be offset by sale or rental of the Marsac Building, the cost of a new building would be $5 to 7 million and could require a bond to finance the project.

5. DO NOTHING

Providing we have a plan to address seismic (and ADA) issues, we do anything structural to the building at this time. We have some new space in the basement, and with minimal investment we could probably get by for the foreseeable future. Much of our ability to get by depends on the anticipated growth of our staff. We have invested about $20,000 in engineering studies to date.

<u>SIGNIFICANT IMPACTS</u>: Alternative 1 or 5 could be accomplished within the current CIP budget. Alternatives 2, 3 or 4 would require significant new sources of money. Minor remodeling and minimal seismic work would require an increase of $200,000 to $300,000 more; major remodeling and significant seismic work would require an increase of up to $2 million; an annex would cost up to $2 million; a replacement city hall would cost up to $7 million. Any expenditure over about $500,000 could have serious implications for other capital projects and could require special financing.

PARK CITY
1884

DATE: May 9, 1996
DEPARTMENT: Public Works
AUTHOR: Hope Bleecker, Tom Bakaly, Jerry Gibbs
TITLE: Recycling Center Construction
TYPE OF ITEM: Budget Review

SUMMARY RECOMMENDATIONS: The City Council should determine whether or not the City should finance and construct a recycling facility and direct staff to return with appropriate policies and agreements.

DESCRIPTION:

A. Topic Recycling Center Building .

B. Background. Recycle Utah has indicated a desire to expand the activities at the Park City Recycling Center and has requested that the City modify its plan for the new Public Works Service Center to include a 3,500 square foot building and improved drop off space. The request is to construct a facility to meet their needs with respect to office and equipment storage requirements, outdoor material storage requirements, and to create an improved public drop off site. Park City currently provides a site approximately 100 'x 70' for the Recycling Center without a formal lease agreement. The land value is considered as part of the annual grant process.

C. Analysis. Recycle Utah is requesting Park City to pay for the construction of their facility as part of a long-term lease arrangement. The cost of the facility would be amortized over a predetermined length of time and a lease rate established. The terms of a lease agreement between the City and Recycle Utah would assume that Recycle Utah would lease the space for an amount and term sufficient to repay construction and maintenance costs. Whether or not to include a component for land costs has not been resolved.

The proposed recycling office would be a modest 3,500 concrete block building with finished office space for two staff members, several loading docks, and a fenced storage area for compacted material, and public drop-off areas. The center would be located on the northeast corner of the property, the site of the existing City impound lot. The need for construction has been generated by Recycle Utah's intention to house a horizontal bailer, compactor, and forklift. Use of the equipment significantly enhances the efficient transport of recycled materials. The exterior space will include a greater number of bins which will facilitate the outdoor storage of materials, as well as convenience of recycling patrons.

Preliminary construction estimates totaled $175,000 -$178,300. Architectural fees are estimated at approximately $10,000. The schedule for this project would coincide with the construction schedule of the new Public Works Service Center which should be completed in 18 months.

D. <u>Department Review</u>. This proposal has been reviewed by the Public Works Staff, the Planning Department, Finance, the City Manager, and Recycle Utah.

<u>ALTERNATIVES</u>:

A. Develop a policy to allow the City to construct and lease space back to non-profit organizations. Approval of the request will result in the negotiation of a long term-lease with Recycle Utah, under which they would agree to occupy the space for ten to fifteen years at a rate sufficient to recover construction and maintenance costs. The policy should address whether or not to recover any land costs and under what circumstances the City would take this approach. Construction of the facility would result in a better designed public drop-off space and would significantly increase public awareness of the value of recycling by providing access to a staff member adjacent to drop-off facilities. In the event that Recycle Utah were to relocate the facility would be used as office space or remodeled for Public Works activities.

B. Develop a policy that requires non-profits to secure other financing of facilities on city owned property. If the policy direction is not to provide city financing, the existing bins located on Shortline Road will be relocated to Ironhorse Drive. It is anticipated that this alternative would perhaps delay Recycle Utah's plan to expand their operation.

<u>SIGNIFICANT IMPACTS</u>:

The project would allow significant enhancement of recycling efforts in Park City, by facilitating the increase of revenue to the recycling non-profit organization, supporting its efficient operation and continued availability to the citizens of Park City. The Increased traffic on Ironhorse Drive will be generated, but it is not anticipated that it will be disruptive or cause the existing circulation to deteriorate.

The money for this project ($200,000) is included in the recommended CIP. Repaying the costs of the project would create a substantial additional overhead for Recycle Utah. The only real security the City would have is the building. If Recycling Utah is unable to make its lease payment, the City may be forced to forgive current debt or discontinue their use of City property. Action on this request will set a precedent for how the City would respond to request from other organizations. Arts and youth groups among others probably would be interested in leasing space constructed by the City.

CONSEQUENCES OF NOT TAKING THE RECOMMENDED ACTION:
Recycle Utah will find it more difficult to expand the existing recycling effort. Park City would have funds to use for City related projects or activities.

RECOMMENDATION:
The City Council should determine whether or not the City should finance and construct this facility as proposed. If so, it should request staff to return with a draft policy regarding financing and construction of facilities for non-profits on city-owned property and a lease for this project. If not, the Council should determine under what terms it would allow Recycle Utah to finance and construct this facility on City property.

DATE: May 9, 1996
DEPARTMENT: Leisure Services
AUTHOR: Pace Erickson
TITLE: Education Center Landscaping
TYPE OF ITEM: Budget Request

SUMMARY RECOMMENDATIONS: Approve the construction of additional landscaping at the Park City Education Center contingent on Parks and Recreation Board approval.

DESCRIPTION:

A. Topic: Install additional landscaping at the Park City Education Center by providing an outside sitting and reading area similar to that of the Miners Hospital.

B. Background: The Friends of the Library contacted the Parks Department about providing an area that could be used as an extension of the Library. Staff met with the Friends of the Library to discuss its ideas. Its interest in the project is such that they are willing to raise funds to contribute to the construction of the project. Staff would recommend phasing the project over several years and would propose a matching fund type program.

C. Analysis: When the Library and Education Center was completed in 1993 and the Library was moved in May of that year, people missed the intimacy that the Miners Hospital grounds provided.

The proposed improvement would entail the removal of existing sod and some sidewalk paving and replacing it with brick stamp paving, additional trees and shrubs, flowering perennials, a new water feature, and flag poles. This area would be used as an outdoor extension of the Library and Education Center for gathering, reading, and small events.

The total estimated project cost is $66,000. Staff recommends a $36,000 CIP budget allocation funded from the lower Park Avenue RDA to complete Phase I of this project. The remainder of the total project cost of $30,000 would come from fund-raising efforts of the Friends of the Library.

The proposed first phase project is estimated at $36,000. This would cover design and construction of the hard-surface area, water feature, some plant material, and irrigation installation. This would also cover any costs associated with the removal of existing sod and paving.

D. <u>Department Review</u>: The Leisure Services and Administrative Services Departments have reviewed the proposal. The Parks, Recreation and Beautification Advisory Board and Library Board would thoroughly review the project before commencing final design.

<u>ALTERNATIVES</u>:

A. <u>Approve the Request</u>: Approve the $36,000 budget request to fund the first phase of the project.

B. <u>Deny the Request</u>: Deny the proposed budget request.

C. <u>Continue the Item</u>: Continue the item, and request further evaluation from the staff.

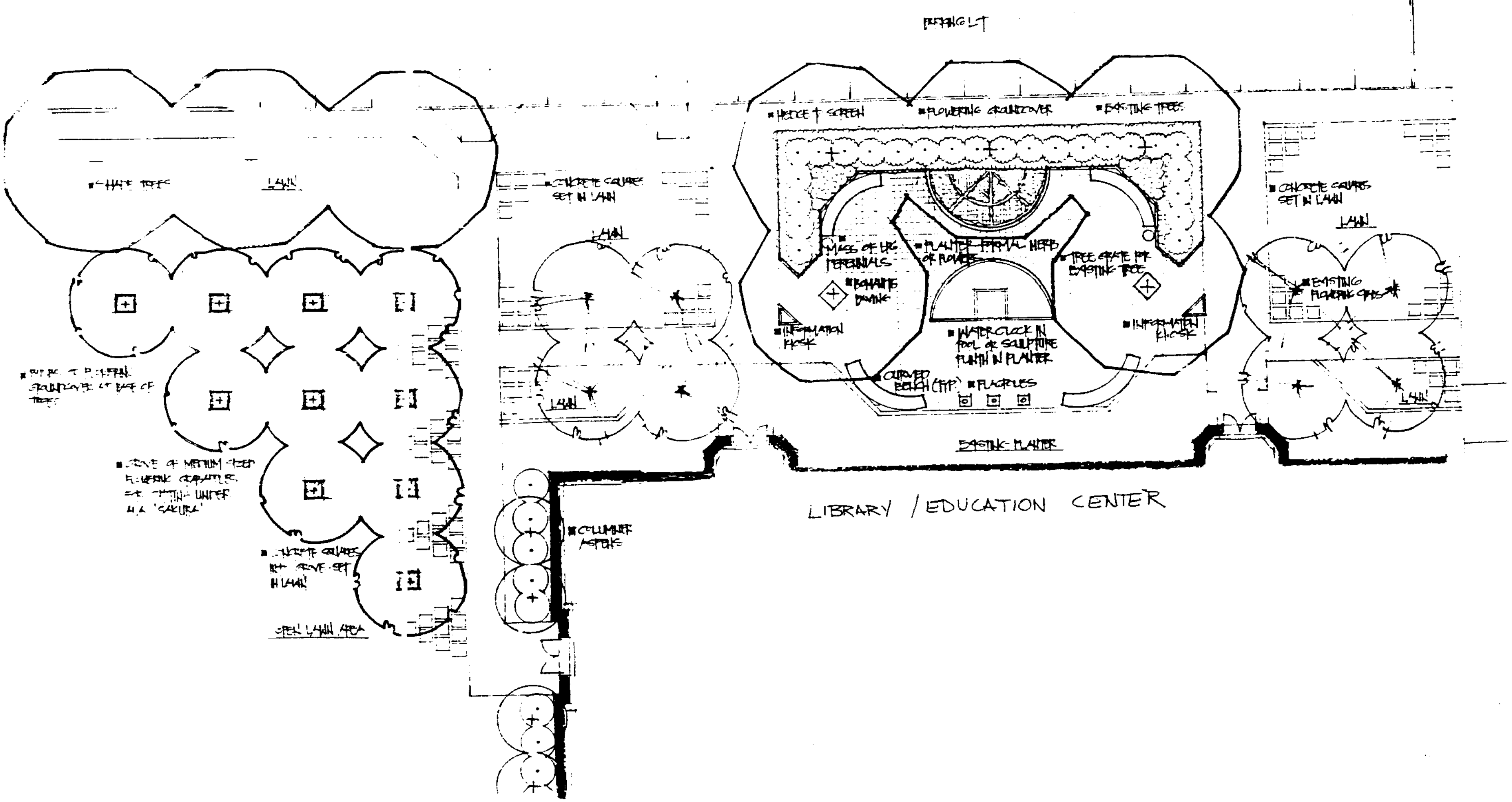
D. <u>Do Nothing</u>

<u>CONSEQUENCES OF NOT TAKING THE RECOMMENDED ACTION</u>: This project is proposed in response to citizen interest to enhance the aesthetics and utility of the Education Center Building. Matching funds are not assured. Without matching funds, the first phase could stand alone, but the project would not be as attractive.

<u>RECOMMENDATION</u>: Staff recommends tentative approval of Phase I pending Parks and Recreation Board and Library Board review based on the following:

1. Strong public interest and support for the project.

2. The Friends' of the Library willingness to raise money for the completion of the project. Staff feels the Friends of the Library are committed to the second phase and to raising its portion of the funding for the project.


HEDGE + SCREEN
FLOWERING GROUNDCOVER
EXISTING TREES
SHADE TREES
LAWN
CONCRETE SQUARES SET IN LAWN
MASS OF LRG PERENNIALS
PLANTER FORMAL HERB OR FLOWERS
TREE GRATE FOR EXISTING TREE
WATER CLOCK IN POOL OR SCULPTURE PLINTH IN PLANTER
INFORMATION KIOSK
CURVED BENCH (TYP)
FLAGPOLES
EXISTING PLANTER
EXISTING FLOWERING CRABS
COLUMNAR ASPENS
OPEN LAWN AREA
LIBRARY / EDUCATION CENTER

PARK CITY
1884

DATE: 5-3-96
DEPARTMENT: City Manager
AUTHOR: Toby Ross
TITLE: 1465 Park Avenue Property Transaction
TYPE OF ITEM: Legislative...**Sale of Property**

SUMMARY RECOMMENDATIONS: Review the proposed sale of 1465 Park Avenue and authorize the Mayor to execute the Employee Housing Agreement - McIntosh Mill Ltd. ("Agreement").

DESCRIPTION:

McIntosh Mill, Ltd. ("McIntosh") has an obligation to construct employee housing in conjunction with the Summit Watch if Park City makes a site for employee housing available to McIntosh. For several years the City has worked with McIntosh to facilitate an employee housing project. The City had originally thought that the RDA parcel near Summit Watch would be a suitable site, but because of size and access constraints that site proved infeasible. The Council then authorized the sale of a portion of the RDA site and the purchase a property last year at 1465 Park Avenue ("Property") as a potential site for employee housing. The City proposes to transfer the Property to McIntosh according to terms of the Agreement.

A. Topic:

Authorization of transfer of the Property as a site for employee housing to McIntosh and approval of the Agreement.

B. Background:

Under the terms of an agreement concerning the basic development of the Summit Watch project dated July 17, 1992, McIntosh agreed to construct employee housing units in conjunction with its overall project. The obligation is one 650 square foot unit for each 25,000 square feet of residential development or 12,500 square feet of commercial development. Through the course of the approval process, the total size of the Summit Watch project has been reduced thereby reducing the housing requirement. Based on the current approvals and intended construction in the Summit watch Project, McIntosh is obligated to construct a project consisting of at least 7300 square feet without any developer profit. McIntosh is willing to invest additional time, money and effort in an employee housing project if we enter the Agreement for the transfer of the Property.

C. Analysis:

The City acquired land located at 1465 Park Avenue to be used for employee housing. The Property is proposed to be conveyed to McIntosh for $175,000. The following discussion covers the basic issues in the agreement.

Land cost. The City paid $225,000 for the Property. The City received $80,000 from the sale of the RDA parcel next to the Summit Watch Project, part of which is proposed used to write down the cost of the land to $175,000.

The Land Cost would be assigned to each unit in proportion to the living area (excluding parking and common areas). The conveyance would be subject to deed restrictions and a subordinated purchase money trust deed as set forth below.

Housing Project. McIntosh proposes to build or have built a residential building consisting of eight unfurnished three bedroom units of between 1000 and 1100 square feet, with 1.5 enclosed parking spaces per unit (the "Project"). The units would be constructed as a condominium project, with the units offered for sale to employees or employers in Park City. The Project would be subject to deed restrictions to control rents and resale prices.

Project Costs. The costs of the Project (Project Cost) determine the price of the units and the rents that can be charged. The Project Cost will be assigned to each unit in proportion to the living area (excluding parking and common areas). The Project Costs are specifically defined in the Agreement.

If additional costs were incurred in the course of construction, McIntosh and the City would review the additional costs, and mutually approve change orders. Any savings on construction loan interest would be applied against the balance owed to Park City for the Property.

Sales price. The maximum initial sale price will be the sum of the proportional Project Cost and the proportional Land Cost. The actual Sale Price for the units will be established by agreement between the McIntosh and the City when the final costs have been determined. The maximum Resale Price will be limited by deed restriction.

Deferred second. To improve the attractiveness and affordability of the units, the City would offer a second mortgage on the land with principal and interest payments deferred for five years. This program would be very similar to the mortgage currently offered to City employees. The mortgage would be secured by a lien on the property.

Rental rates. The initial rent for units at 1465 Park Avenue would be:

1. the amount necessary to amortize a 25 year mortgage with a principal equal to 75% of the Proportional Project Cost of the units at a market interest rate; plus

2. property taxes, insurance, homeowner dues and maintenance expenses not to exceed a fixed amount typical of these types of projects.

The initial rent could be increased by five (5) percent per year for the first five (5) years. After five years the rent could be increased three (3) percent per year.

Deed restrictions. The Property would be conveyed to McIntosh subject to deed restrictions concerning rent controls, limitationss on transient lodging uses, eligibility guidelines, and limitations on the resale price. The form of the deed restrictions will be substantially like those used for the Silver Meadows Project in Park City, with appropriate modifications for the different nature of the Project and the different sale and rental rates.

Satisfaction of Obligation. The housing obligation under the agreement between the City and McIntosh calls for the construction of at least one bedroom units of 650 square feet. McIntosh desires to construct larger units, including three bedroom units. In order to obtain a greater variety of housing options, the City would agree that McIntosh would be given credit for one unit of employee housing for each 650 square feet of space in the Project (excluding common areas such as hallways, stairwells, and garage space), regardless of how the space is divided, provided that no fewer than eight separate living units are constructed and that any unit in excess of 650 square feet have at least two bedrooms. This Project would fully satisfy the employee housing requirement.

Approval process. The Project is a conditional use in the zone and the Planning Commission has approved a conditional use permit for the Project. CDD staff has reviewed plans for the Project and is basically satisfied with the design. Park City would, prior to conveyance of the land to McIntosh, complete any lot combinations, plat amendments, or similar subdivision processes. Occupancy of Summit Watch Phases A-5 and A-6 is dependent on meeting the employee housing requirement. In lieu of actual completion, McIntosh would be allowed to provide financial security to assure completion of the employee housing project.

Additional agreements. The information above outlines the topics that are addressed in a basic Agreement to get the project going. We anticipate additional agreements would be required to address financing, deed restrictions, rent controls, and financing of the employee housing units.

D. Department Review: The City Attorney and CDD staff have reviewed the proposals and find them consistent with Council's previous direction.

ALTERNATIVES:

A. Approve the Request: Authorize the Mayor to execute the Agreement.

B. Deny the Request: If the council members no longer wishes to use 1465 Park Avenue for this purpose, they should deny the request with direction on what they wish to do with the property.

C. Continue the Item: The Council may continue the item for additional information.

SIGNIFICANT IMPACTS: If the project goes forward as anticipated, eight employee housing units would be created and $175,000 plus interest would be repaid to the City. No fee waivers are proposed.

CONSEQUENCES OF NOT TAKING THE RECOMMENDED ACTION: Failure to provide a site for employee housing by the time Summit Watch is ready to occupy Phase A-5 and A-6 probably would relieve McIntosh of the housing obligation. The City could seek other uses or developers for the land.

RECOMMENDATION: Review the proposed sale of 1465 Park Avenue and authorize the Mayor to execute the Employee Housing Agreement - McIntosh Mill Ltd. Authorize staff to prepare and execute any additional agreements or documents necessary to complete the transaction or administer the City's responsibilities in connection with the Agreement or Project.

EMPLOYEE HOUSING AGREEMENT
MC INTOSH MILL, LTD.

THIS AGREEMENT (the "Agreement") is made between Park City Municipal Corporation and its Redevelopment Authority (the "City") and McIntosh Mill, Ltd. ("McIntosh") setting forth the general terms concerning providing employee housing in conjunction with its development project in Park City, Utah. The McIntosh project consists of the Summit Watch Condominiums (all phases), the building on Lot 1 A of the Town Lift Site Subdivision (now occupied as the MORI sales office), the MORI Aquacade, and the vacant lot on the west side of Main Street at the corner of Main and 9th. All of these are referred to as the Town Lift Project. Except for the parcel at the corner of Main and 9th, the Town Lift Project does not include any property on the west side of Main Street, which is owned by others, despite the initial presentation to the City of a jointly prepared master plan. McIntosh is willing to invest additional time, money, and effort in the employee housing project based on this agreement. In consideration of the covenants set forth in this Agreement and other good and valuable consideration the parties agree as follows:

SECTION 1. REQUIREMENT. The City and McIntosh are parties to an agreement and series of amendments and instructions dated June 9, 1982; July 17, 1992; September 16, 1992; and January 19, 1993. Under the terms of the Amendment to Agreement concerning the basic development of the Summit Watch project between these parties dated July 17, 1992, McIntosh agreed to construct employee housing units in conjunction with its overall project. Section 11. states in part:

> Employee Housing. McIntosh agrees to construct or have constructed and manage or have managed residential units which will be offered to employees in Park City under the terms outlined in this agreement ("Obligation"). The Obligation will be established according to the following ratio: one unit of employee housing for each 12,500 square feet (net) of commercial space and one unit of employee housing for each 25,000 square feet (net) of residential space constructed in the Project. An employee housing unit is defined as an independent residential unit of at least 650 square feet with at least one bedroom that is regulated to give priority to local employees. The employee housing units shall be offered for sale or rent at a rate that returns the cost of construction, financing and management but without any profit to McIntosh. The Obligation is contingent upon Park City selling or otherwise making available sufficient land to accommodate the proposed phase of employee housing and approving that phase for construction. This Obligation satisfies all requirements for this project to provide employee or affordable housing.

Through the course of the approval process, the total density of the Summit Watch project has been reduced. Based on the current approvals and intended construction by McIntosh, which are shown on Exhibit A, McIntosh expects to construct a project consisting of at least 8800 square feet of employee housing with no fewer than a total of 24 bedrooms (the "Project").

SECTION 2. PROPERTY FOR UNITS. The City owns land located at 1465 Park Avenue, Park City, Utah to be used for employee housing under this Agreement (Property). The Property will be conveyed to McIntosh or its designee for a total price of $175,000, hereafter known as the Land Cost, to be paid as set forth below. The Land Cost will be assigned to each unit to be constructed on the Property (the "Units") in proportion to common area ownership interest as allocated in the condominium declaration, which will be based on the square footage of living area in each Unit compared to the total square footage of the living area of the units. The resulting allocation for each Unit will be referred to as its Proportional Land Cost. The conveyance will be subject to deed restrictions similar to those restrictions in the Silver Meadows units to ensure perpetual affordability (the "Deed Restrictions") and a subordinated purchase money trust deed as set forth below (the "City Trust Deed").

SECTION 3. TITLE, INSPECTION. McIntosh has inspected a current title report including clarification of exception number12 regarding the Eddington grant of easement and finds it acceptable. McIntosh has commissioned a certified survey of the Property to identify any encroachments, boundary conflicts, and the location of any easements disclosed by the title report. Within 15 days of executing this Agreement, McIntosh will obtain a soils bearing report and a phase I environmental assessment of the Property. If the Project is built, costs of survey, soils and environmental work will be added to the Project Costs and are recoverable as part of the initial sales price.

Following the review of the survey, soils study and environmental assessmen, McIntosh will notify the City in writing of any objections to conditions revealed by any of these reports within 10 days of receiving each report. The City will have the option of curing any condition McIntosh objects to, offering the Property to McIntosh "as is" or terminating sale of the Property. In no event is McIntosh required to take title to the Property if, in its good faith judgment, either the survey or the environmental assessment disclose conditions on the Property that will make conventional financing at market rates unduly difficult or impossible.

SECTION 4. HOUSING PROJECT. McIntosh intends to build or have built a residential building consisting exclusively of eight or more unfurnished three bedroom Units, with 1.5 enclosed parking spaces per Unit. The general layout and plan for the Project is attached as Exhibit B. It has been reviewed by City staff, is generally acceptable, and will be the basis for final construction drawings. The parties intend that the Units be constructed as a condominium project, with the Units to be offered for sale, subject to the Deed Restrictions. The purchasers or users of the Units will be one or more of the following:

A. Qualified employers, subject to the Deed Restrictions, who will use the Units as housing for their employees. Rental rates and eligibility will be governed by this Agreement and subsequent conforming Deed Restrictions.

B. Qualified owner-occupants, subject to the Deed Restrictions. Eligibility will be governed by this Agreement and subsequent conforming Deed Restrictions.

C. Or others approved by the City.

SECTION 5. PROJECT COSTS.

A. The Project Costs will include:

1. The final total cost of construction of the residential Units and the associated improvements. The cost of construction will include:

   a. a reasonable profit and general overhead for the general contractor, not to exceed 8 percent of the construction cost exclusive of any of the components of Project Costs listed below; and

   b. General Conditions including the items listed in Exhibit C not to exceed $_________________.

2. The final total architectural, engineering, survey, soils, environmental, condominium documents and legal fees for the Project;

3. The final total fees and charges including impact fees actually paid to governments or utilities for construction of the Units and associated common area and parking;

4. The final total costs of financing construction of the project, including application fees, points, and any supplemental survey, title insurance, environmental or similar work required by the lender as a condition of the loan;

5. The final total cost of marketing, selling and closing the Units not to exceed $1200 per Unit.

B. The Project Costs will not include:

1. Any profit, fee or charge for McIntosh for the development of the property.

SECTION 6. SALE PRICES.

A. Initial Sales Price. The maximum Initial Sales Price for the Unit will be the sum of the Proportional Project Cost and the Proportional Land Cost. The Initial Sales Price will be established by agreement prior to the sale of any Unit. Initial Sales Price will be allocated on the basis of the undivided common area ownership appurtenant to each Unit. McIntosh will have the right to make minor adjustments to the initial Sales Price to reflect the differences in marketability of specific Units based on location in the building, orientation, or floor level; provided, however, that this will not result in an increase in the total sales price for the Project and such adjustments are approved in writing by the City. The City will not unreasonably withhold such approval.

B. Construction Budget. McIntosh will prepare detailed preliminary cost estimates by May 30, 1996 which, when revised, will become the basis for the Proportional Project Cost. The estimated cost will be revised based on complete plans and detailed cost estimates approved by the City. This revised estimated cost, when reviewed and approved by the City and McIntosh, will become the Construction Budget for the residential project. The City may require McIntosh to secure up to three bids from subcontractors for all major divisions to assist in assuring cost-effective construction of this project. The request for multiple bids shall not be interpreted to require McIntosh to choose the lowest bidder. Rather, McIntosh will select the contractor that is best suited and able to producing a quality, cost-effective product within the desired time frame.

C. Review of Costs. If costs are incurred or anticipated in the course of construction of the Units that would exceed the Construction Budget, McIntosh and the City will review the additional costs, and mutually approve, or reject, in writing change orders in a timely manner. Approvals will not unreasonably be withheld, conditioned, or delayed.

D. Construction Loan Interest. Construction loan interest will be added to the Project Costs, assuming a period of six months following certificate of occupancy before the Units have been sold to the initial purchaser. To the extent that the Units are sold and closed more quickly, so that there is a savings on construction loan interest, the difference between the actual construction loan interest paid and the allowance for construction loan interest in the construction costs will be applied against the balance on the Proportional Land Cost for each Unit.

E. Proportional Project Cost. The Proportional Project Cost will be established after construction of the project is complete and final costs are determined. The City will have the right to review all Project Costs, but will be bound by any Change Orders the City has approved.

F. Maximum Resale Price. The Maximum Resale Price will be restricted to the Initial Sale Price increased by three (3) percent per year (following the first complete year of occupancy) plus specified amounts for subsequent improvements to the Property, as limited by deed restrictions similar to the provisions in the Silver Meadows Deed Restrictions.

SECTION 7. RENTAL RATES. The rental rates for each of the Units will be restricted as follows:

A. The Initial Rent for the Units will be:

1. the monthly amount necessary to amortize a 30 year, fixed rate mortgage with a principal equal to 75 percent of the Proportional Project Cost of a Unit at an interest rate equal to the lower of the 30 year, fixed rate mortgage rates charged by First Security Bank, Bank One, Wells Fargo (First Interstate) or Zions First National Bank in Summit County in effect at the time the Unit is sold to the Initial Purchaser; plus

2. Insurance, condominium common area maintenance assessments and special assessments not to exceed $175 per month per unit, adjusted for inflation as provided below, (This change may be increased by no more than 3% per year); plus

3. Actual property taxes assessed against the Unit.

B. After the first full year of occupancy, the initial Rent may be increased by up to five (5) percent per year for the first five (5) years. After the end of the sixth year, the rent may be increased by up to three (3) percent per year; provided however that actual property taxes will be passed through to the tenant and are not subject to this limitation..

SECTION 8. DEED RESTRICTIONS. The Property will be conveyed to McIntosh subject to Deed Restrictions consistent with this Agreement and the prior agreement in which the Obligation was created, concerning rent controls, limitations on transient lodging, eligibility guidelines, and limitations on the resale price. The form of the Deed Restrictions will be substantially like those used for the Silver Meadows Project in Park City, with appropriate modifications for the different nature of the Project, (i.e., no tax credit Units) the different sale and rental rates, provisions for the periodic use by individuals working for or doing business with the City and the terms of the July 17, 1992 agreement between the parties which created the Obligation.

SECTION 9. PARK CITY TRUST DEED. McIntosh will execute a promissory note in the amount of $175,000 and the City will place a trust deed on the Property with a face amount of $175,000 (Park City Trust Deed) which will both secure compliance with the Deed Restrictions and provide for repayment of the land costs. The City agrees to subordinate the trust deed to the initial construction financing for the Project.

Upon completion of the Project, the Park City Trust Deed will be modified to allocate a specific dollar amount to each Unit equal to the Proportional Land Cost. A separate trust deed will be placed on each Unit, or modification agreement executed and recorded indicating the debt allocated to each Unit, the terms and conditions under which a partial release and reconveyance will be granted as to each Unit, and that each one will be treated independently of the others so that no purchaser is affected by the default by another purchaser. The Park City Trust Deed will be subordinated to purchase money financing with limitations described in Section 5.

The City agrees to defer payment on the Park City promissory note(s) for five years such that payment of principal or interest on the notes will be required for five years from the date of the sale to a Qualified Buyer. The principal will accrue note interest at an annual rate of 7.5 percent, which will compound annually. At the end of five years monthly payments will commence according to the note. The interest will be fixed at the greater of 7.5 percent or the average return on the City's investments (on the date of execution of the note) plus one percent, and the equal payments will be sufficient to fully amortize the balance (principal and accrued interest) in 15 years from the date that payments commence. The note will be due on sale, after the initial sale.

SECTION 10. SATISFACTION OF OBLIGATION. The housing project described in Section 3 meets the employee housing obligation under the agreement between the City and McIntosh dated July 17, 1992, so long as the Town Lift Project does not exceed 57,323 square feet net of commercial space and 180,375 square feet net of residential space. The July 17, 1992 Agreement calls for the construction of at least 11.81 one-bedroom Units of 650 square feet. If McIntosh does not wish to build the project described in Section 3 and desires to construct larger Units in order to obtain a greater variety of housing options, the City agrees that McIntosh will be given credit for one Unit of employee housing for each 650 square feet of space in the Project (excluding common areas such as hallways, stairwells, and garage space), regardless of how the space is divided, provided that no fewer than eight separate living Units are constructed with no fewer than 20 bedrooms. The project must satisfy all other aspects of this agreement.

SECTION 11. DEVELOPMENT AND APPROVAL PROCESS. The Project is a conditional use in the zone. Park City will, prior to conveyance of the land to McIntosh, complete any lot combinations, plat amendments, or similar subdivision processes. The City agrees to expedite the processing of a condominium plat for the Project to enable McIntosh to obtain financing and meet pre-sale requirements of conventional financing.

SECTION 12. TIMING Certificates of occupancy for Buildings A-4 and the Lobby Building (platted as Phases 2 and 2-A of the Summit Watch Condominium will not be held up over the employee housing requirement. Building permits will be issued for Buildings A-5 and A-6 (Platted as Phases 3 and 3-A) of the Summit Watch Condominium, and certificates of occupancy will not be withheld on those buildings over the employee housing requirement. Subject to obtaining necessary City approvals and financing, McIntosh shall commence construction of the Project on or before September 1,1996.

SECTION 13. SECURITY To secure the performance of the Obligation under this Agreement, McIntosh agrees to grant a Trust Deed in first position to the City covering McIntosh's property on the west side of Main Street. This will be a performance trust deed which will require the commencement of construction on the Project on or before September 1, 1996, and, barring force majeure, completion within 18 months of commencement of construction. The City will subordinate this trust deed to the initial construction financing for the Project if the value of the West Side parcel is required as additional collateral for the construction loan. The trust deed will be released upon issuance of certificates of occupancy on the Project. In addition, McIntosh will execute conditional assignments of the construction contract, architect's contract, and other documents as reasonably necessary to enable Park City to step in and complete the Project in the event of a default by McIntosh on the Obligation or on the construction financing.

SECTION 14. FURTHER AGREEMENTS. The parties anticipate additional agreements concerning the financing, the purchase and sale of 1465 Park Avenue, Deed Restrictions, rent controls, and financing of the employee housing Units. The parties agree to negotiate those agreements in good faith, and in a timely fashion, to complete the employee housing obligation.

SECTION 15. ASSIGNMENT. McIntosh may assign the benefits but not the obligations of this Agreement to a third party. Failure of the third party to perform will be treated as a failure of McIntosh to perform its obligations.

DATED this _____ day of ______________________________, 1996.

MCINTOSH MILL, LTD.

____

Harry Reed, President

PARK CITY MUNICIPAL CORPORATION

____

Brad Olch, Mayor

PARK CITY REDEVELOPMENT AUTHORITY

____

Brad Olch, Chair of the Redevelopment Authority

Attest

____

Anita Sheldon, City Recorder

Approved as to form:

____

Jodi Hoffman, City Attorney

STATE OF UTAH)
)ss.
COUNTY OF SUMMIT)

On this _____ day of _______________, 1996, personally appeared before me Harry Reed and who by me duly sworn, did say that he is the President of McIntosh Mill, Ltd. And that said document was signed by him in behalf of said corporation by authority of its bylaws and said Harry Reed acknowledged to me that said corporation executed the same.

____

Notary Public

STATE OF UTAH)
)ss.
COUNTY OF SUMMIT)

On this _____ day of _______________, 1996, personally appeared before me Brad Olch and who by me duly sworn, did say that he is the Mayor and Chair of the Redevelopment Authority of Park City Municipal Corporation, and that said document was signed by him in behalf of said corporation by authority of its bylaws and said Brad Olch acknowledged to me that said corporation executed the same.

____

Notary Public

MEMORANDUM

PARK CITY PLANNING DEPARTMENT

TO: Mayor and City Council
FROM: Planning Staff
DATE: May 6, 1996
RE: Town Run appeal

Staff will prepare a summary of project alternatives to hand out at the Thursday work session. We will also provide other information to assist in your decision making.

TOWN RUN APPEAL ALTERNATIVES

1. PLANNING COMMISSION APPROVAL

    a. 40' skier bridge
    b. no bridge supports in City ROW
    c. Woodside Avenue closure
    d. new 7th Street between Park and Woodside
    e. 35' height limitation in HRC and 27' in HR-1
    f. commercial uses in HRC as per proposed revisions to HRC zone, no ski rental shops
    g. up to 10.75 units equivalents of density

2. APPLICANT'S REQUEST ON APPEAL

    a. 40' skier bridge
    b. bridge supports in City ROW
    c. Woodside Avenue closure
    d. new 7th Street between Park and Woodside
    e. 35' height limitation in HRC and 27' in HR-1
    f. commercial uses in HRC as Land Management Code reads today, except agrees to exclude restaurants and bars
    g. up to 10.75 unit equivalents of density

3. NARROW BRIDGE

    a. no 40' skier bridge - narrow bridge for pedestrians and/or skiers (20', 30' ...?)
    b. location of bridge supports
    c. Woodside Avenue closure or not
    d. new 7th Street between Park and Woodside depends on c.
    e. heights as approved or as per MPD
    f. commercial uses as per LMC or proposed revisions
    g. up to 10.75 unit equivalents of density

4. PARK AVENUE CLOSURE

    a. no bridge over Park
    b. bridge over Woodside/ no bridge over Woodside
    c. new configuration of streets
    d. heights as approved or per MPD
    e. commercial uses as per LMC or proposed revisions
    f. density to be re-calculated

5. MID-STATION ENHANCEMENTS

a. no bridge over Park or Woodside
b. no road closures
c. additional ski area infrastructure and activity at the mid-station site
d. heights as per Planning Commission approval or MPD
e. commercial uses as per LMC or proposed revisions to HRC
f. density to be re-calculated

6. WEST SIDE LIFT STATION

a. no bridge over Park
b. bridge or no bridge over Woodside
c. additional ski area infrastructure and activity on the west side of Park Avenue
d. heights as per Planning Commission approval or MPD
e. commercial uses as per LMC or proposed revisions to HRC
f. density to be re-calculated

7. ENHANCED PEDESTRIAN PLAN

a. no bridge over Park or Woodside
b. no road closures
c. no additional ski area infrastructure or activity on the west side of Park Avenue
d. heights as per Planning Commission approval or MPD
e. commercial uses as per LMC or proposed revisions to HRC
f. density as per approved MPD or re-calculated
g. additional cross-walks, sidewalks, stop signs, and other pedestrian amenities in vicinity of Town Lift

8. DENIAL OF PLANNING COMMISSION APPROVAL/STATUS QUO

a. no bridges over Park or Woodside
b. no road closures
c. no new 7th Street, sidewalk on 8th Street
d. heights as previously approved (35' HRC, 28' HR-1)
e. uses as per Sweeney Large Scale MPD, ie residential (condos, hotel rooms, studio apartments, etc.) on the west side of Park
f. density of up to 16 unit equivalents

TOWN RUN APPEAL