TENTATIVE MASTER AGENDA

PARK CITY COUNCIL MEETING

SUMMIT COUNTY, UTAH

DECEMBER 19, 2002

PUBLIC NOTICE IS HEREBY GIVEN that the City Council of Park City, Utah will hold its regularly scheduled meeting at the Marsac Municipal Building City Council Chambers, 445 Marsac Avenue, Park City, Utah for the purposes and at the times as described below on Thursday, December 19, 2002.

Closed Session

2:00 p.m. Property

Work Session

2:45 p.m. Council questions/comments

3:15 p.m. Cross-country skiing in Round Valley

3:30 p.m. Affordable housing update

4:15 p.m. Review of regular meeting

Annexation policy

4:50 p.m. MFL banners

Snyderville Basin Special Recreation District:

Recreation services

Ice facility

HOA noticing

Judge Tunnel

Insurance

Transit Center

Water bond

Audit

Other meeting questions/comments

5:50 p.m. Break

Regular Meeting

6:00 p.m.

I ROLL CALL

II PUBLIC INPUT

III COMMUNICATIONS FROM COUNCIL AND STAFF

IV WORK SESSION NOTES AND MINUTES OF MEETING OF NOVEMBER 21, 2002

V CONSENT AGENDA PUBLIC HEARING

1. Ordinance amending Chapter 11 of the Sign Code, Title 12 of the Municipal Code of Park City, Utah

2. Ordinance approving an amended Record of Survey for Three Kings Condominiums, located at 1420-1585 Three Kings Drive, Park City, Utah

3. Ordinance approving the Record of Survey for the Inn at Silver Lake Condominiums, located at 7560 Royal Street East, Park City, Utah

4. Ordinance amending the Land Management Code Section 15-1-12(E)(2) regarding owner association notification

VI CONSENT AGENDA

1. Ordinance amending Chapter 11 of the Sign Code, Title 12 of the Municipal Code of Park City, Utah

2. Ordinance approving an amended Record of Survey for Three Kings Condominiums, located at 1420-1585 Three Kings Drive, Park City, Utah

3. Ordinance approving the Record of Survey for the Inn at Silver Lake Condominiums, located at 7560 Royal Street East, Park City, Utah

4. Ordinance amending the Land Management Code Section 15-1-12(E)(2) regarding owner association notification

5. Authorization to proceed with an easement agreement, encroachment agreement and deed transfer for property located at 402 Main Street, Park City

6. Acceptance of audit report

7. Extension of letter of intent for development of an ice facility between Park City Municipal Corporation and the Snyderville Basin Special Recreation District

8. Resolution adopting an amended Memorandum of understanding for recreation services between Park City Municipal Corporation and the Snyderville Basin Special Recreation District

9. Lease with the Utah Department of Alcoholic Beverage Control for space located at 328 Main Street, Park City, Utah

10. Lease with Ahh Spa for massage services for space within the Racquet Club

11. Authorization to the Mayor to execute an inter-agency agreement between Park City Municipal Corporation (Park City) and the Park City Water Service District (District), authorizing Park City to lease water rights from the District and to charge and collect water rates set by the District

VII NEW BUSINESS

1. Authorization for payment of Worker's Compensation, Comprehensive General Liability, and Property insurance premiums providing insurance coverage for a one year period from January 1, 2003 through January 1, 2004.

2. Resolution of the City Council of Park City, Utah (the "Issuer") finalizing the terms and conditions of the issuance and sale by the issuer of its water revenue and refunding bonds, Series 2002 in the aggregate principal amount of approximately $9,000,000 (the "Series 2002 Bonds"); awarding and confirming the sale of said Series 2002 Bonds; authorizing the execution by the Issuer of a General Indenture of Trust, a First Supplemental Indenture of Trust, a Bond Purchase Agreement, and other documents required in connection therewith; authorizing the taking of all other actions necessary to the consummation of the transaction contemplated by this Resolution; and related matters

3. Authorization to staff to enter into a contract with Carollo Engineers for three engineering phases of the Judge Water Treatment project, and approve funding for Phases I, II and III engineering in an amount not-to-exceed $462,517

4. Authorization to remit final payment of grant funding and to execute a contract amendment with Herm Hughes & Sons Inc. for constructions services of the Old Town Transit Center and Deer Valley Drive round-about

VIII PUBLIC HEARING

Ordinance adopting the Park City Annexation Policy Plan, including the annexation expansion area boundary map, to be included in the Municipal Code, as part of the Land Management Code, to be known as Title 15, Chapter 8- Annexations

IX ADJOURNMENT

PARK CITY WATER SERVICE DISTRICT MEETING
SUMMIT COUNTY, UTAH
DECEMBER 19, 2002

PUBLIC NOTICE IS HEREBY GIVEN that the Park City Water Service will hold its regularly scheduled meeting immediately following the City Council meeting at the Marsac Municipal Building City Council Chambers, 445 Marsac Avenue, Park City, Utah for the purposes and at the times as described below on Thursday, December 19, 2002.

I ROLL CALL

II PUBLIC INPUT

III MINUTES OF MEETING OF OCTOBER 17, 2002

IV CONSENT AGENDA

Authorization to the Chairman to execute an interagency agreement between Park City Municipal Corporation (Park City) and the Park City Water Service District (District) whereby the District leases water rights to Park City and authorizes Park City to charge and collect water rates set by the District

V ADJOURNMENT

PARK CITY COUNCIL MEETING

SUMMIT COUNTY, UTAH

DECEMBER 26, 2002 AND JANUARY 2, 2003

PUBLIC NOTICE IS HEREBY GIVEN that the City Council of Park City, Utah **will not** hold its regularly scheduled meetings on Thursday, December 26, 2002 and January 2, 2003.

Posted: 12/16/02

Note: This future meeting schedule is TENTATIVE and subject to change.

PARK CITY COUNCIL TENTATIVE MEETING SCHEDULE

26 **No Meeting**

January 2003

2 **No meeting**

9 Ordinance - setting forth meeting dates

OTIS update

Nightly rental ordinance - PP

Economic development - work - RL

Customer service program - BS

Annexation Policy Plan and LMC Chapter 8 - action

16 **No meeting**

23 Water impact fees - JG

Building code workshop - RI (75 min)

30

February 2003

6

13 Departmental budget reviews

20 **Dana gone** (2/14 - 2/23)

27 Department budget reviews

Fee resolution review - June 2003

Annual review of Olympic legacy tower - November 2003

DATE: December 19, 2002

DEPARTMENT: Planning Department

AUTHOR: Brooks T. Robinson

TITLE: Record of Survey - The Inn at Silver Lake

TYPE OF ITEM: Legislative

SUMMARY RECOMMENDATION: Conduct a public hearing, consider public input, and consider staff's recommendation to approve as conditioned.

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1. Topic

Applicant	Otto/Walker Architects, representing owners
Location	7560 Royal St East, Lot C of Silver Lake Village
Zoning	Residential Development (RD)
Adjacent Land Uses	Mont Cervin, Goldener Hirsch, Silver Lake Lodge
Reason for Review	Records of Survey require Planning Commission review and City Council approval.

2. Background

On June 26, 2002, the Planning Commission approved a Conditional Use Permit for the Inn at Silver Lake, located on Lot C of the Silver Lake Village, part of the Deer Valley master Planned Development. This building is under construction. On November 15, 2002, an application was received for platting a Record of Survey in order to condominiumize the Inn. Eight residential units and two commercials units are being proposed. The Planning Commission reviewed this application at their regular meeting of December 11, 2002, and forwards a positive recommendation to the City Council.

3. Analysis

The Silver Lake Village subdivision is part of the Deer Valley Master Plan. The Inn at Silver Lake is located on Lot C. The approval for Silver Lake Village Lot C allows 10 Residential Units of unlimited size and 7000 square feet of Commercial use. Proposed is 8 Residential units, one Managers Unit less than at 800 square feet, the relocated Deer Valley ski valet commercial unit of 1014 square feet and another 820 square feet of Retail Commercial. The Record of Survey conforms with the approved plans for the Lot.

4. Department Review

This project has gone through an interdepartmental review. At such time as a final record of survey plat is required, the City Engineer and City Attorney will review the plat as to form and compliance with State law and the Land Management Code prior to recordation.

5. Notice

The property was posted and notice was mailed to property owners within 300 feet. Legal notice was also placed in the Park Record. Several inquiries as to the nature of this application have been received by staff. Staff explained to these callers that this application only creates the condominium units.

ALTERNATIVES

A. The City Council may approve the Record of Survey with the conditions stated, or modify the conditions, or

B. The City Council may deny the Record of Survey and direct staff to prepare findings supporting this recommendation, or

C. The City Council may continue the discussion to a later date.

SIGNIFICANT IMPACTS

There are no significant fiscal or environmental impacts from this amended Record of Survey.

CONSEQUENCES OF NOT TAKING THE RECOMMENDED ACTION

Individual units could not be separately sold.

RECOMMENDATION

The staff recommends that the City Council conduct a public hearing, consider any input, and approve the Record of Survey based on the following findings of fact, conclusions of law and conditions of approval:

Findings of Fact:

1. The project known as The Inn at Silver Lake is located at 7560 Royal Street East and is zoned Residential Development (RD). Access is from Sterling Court, a private road.
2. On June 26, 2002 the Planning Commission approved a Conditional Use permit for a multi-unit dwelling project consisting of eight residential units, one manager's unit and two commercial units.
3. The proposed Record of Survey creates eight private residential units, two private commercial units, and Limited Common and Common (including the Manager's Unit) areas.
4. The residential units range in size from 3223 square feet to 4116 square feet, the manager's unit is 772 square feet and the two commercial units are 819 and 1015 square feet.
5. The Planning Commission reviewed this application at its regular meeting of December 11, 2002, and forwards a positive recommendation to the City Council.

Conclusions of Law:

1. There is good cause for this Record of Survey.
2. The Record of Survey is consistent with the Park City Land Management Code and applicable State law regarding condominium plats.
3. Neither the public nor any person will be materially injured by the proposed Record of Survey.
4. Approval of the Record of Survey, subject to the conditions stated below, does not adversely affect the health, safety and welfare of the citizens of Park City.

Conditions of Approval:

1. The City Attorney and City Engineer will review and approve the final form and content of the Amended Record of Survey for compliance with State law, the Land Management Code, and the conditions of approval, prior to recordation of the plat.
2. The applicant will record the Record of Survey at the County within one year from the date of City Council approval. If recordation has not occurred within one year's time, this approval for the plat will be void.
3. All conditions of approval of The Inn at Silver Lake June 26, 2002 Conditional Use Permit shall continue to apply.

EXHIBITS

Exhibit A - Record of Survey

AN ORDINANCE APPROVING THE RECORD OF SURVEY FOR THE INN AT SILVER LAKE CONDOMINIUMS LOCATED AT 7560 ROYAL STREET EAST, PARK CITY, UTAH.

WHEREAS, the owners of the property located at 7560 Royal Street East have petitioned the City Council for approval of the Record of Survey plat; and

WHEREAS, the property was properly noticed and posted according to the requirements of the Land Management Code; and

WHEREAS, proper legal notice was sent to all affected property owners; and

WHEREAS, the Planning Commission held a public hearing on December 11, 2002, to receive input on the proposed amended record of survey plat;

WHEREAS, the Planning Commission, on December 11, 2002, forwarded a positive recommendation to the City Council; and,

WHEREAS, on December 19, 2002, the City Council held a public hearing and approved the proposed amended record of survey plat; and

WHEREAS, it is in the best interest of Park City, Utah to approve the record of survey plat.

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

SECTION 1. APPROVAL. The Record of Survey plat as shown in Exhibit A is approved subject to the following Findings of Facts, Conclusions of Law, and Conditions of Approval:

Findings of Fact:

4. The project known as The Inn at Silver Lake is located at 7560 Royal Street East and is zoned Residential Development (RD). Access is from Sterling Court, a private road.

5. On June 26, 2002 the Planning Commission approved a Conditional Use permit for a multi-unit dwelling project consisting of eight residential units, one manager's unit and two commercial units.
6. The proposed Record of Survey creates eight private residential units, two private commercial units, and Limited Common and Common (including the Manager's Unit) areas.
7. The residential units range in size from 3223 square feet to 4116 square feet, the manager's unit is 772 square feet and the two commercial units are 819 and 1015 square feet.
8. The Planning Commission reviewed this application at its regular meeting of December 11, 2002, and forwards a positive recommendation to the City Council.
9. In order to protect the health, safety and welfare of the citizens of Park City, a financial guarantee is necessary to insure completion of public improvements.

Conclusions of Law:

1. There is good cause for this Record of Survey.
2. The Record of Survey is consistent with the Park City Land Management Code and applicable State law regarding condominium plats.
3. Neither the public nor any person will be materially injured by the proposed Record of Survey.
4. Approval of the Record of Survey, subject to the conditions stated below, does not adversely affect the health, safety and welfare of the citizens of Park City.

Conditions of Approval:

1. The City Attorney and City Engineer will review and approve the final form and content of the Record of Survey for compliance with State law, the Land Management Code, and the conditions of approval, prior to recordation of the plat.
2. The applicant will record the Record of Survey at the County within one year from the date of City Council approval. If recordation has not occurred within one year's time, this approval for the plat will be void.
3. All conditions of approval of The Inn at Silver Lake June 26, 2002 Conditional Use Permit shall continue to apply.
4. A financial guarantee in amount and form to be approved by the City Engineer is required prior to recordation.

SECTION 2. EFFECTIVE DATE. This Ordinance shall take effect upon publication.

PASSED AND ADOPTED this 19th day of December, 2002.

DATE: December 12, 2002

DEPARTMENT: Planning Department

PLANNER: Ray Milliner

TITLE: Revisions to Title 12, Signs, of the Park City Municipal Code

TYPE OF ITEM: Legislative

SUMMARY RECOMMENDATION: Staff requests that the City Council discuss the recommendations on the proposed amendments to Title 12, Signs, of the Municipal Code, and consider approving the attached ordinance.

BACKGROUND

The Main Street banner program was initiated by the Parks Department in May of 1987 when they allied with the Park City Artist Association to sponsor a spring and winter banner design contest. In conjunction with the contest, the current Chapter 11 of the Sign Code was drafted and adopted by the City Council. The intent of the banners was to beautify and enhance the Main Street business district.

On November 21, 2002, the City Council discussed possible modifications to Chapter 11 of the Sign Code which would grant holders of Master Festival Licenses the ability to recognize festival sponsors on banners placed on City light standards. At that meeting, the Council provided staff with direction regarding the design, maximum area allowed and the appropriateness of the banners.

ANALYSIS

Purpose Statement

To ensure that there is no confusion regarding the intent and purpose of the banners on Main Street staff is recommending that the Council adopt a purpose statement at the beginning of Chapter 11 which would state the overall goals and purposes of the chapter.

Proposed Language

12-11- 1. PURPOSE STATEMENT. Park City makes certain City Light Standards available for the display of Banners in order to promote the visual interest, and economic vitality of Park City's Historic, resort-based community; to promote aesthetic enhancement through artistic expression; and to contribute to the festive nature of Park City's world class resort atmosphere.

Sponsor Eligibility

Staff recommends amending the Sign Code to allow only Master Festival License holders and the City to apply for banners.

Proposed Language

12-11-3. ELIGIBILITY. Persons eligible to apply for and display Banners on City Light Standards shall be limited to Park City Municipal Corporation and duly licensed Master Festival License holders.

Criteria

Much of the Discussion at the November 21 meeting centered around creating the proper criteria for logos on banners. Staff recommends that the City Council consider amending the Sign Code to allow only five (5) percent of the banner be utilized for sponsor recognition (see Exhibit B). Staff finds that were the Council to allow more than this amount of area, the logos, names and images utilized by sponsors would in many cases become the primary focus of the banner, thereby overshadowing the original intent of the banners. Additionally, to further reduce the impact of sponsor logos on the banners, and to encourage uniformity, staff is recommending that the Council adopt language requiring that the coloring of all sponsor logos, names and images on banners be either black or white, regardless of any corporate colors.

Proposed Language

(C) **SPONSORS.** Duly licensed Master Festival License holders may include the name, logo, or imagery of a Sponsor (as defined at Section 4-1-1.48 of the Municipal Code) on the Banner, subject to the following criteria:

(1) The Sponsor's name, logo, or imagery shall occupy no more than five percent (5%) of the total banner area;

(2) The font and scale of the Sponsor's name, logo, or imagery must be secondary to the Master Festival's name/logo/imagery and must be smaller than the font and scale of the Master Festival's name/logo/imagery;

(3) Multiple Sponsors are allowed for a single Master Festival, but only one Sponsor's name may be displayed on any banner.

(4) If a Corporate Sponsor (ad defined at Section 4-1-1.13 of the Municipal Code) is part of the official Master Festival's name, and that Corporate Sponsor's name, logo, or imagery is featured on the Banners, no additional Sponsors shall be displayed on the Banners.

Artwork

To ensure that the banner artwork is consistent with the overall design guidelines for Park City, staff is recommending that the Council consider the following criteria for artwork.

Proposed Language

(D) **ARTWORK.** Bright and glossy fluorescent colors and reflective surfaces are prohibited on banners. Reflective colored materials that give the appearance of changing color are also prohibited. Banners must be finished in subdued earth tone colors. Earth tones may be defined in this context to include the full spectrum of soil, clay and metallic colors. Spectrums of off-whites to deep browns, and light grays to black provide a wide range of acceptable colors. Brighter colors may be used provided they are imbued with brown or black tones. For example: pink imbued with brown would tend toward mauve and would be acceptable. Bright reds imbued with brown or black tones give a deeper burgundy or maroon color and may also be acceptable. A matte or flat finish is required for all surfaces.

Artwork should be approved at least two months prior to the proposed hanging date. The design must be on both sides of the banners, unless otherwise approved by the Parks Department.

Number of Banners

Staff is recommending that the Council approve the addition of Park Avenue and Kearns Boulevard as eligible for banner placement.

Proposed Language

(7) **NUMBER OF BANNERS.** The number of banners to be hung for winter and summer shall be sixty-three (63) along Main Street, thirty (30) along Empire Avenue, thirty (30) along Park Avenue and eighteen (18) along Kearns Boulevard. Five (5) additional banners must be submitted for replacement.

Fees

Fees have been adjusted to make them consistent with the current fee schedule. Applicants will all be charged an application fee of $20.20 which is consistent with the charges for a temporary sign, and upon approval, an assessment will be conducted and they will be charged 100 percent of the installation and removal costs.

Proposed Language

12-11-10. FEES.

(A) APPLICATION FEE. Banner applications shall be assessed a fee of twenty (20) dollars and twenty (20) cents. All application fees are due and payable upon submission of a completed application. Applications shall be considered incomplete unless and until the application fee is paid in full.

(B) INSTALLATION AND REMOVAL FEES. Upon receipt of a completed application, the Parks Department will provide the applicant with an estimate of fees based on estimated costs for City services arising from the installation and removal of the banners, including but not limited to the use of City personnel and/or equipment. A final assessment of City costs will occur upon completion of the Special Event, and installation and removal fees will be adjudged to reflect actual cost. Installation and Removal fees must be paid in full within thirty (30) days of the final assessment of City costs for the Master Festival or Special Event.

PUBLIC INPUT At the request of the Council, staff contacted a number of individuals in the community who would be impacted by the proposed changes to the Code. Staff received a number of comments via the electronic highway, which are attached as Exhibit C.

DEPARTMENT REVIEW

The Community Development Department, Parks Department, Special Events Department and Legal Department have reviewed the proposed amendments.

RECOMMENDATION

Staff requests that the City Council discuss the recommendations on the proposed amendments to Title 12, Signs, of the Municipal Code, and consider approving the attached ordinance.

EXHIBITS

Exhibit A - Proposed Ordinance

Exhibit B - Banner Examples

Exhibit C - Public Comments

AN ORDINANCE AMENDING CHAPTER 11 OF THE SIGN CODE, TITLE 12 OF THE MUNICIPAL CODE OF PARK CITY

WHEREAS, a uniform sign code and land management code has been adopted by the City Council of Park City, Utah to promote the health, safety and welfare of the residents of Park City; and

WHEREAS, it is in the best interest of the community to develop standards so that there is consistent criteria for review of sign applications and the community has clear notice of the Sign Code standards; and

WHEREAS, the City Council finds that the proposed changes to the Sign Code are necessary to prevent visual clutter, to aid tourists in easily identifying municipal boundaries, to preserve the historic and resort nature of Park City, to safeguard and enhance property values, and to supplement existing zoning regulations;

WHEREAS, the Council has identified special events as an important economic element in Park City;

WHEREAS, it is in the best interest of the City to maintain Park City as world class resort;

WHEREAS, increased sponsorship of local events, provides non-profit master festival license holders an additional revenue source for funding programs within Park City, and;

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

SECTION 1. AMENDMENT TO TITLE 12 OF THE PARK CITY MUNICIPAL CODE The recitals above are hereby incorporated herein as findings of fact. Title 12 Chapter 11 of the Municipal Code of Park City is hereby amended to read as follows:

~~12-11- 1. **BANNERS ON CITY LIGHT STANDARDS.**~~

~~The City Planning Department is authorized to administer the placement of banners on City light standards. Approval of all applications to display banners on City light standards, along Main Street and Empire Avenue, shall be given by the Planning Department only if all conditions in this section are met.~~

~~(A) **APPLICATIONS**. Applications shall be presented to the Planning Department in sufficient time to allow the termination of eligibility of the Sponsor, design review, fabrication of the banners and verification of the scheduling of their period of display. Sponsors will pay for the artwork, banner production, installation and dismantling of the banners.~~

~~Sponsors shall accept that the display period is contingent upon a workable arrangement within the overall schedule of other City banners as well as prior commitments to other outside sponsors. Prior commitments may preclude the desired display period of an otherwise acceptable sponsor's banner. Park City acknowledges that a sponsor's interest and ability to participate may be contingent upon a minimum period which would warrant the expense of the fabrication of the banners. Banners can be displayed for no more than three (3) weeks at a time. The display period will be based on a first come basis.~~

~~(B) **SIZE**. The Main Street Banners shall be 29" x 72"; unless otherwise approved by the Parks staff. Banners along Empire Avenue shall be 24" x 36".~~

~~(C) **NUMBER OF BANNERS**. The number of banners to be hung for winter and summer shall be sixty-three (63) along Main Street and thirty (30) along Empire Avenue. Five (5) additional banners must be submitted for replacement.~~

~~(D) **ELIGIBILITY.** Banners displayed in the Park City Main Street or Empire Avenue area shall be either: (a) those sponsored by, designed for and commissioned by, fabricated for, and installed by the direction of the Planning Department and Parks staff, or (b) those sponsored by outside entities (sponsors) that meet the terms and conditions set forth in this section.~~

~~(1) The eligible sponsor must be a non-commercial, non-profit entity whose primary purpose is the offering of cultural, educational, or entertainment enrichment to the community.~~

~~(2) The design of banners must be presented to the Planning Department, or a designated committee thereof, for review and approval. Artwork should be of sufficient size and show actual colors and banner material in sufficient detail to adequately represent the proposed final product. Artwork should be approved at least two months prior to hanging date. A written permit will be issued by the Planning and Parks staff. Fabrication and colors are to be within color guidelines of the Planning Department and Historic District. The design must be on both sides, or as otherwise approved by the Parks Department.~~

~~(E) **DESIGN OF BANNERS**. Fabrication of the banners must meet the minimum standards adopted by the Park staff, or a designated committee of Park City Municipal Corporation. Fabric must be of a durable material to withstand snow and heavy winds. One and one half inch (1½½") brass grommets should be installed on both bottom corners.~~

~~Banners must be sewn for mounting on existing brackets. A three and one half to four inch by 29 inch (3½½ " to 4" X 29") wide sleeve, or twenty-four inch (24") sleeve for Empire Avenue banners, at the top of the banner is required to hang the banners on brackets. A sample will be provided by the Parks Department. Sponsors are required to contact the Parks Department for review of their proposal for compliance with the actual specifications.~~

~~(F) **INSTALLATION AND REMOVAL**. Banners should be received by the Parks Department one week prior to the date of scheduled display. All banners on City light standards shall be hung by City personnel. The dates for the banners to be installed and dismantled will be arranged by the sponsor and the Parks staff. If the banner is not picked up from the Parks Department by the applicant or sponsor within ten (10) days after it has been taken down, the banner shall become the property of the City and will be disposed of.~~

~~The owner of a banner shall agree to assume full liability and indemnify the City for any damage to persons or property arising from the display of the banner by the City. The City is not responsible for any damage that may occur to the banner from any cause.~~

~~(G) **FEE**. A fee shall be payed to the City when the application is presented to the Parks Department before the applicant's reservation commences to cover costs associated with the installation and removal of the banners. This fee shall be established by the Fee Resolution.~~

~~Checks shall be made payable to the Park City Leisure Services Department and submitted with the application.~~

CHAPTER 11 - BANNERS ON CITY LIGHT STANDARDS.

12-11- 1. PURPOSE STATEMENT. Park City makes certain City Light Standards for the display of Banners in order to promote the visual interest and economic vitality of Park City's Historic resort-based community; to promote aesthetic enhancement through artistic expression; and to contribute to the festive nature of Park City's world class resort atmosphere.

12-11-2. ADMINISTRATION.
Banners on City Lights Standards shall be reviewed and administered by the Special Events Department, Planning Department, and Parks Department pursuant to the criteria set forth in this Chapter.

12-11-3. ELIGIBILITY. Persons eligible to apply for and display Banners on City Light Standards shall be limited to Park City Municipal Corporation and duly licensed Master Festival License holders.

12-11-4. DISPLAY LOCATIONS, BANNER ALLOTMENT. City Light Standards eligible to display Banners are those along Main Street, Kearns Boulevard, Park Avenue, and Empire Avenue. The number of banners to be hung shall be sixty-three (63) along Main Street, eighteen (18) along Kearns Boulevard, thirty (30) along Park Avenue, and thirty (30) along Empire Avenue. Approved Applicants must submit Five (5) additional banners for replacements.

12-11-5. APPLICATIONS. Applications for Banners on City Light Standards shall be submitted to the Special Events Department and shall be approved only if the interdepartmental review team finds compliance with all criteria set forth in this Chapter.

Applications shall be submitted no later than ninety (90) days prior to the first date of the proposed display period. Applications shall at a minimum contain the following information:

(A) Proof of eligibility per Section 12-11-3;

(B) Requested display locations and dates, not to exceed a period of three (3) weeks; and

(C) A colored rendering or scaled drawing of the proposed Banner, including facade dimensions and descriptions of materials and colors to be used.

If more than one application for Banners on City Light Standards is received for the same time period, the Special Events Director will determine which applicant receives priority status. Priority shall be determined on a first-come first-served basis, based on the date a completed application is received. Where competing applications are submitted by Master Festival License holders, display periods shall be limited to the actual event dates.

12-11-6. DESIGN. Banners for display on City Light Standards must satisfy the following design criteria:

(A) **SIZE.** Unless otherwise approved by the Parks Department, banners shall be 29" x 72" along Main Street, 24" x 36" along Empire Avenue, 26" x 96" along Kearns Boulevard and 26" x 96" along Park Avenue;

(B) **FABRICATION.** Fabric must be of a durable material able to withstand the elements including snow and heavy winds, with one and one half inch (1½") brass grommets installed on both bottom corners. Additionally, banners must be sewn for mounting on existing brackets. A three and one half to four inch by 29 inch (3½ " to 4" X 29") wide sleeve for Main Street, Kearns Boulevard and Park Avenue, or twenty-four inch (24") sleeve for Empire Avenue banners, at the top of the banner is required to hang the banners on brackets. Samples are available through the Parks Department. Applicants are encouraged to contact the Parks Department prior to submitting an Application in order to ensure compliance with actual specifications.

(C) **SPONSORS.** Duly licensed Master Festival License holders may include the name, logo, or imagery of a Sponsor (as defined at Section 4-1-1.48 of the Municipal Code) on the Banner, subject to the following criteria:

(1) The Sponsor's name, logo, or imagery shall occupy no more than five percent (5%) of the total Banner area;

(2) The font and scale of the Sponsor's name, logo, or imagery must be either white or black in color, secondary to the Master Festival's name/logo/imagery and must be smaller than the font and scale of the Master Festival's name/logo/imagery;

(3) Multiple Sponsors are allowed for a single Master Festival, but only one Sponsor's name may be displayed on any Banner.

(4) If a Corporate Sponsor (as defined at Section 4-1-1.13 of the Municipal Code) is part of the official Master Festival's name, and that Corporate Sponsor's name, logo, or imagery is featured on the Banners, no additional Sponsors shall be displayed on the Banners.

(D) **ARTWORK.** Bright and glossy fluorescent colors and reflective surfaces are prohibited on banners. Reflective colored materials that give the appearance of changing color are also prohibited. Banners must be finished in subdued earth tone colors. Earth tones may be defined in this context to include the full spectrum of soil, clay and metallic colors. Spectrums of off-whites to deep browns, and light grays to black provide a wide range of acceptable colors. Brighter colors may be used provided they are imbued with brown or black tones. For example: pink imbued with brown would tend toward mauve and would be acceptable. Bright reds imbued with brown or black tones give a deeper burgundy or maroon color and may also be acceptable. A matte or flat finish is required for all surfaces.

Artwork should be approved at least two months prior to the proposed hanging date. The design must be on both sides of the banners, unless otherwise approved by the Parks Department.

12-11-7. PERIOD OF DISPLAY. Banners may be displayed for no more than three (3) weeks at a time. Applicants shall accept that the display period is contingent upon a workable arrangement within the overall schedule of other City Banners as well as prior commitments to other outside sponsors. Prior commitments may preclude the desired display period of an otherwise acceptable applicant's banner. Where competing applications are submitted by Master Festival License holders, display periods shall be limited to the actual event dates.

12-11-8. INSTALLATION AND REMOVAL. Banners must be received by the Parks Department no later than one week prior to the first date of scheduled display. All Banners on City Light Standards shall be installed by City personnel. Installation and removal dates will be arranged by the Applicant and the Parks staff. If the Banners are not retrieved from the Parks Department by the Applicant within ten (10) days after removal, the Banner shall become the property of the City and will be disposed of.

12-11-9. LIABILITY. The Applicant shall agree to assume full liability and indemnify the City for any damage to persons or property arising from the display of the Banners by the City. The City is not responsible for any damage that may occur to the Banners from any cause.

12-11-10. FEES.

(A) APPLICATION FEE. Banner applications shall be assessed a fee of twenty (20) dollars and twenty (20) cents. All application fees are due and payable upon submission of a completed application. Applications shall be considered incomplete unless and until the application fee is paid in full.

(B) INSTALLATION AND REMOVAL FEES. Upon receipt of a completed application, the Parks Department will provide the applicant with an estimate of fees based on estimated costs for City services arising from the installation and removal of the banners, including but not limited to the use of City personnel and/or equipment. A final assessment of City costs will occur upon completion of the Special Event, and installation and removal fees will be adjudged to reflect actual cost. Installation and Removal fees must be paid in full within thirty (30) days of the final assessment of City costs for the Master Festival or Special Event.

SECTION 2. EFFECTIVE DATE. This Ordinance shall take effect upon publication.

PASSED AND ADOPTED this 19th day of December, 2002.

DATE: December 19, 2002

DEPARTMENT: Planning Department

TITLE: Amendment to Record of Survey - Three Kings Condominiums

TYPE OF ITEM: Legislative

SUMMARY RECOMMENDATION: Conduct a public hearing, consider public input, and consider staff's recommendation to approve as conditioned or amended.

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6. Topic

Applicant:	Three Kings Condominium Association
Applicant's Representative:	James R. Blakesley / Dick Weber
Project Address:	1420-1585 Three Kings Drive
Zoning:	RD - MPD
Adjacent Land Uses	Residential, Open Space, Golf Course
Project Planner	Jonathan Weidenhamer

7. Background

The Planning Commission heard this application at its regular meeting on December 11, 2002, and voted unanimously to forward a positive recommendation to the City Council to approve the application.

Many different additions and alterations have been made to the deck and patio areas at the Three Kings Condominiums since the inception of the project in 1971. The existing decks and patios are not indicated on the site plan (sheet 1) of the existing condominium record of survey plat but are situated in areas classified as common area(Exhibit B - Site Plan/ Open Space Exhibit). Consequently, the site plan is lacking in sufficient detail to accurately describe all the existing improvements made to these areas. Consistent with the Condominium Ownership Act, Staff has prohibited any further conversions to private ownership of these common areas without an amendment to the record of survey to allow these conversions.

On July 27, 2002, the City Council approved an ordinance(02-22) to amend the existing condominium record of survey plat to allow portions of existing decks (found at the rear of the buildings) that are under common ownership, to be converted to "Private Ownership" (Exhibit C). This amendment has not been recorded. At this time, the Homeowners Association proposes additional modifications to the existing condominium record of survey to also allow portions of existing interior patios, that are under common ownership, to be converted to "Private Ownership". These areas can be subsequently enclosed at the discretion of the individual owner subject to HOA approval (Exhibit C).

The application currently being reviewed will void the July 27, 2002 approval and replace it entirely. This application will include both the deck areas at the rear of the buildings, and the newly proposed patio areas on the interior plazas.

8. Analysis

The existing units vary in size from 942 s.f - 1,484 s.f. and average approximately 1,250s.f.. The conversions of all proposed areas to private ownership will add, on average, 280 s.f. to each unit, resulting in an average unit size of 1,530 s.f.. The parking requirement for multi-unit dwellings stipulates that any unit between 1,000 - 2,499 s.f. requires two parking spaces per dwelling. The additional square footage does not trigger the need for expanded parking.

The amendment will result in a minor change in the open space requirement. If all the proposed deck and patio areas being converted to private space were actually enclosed, 75.8 % open space for the entire project would still be maintained (Exhibit B). The condominium association has submitted to the City for review amended CC&R's. They have also provided confirmation of a home owners vote exceeding 2/3 majority to support this application (Exhibit E). In all cases, a certified survey will be required prior to issuance of a building permit to verify setbacks or other Land Management Code Regulations. A Condition of Approval will reflect this.

9. Department Review

This project has gone through an interdepartmental review team. There are no outstanding issues. At such time as a final plat is required, the City Engineer and City Attorney will review the plat as to form and compliance with the Land Management Code prior to recordation.

10. Notice

The property was posted and notice was mailed to property owners within 300 feet. Legal notice was also placed in the Park Record. No public input has been received by the time of this report.

SIGNIFICANT IMPACTS

Failure to amend the Record of Survey will prohibit unit owners from converting common decks and patios into private area.

RECOMMENDATION

The staff recommends that the Planning Commission conduct a public hearing, consider any input, and forward a positive recommendation to the City Council for the amended record of survey based on the following findings of fact, conclusions of law and conditions of approval:

Findings of Fact:

1. The Planning Commission heard this application at its regular meeting on December 11, 2002, and voted unanimously to forward a positive recommendation to the City Council to approve the application.
2. The condominium project known as the Three Kings Condominiums is located at 1420-1585 Three Kings Drive and is zoned RD-MPD.
3. Many different additions and alterations have been made to the deck and patio areas at the Three Kings Condos since the inception of the project in 1971.
4. The existing decks and patios are not indicated on the site plan (sheet 1) of the existing condominium record of survey plat but are situated in areas classified as common area.
5. Consistent with the Condominium Ownership Act, Staff has prohibited any further conversions to private ownership of these common areas without an amendment to the record of survey to allow these conversions.
6. On July 27, 2002, the City Council approved Ordinance 02-22 which allowed the amendment to the existing Three Kings Condominium Record of Survey to allow portions of existing decks and patios (at the rear of the buildings) that are under common ownership to be converted to "Private Ownership" and subsequently enclosed at the discretion of the individual condominium owner - subject to HOA approval This amendment has not been recorded.
7. The application currently being reviewed will void the July 27, 2002 approval and replace it entirely. This application will include both the deck areas at the rear of the buildings, and the newly proposed patio areas on the interior plazas. A condition of approval will address this.
8. The proposed amended record of survey changes the type of ownership of common deck and patio areas to private ownership.
9. A vote of 66.66% or more for approval of the amendment was received by the members of the Homeowners Association. A letter confirming this vote has been received by the Planning Department.
10. This application is to amend sheets 2,3,4, and 5 of the Three Kings Condominiums. Sheet one shall remain intact.
11. The existing decks and patios are not indicated on the site plan (sheet 1) of the existing condominium record of survey plat but are situated in areas classified as common area. Consequently, the site plan is lacking in sufficient detail to accurately describe all the existing improvements made to these areas.
12. The existing units vary in size and average approximately 1,250s.f.. The conversions of all proposed common area to private ownership will add approximately 280 s.f. to each unit resulting in an average of 1,530 s.f. for each unit.

13. The parking requirement for multi-unit dwellings stipulates that any unit between 1,000 - 2,499 s.f. requires two parking spaces per dwelling. The additional square footage does not trigger the need for expanded parking.
14. If all the proposed deck and patio areas being converted to private space were actually enclosed, 75.8 % open space for the entire project would still be maintained.

Conclusions of Law:

1. There is good cause for this Amended Record of Survey.
2. The Amended Record of Survey is consistent with the Park City Land Management Code and applicable State law regarding condominium plats.
3. Neither the public nor any person will be materially injured by the proposed Amended Record of Survey.
4. Approval of the Amended Record of Survey, subject to the conditions stated below, does not adversely affect the health, safety and welfare of the citizens of Park City.

Conditions of Approval:

1. The City Attorney and City Engineer will review and approve the final form and content of the Amended Record of Survey for compliance with State law, the Land Management Code, and the conditions of approval, prior to recordation of the plat.
2. The applicant will record the Amended Record of Survey at the County within one year from the date of City Council approval. If recordation has not occurred within one year's time, this approval and the plat will be void.
3. All other conditions of approval of the Three Kings Condominiums project continue to apply.
4. In all cases where necessary in the opinion of the Community Development Department, a certified survey will be required prior to issuance of a building permit to verify setbacks or other Land Management Code Regulations.
5. Approval of this proposal will render all approvals granted by Ordinance 02-22 null and void.

EXHIBITS

Exhibit A - Location Map
Exhibit B - Site Plan / Open Space Exhibit
Exhibit C - Expanded Floor Plan (typical)
Exhibit D - Amended Record of Survey (sheets 2-5)
Exhibit E - Confirmation of Homeowners vote
Exhibit F - Ordinance

AN ORDINANCE APPROVING AN AMENDED RECORD OF SURVEY FOR THREE KINGS CONDOMINIUMS, LOCATED AT 1420-1585 THREE KINGS DRIVE, PARK CITY, UTAH.

WHEREAS, the owners of the property located at 1420-1585 Three Kings have petitioned the City Council for approval of an amended Record of Survey plat; and

WHEREAS, the property was properly noticed and posted according to the requirements of the Land Management Code; and

WHEREAS, proper legal notice was sent to all affected property owners; and

WHEREAS, the Planning Commission held a public hearing on December 11, 2002, to receive input on the proposed record of survey plat;

WHEREAS, the Planning Commission, on December 11, 2002, forwarded a positive recommendation to the City Council; and,

WHEREAS, on December 19, 2002, the City Council held a public hearing and approved the proposed record of survey plat; and

WHEREAS, it is in the best interest of Park City, Utah to approve the record of survey plat.

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

SECTION 1. APPROVAL. The Record of Survey plat as shown in Exhibit D is approved subject to the following Findings of Facts, Conclusions of Law, and Conditions of Approval:

Findings of Fact:

6. The Planning Commission heard this application at its regular meeting on December 11, 2002, and voted unanimously to forward a positive recommendation to the City Council to approve the application.

7. The condominium project known as the Three Kings Condominiums is located at 1420-1585 Three Kings Drive and is zoned RD-MPD.

8. Many different additions and alterations have been made to the deck and patio areas at the Three Kings Condos since the inception of the project in 1971.

9. The existing decks and patios are not indicated on the site plan (sheet 1) of the existing condominium record of survey plat but are situated in areas classified as common area.

10. Consistent with the Condominium Ownership Act, Staff has prohibited any further conversions to private ownership of these common areas without an amendment to the record of survey to allow these conversions.

11. On July 27, 2002, the City Council approved Ordinance 02-22 which allowed the amendment to the existing Three Kings Condominium Record of Survey to allow portions of existing decks and patios (at the rear of the buildings) that are under common ownership to be converted to "Private Ownership" and subsequently enclosed at the discretion of the individual condominium owner - subject to HOA approval This amendment has not been recorded.

12. The application currently being reviewed will void the July 27, 2002 approval and replace it entirely. This application will include both the deck areas at the rear of the buildings, and the newly proposed patio areas on the interior plazas. A condition of approval will address this.

13. The proposed amended record of survey changes the type of ownership of common deck and patio areas to private ownership.

14. A vote of 66.66% or more for approval of the amendment was received by the members of the Homeowners Association. A letter confirming this vote has been received by the Planning Department.

15. This application is to amend sheets 2,3,4, and 5 of the Three Kings Condominiums. Sheet one shall remain intact.

16. The existing decks and patios are not indicated on the site plan (sheet 1) of the existing condominium record of survey plat but are situated in areas classified as common area. Consequently, the site plan is lacking in sufficient detail to accurately describe all the existing improvements made to these areas.

17. The existing units vary in size and average approximately 1,250s.f.. The conversions of all proposed common area to private ownership will add approximately 280 s.f. to each unit resulting in an average of 1,530 s.f. for each unit.

18. The parking requirement for multi-unit dwellings stipulates that any unit between 1,000 - 2,499 s.f. requires two parking spaces per dwelling. The additional square footage does not trigger the need for expanded parking.
19. If all the proposed deck and patio areas being converted to private space were actually enclosed, 75.8 % open space for the entire project would still be maintained.

Conclusions of Law:

1. There is good cause for this Amended Record of Survey.
2. The Amended Record of Survey is consistent with the Park City Land Management Code and applicable State law regarding condominium plats.
3. Neither the public nor any person will be materially injured by the proposed Amended Record of Survey.
4. Approval of the Amended Record of Survey, subject to the conditions stated below, does not adversely affect the health, safety and welfare of the citizens of Park City.

Conditions of Approval:

1. The City Attorney and City Engineer will review and approve the final form and content of the Amended Record of Survey for compliance with State law, the Land Management Code, and the conditions of approval, prior to recordation of the plat.
2. The applicant will record the Amended Record of Survey at the County within one year from the date of City Council approval. If recordation has not occurred within one year's time, this approval and the plat will be void.
3. All other conditions of approval of the Three Kings Condominiums project continue to apply.
4. In all cases where necessary in the opinion of the Community Development Department, a certified survey will be required prior to issuance of a building permit to verify setbacks or other Land Management Code Regulations.
5. Converted Private area cannot be used to create a lockout unit.
6. Approval of this proposal will render all approvals granted by Ordinance 02-22 null and void.

SECTION 2. EFFECTIVE DATE. This Ordinance shall take effect upon publication.

PASSED AND ADOPTED this 19th day of December, 2002.

DATE: August 5, 2002

DEPARTMENT: Legal/CDD

AUTHOR: Mark Harrington, City Attorney

Patrick Putt, Planning Director

TITLE: Amendment to Title 15 of the MCPC to adopt changes to the HOA notice provisions

TYPE OF ITEM: Legislative

SUMMARY RECOMMENDATIONS:

Review proposal, conduct a public hearing and adopt the proposed Ordinance

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DESCRIPTION

A. Topic:

Homeowner association ("HOA") notice of City building permits.

B. Background:

The current Land Management Code allows HOAs to register with the Building Department to receive notice of any building permit within their subdivision. The notice is sent by the developer/owner, not the City. The Code requires the developer/owner to file proof of mailing or a signed acknowledgment from the HOA. The City does not wait for nor even consider any action before an architectural committee or HOA Board prior to issuing the permit. The City permits are issued solely pursuant to the Uniform Building Code and LMC.

Over the years, the City has received several requests to make HOA approval of a plan a condition precedent to the City's issuance of a building permit. The City has consistently rejected such pleas due to: 1) fear of getting too involved in HOA disputes; 2) Building Dept. workload in administratively tracking the approvals; and 3) inconsistent reliability of valid HOA actions.

Earlier this year, Mayor Williams, Ron Ivie and I met with representatives from the American Flag and Prospector to again look at the noticing. We reiterated the City's opposition to granting the HOAs veto authority over the building permit process, but did offer to revise the City consent forms and make the code section require the new form. The forms were edited and approved by the designated HOA representatives (Rick and Andy Barros).

C. Analysis:

The new language requires the permit applicant to provide a copy of the City's acknowledgment form signed by the HOA, or a signed receipt showing a copy of the form mailed to the HOA. The old language did not specify what had to be with the return receipt and it was possible for someone to mail an empty envelope and still keep their permit process going.

Attached are: 1) ordinance redline; 2) new form; and 3) old form.

The Planning Commission reviewed the Ordinance at their November 13th meeting, conducted a public hearing and forwarded a positive recommendation.

D. Department Review:

This matter has been reviewed by the Building and Legal Departments.

ALTERNATIVES

A. **Adopt the Ordinance:** This is the recommended action.

B. **Direct staff to work with the HOA on additional changes or process.**

C. **Leave the Code as is.** The City would still use the new form but technically could only require a return receipt as evidence of notice from the applicant.

SIGNIFICANT IMPACTS:

The proposal broadens the protections offered to HOAs by attempting to ensure timely and accurate notice of pending permit activity.

CONSEQUENCES OF NOT TAKING THE RECOMMENDED ACTION:

Considerable staff time is taken administering this notice. Any additional requirements would have a negative impact on the work load of the Building Department's administrative staff.

RECOMMENDATION:

Staff recommends that the Council adopt the Ordinance.

AN ORDINANCE AMENDING LAND MANAGEMENT CODE SECTION 15-1-12(E)(2) REGARDING OWNER ASSOCIATION NOTIFICATION

WHEREAS, the City finds it appropriate to register and provide for notice to owner associations ("HOA") of applications for development activity; and

WHEREAS, while the City wishes to facilitate HOA notice, the City does not find it appropriate to pre-condition issuance of building permits on HOA approval; and

WHEREAS, this amendment increases the quality of the notice to HOAs and reduces the opportunity for deceit in the notice process.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PARK CITY, UTAH THAT:

SECTION I. AMENDMENT. Section 15-1-12 of the Land Management Code in the Park City Municipal Code is amended as redlined below:

15-1 -12. NOTICE.

(E) **OWNERS ASSOCIATION REGISTRATION AND NOTIFICATION**.

(1) **REGISTRATION.** Owners associations desiring notice of requests for Building Permits within their boundaries must file written registration annually with the Park City Building Department and pay an annual fee of fifty dollars ($50.00).

The registration must consist of the name(s), addresses including post office box numbers, and telephone numbers of at least three (3) authorized representatives of the Owners association and a notarized statement certifying that these individuals are the authorized representatives of said association.

Associations not registered with the City will not be included in the published list of Owners associations and do not receive notice of Building Permit requests prior to their issuance.

Any change(s) in the above information must be forwarded in writing to the Building Department within ten (10) days of the change.

(2) **NOTICE.** Prior to, or at the time of, Application for a permit for any Development, the Applicant must file with the City evidence of notification to the appropriate registered Owners association(s). Acceptable evidence of notification shall be the following:

~~(a) a signed return receipt from a certified letter posted to the proper association representative; and/or~~

(~~b~~a) the properly executed notice form, as approved by the City; or

(b) a signed return receipt from a certified letter posted to the registered association representative, with a copy of the notice form approved by the City.

(3) **CITY NOT PARTY TO DISPUTES.** The City is not the arbiter of disputes between an Applicant and an Owners association.

SECTION II. EFFECTIVE DATE. This ordinance shall become effective upon publication.

PASSED AND ADOPTED this 19th day of December, 2002.

DATE: December 19, 2002

DEPARTMENT: Administrative Services

AUTHOR: Robert W. Stephens, ASD Director

TITLE: Cows Easement Agreement, Encroachment Agreement and Deed Transfer

TYPE OF ITEM: Legislative

SUMMARY RECOMMENDATION: To approve a deed transfer for the portion of the Cows/Starbucks Building that encroaches on City property; to approve an ingress/egress easement agreement for the sidewalk area at the rear of the building; and to approve an encroachment agreement for the mechanical equipment.

A. Topic: Ennis J. Gibbs, the owner of the building at 402 Main Street in Park City that houses Cows and Starbucks has requested easements for ingress/egress to the rear of the building, for the building encroachment on City property and for the land the mechanical/air conditioning equipment is located.

B. Background: Ennis J. Gibbs has entered into a Real Estate Purchase Agreement with Mountainlands Housing Trust for the sale of property on lower Deer Valley Drive for 22 affordable housing units. As part of the sale, Gibbs has requested the City grant easements to him on a separate property located at 402 Main Street for current encroachments. The City has retained Alliance Engineering to conduct a survey of this property and to draft three separate legal descriptions: (1) for the portion of the building that encroaches; (2) for the ingress/egress easement; and (3) for the mechanical equipment encroachment. The building is an historic one estimated to be built in the 1910 to 1920 timeframe.

C. Analysis: To clear up encroachments for historic structures (older than 50 years), the City has typically transferred title with no compensation to the City. The building currently encroaches 12 feet onto City property. To grant an easement for ingress/egress, staff is recommending the shortest distance from the back door to Fourth Street following the existing sidewalk. Language in the easement agreement will require Mr. Gibbs to erect a fence as approved by the City Engineer that encloses the walk way. This will prevent delivery trucks from driving onto the property which is currently the case. To resolve the mechanical equipment encroachment, an revocable encroachment agreement is being drafted for Council approval. If and when the Council desires to use this piece of the property, the mechanical equipment can be relocated to the roof and the expense of the owner. The agreements are being drafted and the legal descriptions are being prepared but will not be finalized until December 19, 2002 at the earliest.

D. Departmental Review: This topic has been reviewed by the City Manager, the Legal Department and the CDD Director.

E. Alternatives:

1. Approve a deed transfer for the building encroachment; an easement for the ingress/egress issue; and an encroachment agreement for the mechanical equipment.

2. Deny the request for easements.

F. Significant Impacts: Should the Council deny the requests of Mr. Gibbs for easements clearing up encroachments issues on his building at 402 Main Street, Mr. Gibbs has stated he will not proceed with the sale of the Deer Valley property to MCHT. Mr. Gibbs is selling the property to MCHT at a discounted rate at least partially for income tax purposes and needs to consummate the deal in 2002. Mr. Gibbs has indicated that if this is not possible the deal will not be made.

G. Recommendation: Approve the deed transfer, the easement agreement and the encroachment agreement.

Exhibits

Map showing the approximate locations of each of the agreements.

DATE: December 19, 2002

DEPARTMENT: Administrative Services

AUTHOR: Lori Collett, Finance Manager

TITLE: Audit Report and response to Auditor's Management Letter

TYPE OF ITEM: Informational

SUMMARY RECOMMENDATIONS: Accept the audit. No other action is required.

DESCRIPTION:

A. Topic:

Audit report for the Fiscal Year Ended June 30, 2002. The following is an overview of the Audit Report.

B. Background:

Overview of City's Financial Position as of June 30, 2002

The City's general fund ended the 2001-2002 fiscal year with a fund balance of $2,861,486. The general fund balance increased by $375,501 when compared to last year. The State of Utah establishes minimum (5%-$961,797) and maximum (18%-$3,462,468) limits to the amount that may be accumulated as the fund balance in the general fund. The general fund ending balance is within the statutory limitation on the amount the City may carry in the fund balance in the general fund and is in compliance with the City's budget policy. Departments' expenditures were under budget by approximately $885,802. Actual revenues came in $688,661 less than projected (approximately $178,704 in property tax, $106,228 in sales and resort taxes, $337,385 in planning and building fees and $66,344 in other miscellaneous revenues).

The water fund had a net loss of $258,328 after depreciation expense of $1,002,032 compared to net income from the prior year of $344,821. The water fund received improvements to its water system of $638,080, representing contributions from developers. According to accounting principles generally accepted in the United States of America (GAAP), starting in fiscal year 2002 developer contributions are recorded in the revenue classification of operating transfers in/out in the statement of revenues, expenses and changes in retained earnings. Prior to fiscal year 2002, developer contributed assets were recorded as a contribution in the fund equity section of the balance sheet.

The City's golf course fund ended the fiscal year with a net loss before operating transfers and contributions of $67,871 including depreciation expense of $196,599 compared to net income from the prior year of $59,429. The net income after operating transfers and contributions of $1,038,080 included a $1,130,951 contribution from the capital improvement fund which paid for the golf course parking area as a result of the golf course pro shop relocating to the Hotel Park City. Prior to fiscal year 2002, contributed assets were recorded as a contribution in the fund equity section of the balance sheet and not as revenue.

With a $511,500 subsidy from the general fund, the recreation fund ended the year with a net loss of $110,600, including depreciation of $116,133, compared to a net loss from the prior year of $75,477. Prior Councils have looked at the fund’s financial position not including depreciation. The recreation fund is currently budgeted to receive a general fund subsidy of $511,500 in fiscal year 2002-2003.

The transportation and parking fund had net income of $774,143 after depreciation of $772,465 compared to a net income from the prior year of $3,803,825. The decrease in net income is primarily a result of the decrease of Federal grant monies received for the Transit

Center construction. During fiscal year 2001, Federal grant monies were received in the amount of $5,193,558 compared to $1,135,838 in fiscal year 2002.

General Obligation Bonds - Audit of Bond Expenditures

Resolution No.16-98, *Resolution to Appoint a Citizens Committee to Advise the City Council on Community Priorities for Open Space Acquisition, Methods to Permanently Preserve Open Space, and to Account for Expenditure of Open Space Bond Proceeds should Voters Approve a General Obligation Bond to Preserve Open Space*, requires the City to annually audit bond expenditures and report the results of such audit to the public. During the year ended June 30, 2002 two parcels of land were purchased for a total of $6,500,330 cash and two notes payable to the property sellers totaling $1,250,000 plus interest. All bond proceeds received, expenditures made for land purchases and other miscellaneous items of revenue and expense relating to the General Obligation Bonds Series 1999 and 2000, are included in the City's fiscal year ending June 30, 2002 general purpose financial statement, and were audited by Deloitte & Touche LLP.

Comments from the City's Audit Firm of Deloitte and Touche LLP

The auditors identified one minor State Compliance issue. The City is required to remit on a quarterly basis to the State of Utah Occupational and Professional Licensing Division one percent of building fees collected. This remittance is due to the State thirty days after the end of each quarter. The City did not file the fourth quarter report of $746 for the 2001 calendar year within the 30 days following the end of the quarter (January 31, 2002). The report was filed on March 6, 2002.

The comments, expressed by the auditors in their letter to management (copy attached), reflect no areas involving material weakness in the operations or internal accounting control, but rather identify areas where some improvements can be made.

Internal Service Funds:

Observation: The purpose of an internal service fund is to account for the financing of goods or services provided by one fund to other departments of the City on a cost reimbursement or break even basis. Large retained earnings balances have accumulated in the equipment replacement and self-insurance funds. Federal and other granting agencies often review internal service funds to determine if excess amounts are being charged to the City's other funds and to federal programs that may be passed through to the granting agencies. We have found no evidence that this is occurring at the City, however, since federally funded programs are for capital purposes and recorded in enterprise funds.

Recommendation: The City should evaluate the large retained earnings balances in internal service funds to determine if revision of the method of computing user charges may be appropriate in order to reduce the growing balances. As part of the changes required with the adoption of Governmental Accounting Standards Board (GASB) Statement No. 34, the City may consider the reclassification of internal service funds as other fund types.

City Response: Staff believes that contributions to the internal service funds have been appropriate, but will evaluate them as part of the budget process. As part of implementing GASB 34 for fiscal year ending June 30, 2003, the City will determine the appropriateness of using the internal service fund structure for the equipment replacement and self-insurance funds. The City is considering a reclassification of these internal service funds to the general fund or a capital improvement fund, but a final decision has not been reached at this time.

Interdepartmental Communication

Observation: We noted certain circumstances in which details of property transactions were not forwarded to the finance department by responsible departments. Particularly, these transactions included nonexchange transactions involving capital resources (donations). GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*, defines a nonexchange transaction as one where a government gives or receives value without directly receiving or giving equal value in return.

Recommendation: The City should develop a policy with respect to the timely communication of all property transactions, including nonexchange transactions, to the finance department in order to facilitate proper and timely recording.

Response: The requirements of GASB 33 regarding accounting for nonexchange transactions have been communicated to the departments that have knowledge of these types of transactions. These City departments have agreed to communicate to the finance department in a timely manner the details of such transactions.

Unallowable Federal Costs

Observation: The City included unallowable expenditures in a request for reimbursement of federal funds during fiscal year 2002 in the amount of $2,269. The City originally identified the amount for exclusion. However, during the final review process the amount was inadvertently included in the City's request for reimbursement.

Recommendation: The City should ensure that any unallowable costs identified are returned to the granting agency, and that in the future all such costs are appropriately excluded from requests for reimbursement.

Response: In its next draw down, the City will execute a refund to the FTA in the amount of $2,269 to the grant. The City will also calculate the daily interest incurred on this sum and credit the grant for that amount in accordance with federal regulations.

Department: Leisure Services

Author: Bob Johnston, Director of Leisure Services

Date: 12/19/02

Title: Amendment to Memorandum of Understanding with Snyderville Basin Recreation District

Summary Recommendation:

Approve proposed amendment to the Memorandum of Understanding (MOU) with the Snyderville Basin Special Recreation District (SBSRD).

Description:

A. Background:

In July of 2001 the Park City Council approved an MOU with the SBSRD regarding youth sports programming and facility operations and Maintenance. Since the implementation of the MOU both parties have had 16 months to work under the terms of the agreement. During that time both the City staff and Basin staff have agreed to changes that do not necessarily reflect the language in the original MOU. It was the intent of both parties to amend the agreement to more accurately reflect the provision of services provided by both parties.

B. Analysis:

For the most part, the difference between the new document and the original is inconsequential. The most significant change involves gymnasium use at the Racquet Club. The original document did not address use of gym specifically. The Basin proposed that they be given priority use of the gym during the Jr. Jazz basketball season. The new agreement reads; Park City Racquet Club will guarantee up to 130 hours of gym time for the Jr. Jazz basketball program during the months of October through February. This is essentially a cap of what we are currently experiencing. As the program expands new space will need to be found.

As an FYI, staff has been working to reduce the number of programs with higher fees for county residents. Two programs that we experimented with this summer were adult softball and skate park programs. We would like to continue in this direction an will discuss this with Council further during the budget process.

With few exceptions, this arrangement has worked well. We (City Staff) believe that this is due in large part to Matt Strader becoming an employee with Basin Recreation. The transition has been an easy one.

C. Review:

this report has been reviewed by the Leisure Services Department, the Legal Department and the Acting City Manager.

Alternatives:

A. Council may find reason to table this issue and direct staff to return with additional information.

B. Agree not to amend the MOU and continue to operate under the original contract provisions.

MEMORANDUM OF UNDERSTANDING ON COOPERATIVE YOUTH SPORTS PROGRAMMING AND FACILITY OPERATIONS AND MAINTENANCE

THIS MEMORANDUM OF UNDERSTANDING is made and entered into this 19th day of December, 2002 by and between the **SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT** (hereinafter "SBSRD") and the **PARK CITY MUNICIPAL CORPORATION** (hereinafter "Park City"), bodies corporate and politic of the state of Utah.

WHEREAS, SBSRD and Park City Municipal Corporation provide recreation programs within their respective jurisdictions; and

WHEREAS, it is in the best interests of both parties to provide efficient delivery of recreation services; and

WHEREAS, a comprehensive recreation program for the Park City and the Snyderville Basin may be best realized through joint, cooperative, and consolidated effort; and

WHEREAS, both parties agree that a consolidated youth sports program combining SBSRD and Park City residents will provide children with more recreational opportunities and a greater overall recreational experience; and

WHEREAS, the governing bodies of Park City and SBSRD each desire to achieve maximum quality recreation programs and activities at reasonable costs to taxpayers and participants alike, as more fully set forth below; and

WHEREAS, the governing bodies of Park City and SBSRD each desire to amend the Memorandum of Understanding adopted July 18, 2001 to more accurately reflect the provision of services by each party.

NOW THEREFORE, in consideration of the mutual covenants of the parties herein contained, it is agreed as follows:

2. **Definition and Description of Parties and Terms**:

A. "SBSRD" shall mean the Snyderville Basin Special Recreation District, a Utah body politic, whose principal address is c/o District Administrator, P.O. Box 980127, Park City, UT 84098.

C. "Park City" shall mean Park City Municipal Corporation, a Utah body politic, whose principal address is c/o City Manager, P.O. Box 1480, Park City, UT 84060.

C. "Basin/Park City Youth Sports Program" shall mean the youth baseball, basketball, and soccer programs existing at the time of execution of this document and as directed pursuant to this Memorandum of Understanding.

D. "Facilities" shall mean all playing fields, and any buildings or fixtures required to run the Basin/Park City Youth Sports Program.

E. "Oversight Committee" shall mean a Regional Recreation Committee consisting of the following members: two SBSRD Board Members; two Parks and Beautification Board Members; Park City's Leisure Service Director; the SBSRD District Administrator; and two Park City Council Members. The Regional Recreation Committee shall be responsible for advising the Youth Sports Organizational Committee and making recommendations to SBSRD's and Park City's decision-making bodies, including whether this Memorandum of Understanding should be extended beyond its termination date.

1. **Purpose of Memorandum of Understanding**:

This Memorandum of Understanding is intended to establish a Basin/Park City Youth Sports Program for the purpose of sustaining and permitting further development of the successful youth sports programs established between SBSRD and Park City through past agreements. The Basin/Park City Youth Sports Program is intended to serve all children residing within the boundaries of SBSRD and Park City, according to the parameters set forth herein. It is the intent of the parties to provide a recreational program experience that is integrated, yet flexible in order to accommodate the changing needs of the community. The participation of Park City and SBSRD patrons will be "seamless" at the user level for all programs identified under the terms of this Memorandum of Understanding.

2. **Basin/Park City Youth Sports Program Content**:

A. The Basin/Park City Youth Sports Program shall grant equal access to all children residing in that area of Summit County contained within the boundaries of Park City and Snyderville Basin Special Recreation District.

B. The content of the program shall be the responsibility of the Youth Sports

ational Committee, as defined herein.

4. **<u>Basin/Park City Youth Sports Program Administration</u>**:

A. Registration and participant fees for all programs identified as Basin/Park City Youth Sports Programs will be received by Park City Leisure Services and SBSRD. To improve efficiencies of program registration, alternative registration and payment methods which utilize on-line and/or computer interconnect applications shall be implemented.

B. SBSRD will:

1) Operate all aspects of the SBSRD/Park City Youth Sports program.

2) Pay all costs of the program with the exception of those identified below.

3) Not charge Park City for expenses related to the operation of these programs.

4) Retain all revenues derived from the Youth Sports programs.

5) Expend best efforts to assure that the program is seamless to all users.

6) Provide priority use of fields, field maintenance, lining and sports field equipment for all fields within District limits that are utilized for Youth Sports programs. If irrigation water restrictions on City play fields result in City field closures, SBSRD will make best efforts to accommodate scheduled Youth Sports programs on District fields.

C. PCLS will provide these services as their contribution to the Youth Sports programs.

1) Priority use of fields, field maintenance, lining and sports field equipment for all fields within City limits that are utilized for Youth Sports programs. If irrigation water restrictions on District play fields result in field closures, PCLS will make best efforts to accommodate scheduled Youth Sports programs on City fields.

2) Gymnasium space at Park City Racquet Club and PCSD gymnasiums within the City limits for Bitty and Junior Jazz Basketball programs. Park City Racquet Club will guarantee up to 130 hours during the months of October through February for youth basketball programs. The agencies agree that the Park City Racquet Club gymnasium may be used on a space available basis as a backup facility for the baseball/softball program in case of inclement weather.

5. **<u>Future Sports Programs</u>**:

Both parties understand and agree that other innovative recreational program inventory may be developed over time. Upon the establishment of new recreational programs by either agency, the other shall have the option of participating in such programs at non-differential rates. The parties in the development of program inventory will consider findings of the Wikstrom report, dated May, 2002. The Youth Sports Organization Committee (ref. Section 9) agrees to provide early notification of all new youth programs to the other agency.

6. **<u>Facility Operation, Maintenance, and Administration</u>**:

Each party shall be responsible for preparation and maintenance of all playing fields and facilities located within their respective boundaries and shall absorb all related expenses, including administrative costs. (See Section 4, above).

7. **<u>Calendaring of Facilities</u>**:

Games, practices, and other events related to the soccer program shall be scheduled equitably on SBSRD and Park City facilities. Best efforts shall be expended by both parties to achieve the same equitable scheduling of facilities for the baseball and basketball programs. As used herein, the concept of equitable scheduling is intended to be implemented on a regional basis for the greater Park City area. The parties acknowledge the field and gym space needs of local competitive "club sports," Park City School District programs, and other local constituent interests above and beyond Basin/Park City Youth Sports Programs. All fields and facilities should be scheduled to best accommodate all recreation and sports programs. The schedule will be based on balanced field use, i.e., which programs or clubs are suited to which facilities. Items to be considered should include: travel, consistency and convenience of a player's schedule, field appropriateness, parking, resting of fields, other activities. The parties agree that Basin/Park City Youth Sports Programs will have calendaring priority for use of the facilities except as otherwise dictated by interlocal agreements with Park City School District. Second priority is to provide fields and facilities for other Basin/Park City activities and programs. Club sports and special events shall take next priority, followed by makeup games or other irregularities in recreation program schedules.

8. **<u>Facility Development</u>**:

The parties to this Memorandum of Understanding acknowledge and understand that the needs of the parties may change over time due to increased growth in the area. The parties agree to negotiate in good faith and change the purposes identified within this Memorandum of Understanding as necessary. The parties will strive to develop future facilities that will contribute to and complement, rather than duplicate, existing recreational opportunities within western Summit County. The parties acknowledge that combined planning efforts for large capital improvement projects may better serve long term constituent needs and the economic development interests of the region.

9. **<u>Youth Sports Organizational Committee</u>**:

A. A Youth Sports Organizational Committee has been formed, consisting of recreation coordinators from SBSRD and Park City. The Youth Sports Organizational Committee shall be responsible for determining the content of the youth sports programs during the term of this Memorandum of Understanding. The Youth Sports Organizational Committee shall also be responsible for managing costs and purchases, as well as determining the philosophy, nature, and organization of the Basin/Park City Youth Sports Program. All programs shall be subject to annual review. Committee members of each agency agree to communicate the introduction of any new youth recreation program.

B. In the event that the Youth Sports Organizational Committee is unable to agree upon or resolve any issues related to the Basin/Park City Youth Sports Program, direction shall be sought from the Regional Recreation Committee.

C. The parties have agreed upon these program improvements:

(1) Coaching

- 1.1. Refine coaches' clinics to increase participation through better promotion, better clinic design, and more required attendance.
- 1.2. Host child-parent clinics in which the coaches will assist.
- 1.3. Recruit assistance of competitive coaches in skills clinics and coaches clinics.
- 1.4. Include in the coach information packets a skills development outline for each sport.
- 1.5. Develop a coaches appreciation system (i.e. golf tournament, coaches' games, awards for different levels of service).

(1) Player Development

- 1.1 Continue to operate and develop skills clinics prior to and during each season.
- 1.2 Host player-parent clinics at the beginning of each season.
- 1.3 Continue to operate sports specific programs outside of the joint program.
- 1.4 Utilize training by competitive coaches.

10. **Indemnification and Insurance**:

A. To the extent allowed by law, Park City shall indemnify and hold harmless SBSRD, and its Officers, Directors, its agents, employees and independent contractors, and its successors and assigns, against all third party damages, losses, claims, attorney fees and costs arising out of any act or omission of Park City, its agents, employees and independent contractors relating to Park City's performance under this Memorandum of Understanding. This indemnification provision shall apply to all theories of recovery, including breach of contract or warranty, negligence, quiet title, and strict or statutory liability, except for the sole negligence of SBSRD, its officers, directors and its agents, employees and independent contractors. SBSRD shall give prompt notice to Park City of any claim or demand against SBSRD which may allow SBSRD to make a claim of indemnification against Park City under this paragraph and that SBSRD will allow Park City to investigate, defend and settle such claims without any act on the part of SBSRD which may interfere with or compromise the ability of Park City to successfully defend the claim.

B. To the extent allowed by law, SBSRD shall indemnify and hold harmless Park City, and its Officers, Directors, its agents, employees and independent contractors, and its successors and assigns, against all third party damages, losses, claims, attorney fees and costs arising out of any act or omission of SBSRD, its agents, employees and independent contractors relating to SBSRD's performance under this Memorandum of Understanding. This indemnification provision shall apply to all theories of recovery, including breach of contract or warranty, negligence, quiet title, and strict or statutory liability, except for the sole negligence of Park City, its officers, directors and its agents, employees and independent contractors. Park City shall give prompt notice to SBSRD of any claim or demand against Park City which may allow Park City to make a claim of indemnification against SBSRD under this paragraph and that Park City will allow SBSRD to investigate, defend and settle such claims without any act on the part of Park City which may interfere with or compromise the ability of SBSRD to successfully defend the claim.

C. Each party shall maintain Public Liability Insurance to protect patrons and participants on the premises. Each party shall carry a policy of general liability insurance in an amount of at least $2,000,000 per incident or occurrence. SBSRD shall be named as an additional insured on Park City's policy, and Park City shall be named as an additional insured on SBSRD's policy. A certificate of insurance with a 30-day cancellation notice provision shall be provided to each party within 60 days of the date of this Memorandum of Understanding. Each party may carry whatever additional insurance they deem appropriate.

12. **<u>Notice</u>**:

Notice required by this Memorandum of Understanding may be given by mail, postage prepaid, to the following addresses and will be deemed to have been given when posted, properly addressed as follows:

Snyderville Basin Special Recreation District
Attention: District Administrator
P.O. Box 980127
Park City, UT 84098

Park City Municipal Corporation
Attention: City Manager
P.O. Box 1480
Park City, UT 84060

13. **<u>Term</u>**:

This Memorandum of Understanding will be in effect upon its execution by each of the parties for four (4) years commencing August 9, 2001. At the option of the parties, this Memorandum of Understanding shall be extended upon the same terms and conditions for an additional two (2) year term. This Memorandum of Understanding may be terminated by either party at any time upon providing the other party with six month's written notice. Such notice shall state with specificity the reason(s) for the contemplated termination. Upon notice, and for three months thereafter, the Youth Sports Oversight Committee shall exert best efforts to resolve the issues and/or disputes which gave rise to the notice of termination. If agreement is reached, such agreement shall be memorialized in a memorandum, which shall cancel the notice of termination. If a resolution is not achieved, termination shall take place in conformity with such notice or at the termination of the program period, whichever is later. Renewals and/or extensions of this Memorandum of Understanding shall be decided no later than six (6) months prior to the termination date provided herein.

DATED this 19th day of December, 2002.

DATE: December 19, 2002
AUTHOR: Colin Hilton
TITLE: Revised Letter of Intent with Snyderville Basin Special Recreation District for the joint development of a Regional Ice Facility
TYPE OF ITEM: Legislative

SUMMARY RECOMMENDATION: City Council should approve the attached Revised Letter of Intent between the City and the Snyderville Basin Special Recreation District (SBSRD) for the development of an ice facility.

DESCRIPTION:

A. Topic: Letter of Intent with SBSRD for a Regional Ice Facility

B. Background:

In August of 2001, Park City and the Snyderville Basin Special Recreation District (SBSRD) adopted a four (4) year Memorandum of Understanding (MOU) on cooperative youth sports programming and facility operations and maintenance. Section 8 of the MOU states that the City and the SBSRD acknowledge that combined planning efforts for large capital improvement projects may better serve long term constituent needs. Both the City and the Basin have identified the construction of an ice facility as a priority.

The City and SBSRD both passed bonds in November of 2001 with $2 million in each bond identified for ice. Prior to the bonds passing, the City and SBSRD informed the public that it was their intent to jointly develop an ice facility. In addition, in September of 2001, the City Council passed a resolution that stated, "The City will make all best efforts to create a multi-jurisdictional task force and work with the Snyderville Basin Recreation District to develop an ice facility in the greater Park City area."

On January 17, 2002, the City and SBSRD approved a letter of intent for the joint development of an ice facility. In June of the same year, the letter of intent was extended and revised. The purpose of the proposed new letter is to extend deadlines regarding the joint ice inter-local agreement and revise some terms of the prior letter(s) of intent.

C. Analysis:

Letter of Intent Deal Points: The deal points of the Letter of Intent are fairly self explanatory. In summary, the City and SBSRD would work together to develop an ice facility. The Letter of Intent identifies broad parameters for the facility.

Timing: Meeting the deadlines as defined in the attached schedule will be critical to the success of jointly developing an ice facility. The Letter of Intent establishes April 1, 2003 as the date by which an inter-local agreement would be signed by.

Location: The Letter of Intent states that it is the desire of the SBSRD and the City to have the rink located along the Highway 224 transit corridor. This language does not preclude other sites, but does indicate that parties have a preference for the Highway 224 corridor.

Change in Initial Design Scope: The Letter of Intent describes an initial reduction in scope of the Ice Facility. The Phase I scope calls for the design and construction of a covered, outdoor facility with a long term goal of enclosing the rink and allow for year round use.

D. Department Review: This report and the Letter of Intent has been reviewed by the Leisure Services Department, the City Manager's Office, and the Legal Department. Members of the Parks, Beautification and Recreation Board (PRBB) have also reviewed this Letter of Intent.

ALTERNATIVES: Listed below are possible alternatives relating to the Letter of Intent. Please note that the Snyderville Basin Special Recreation District Board is scheduled to adopt the Letter of Intent on Wednesday, December 18, 2002.

A. Approve or Modify the Letter of Intent: Approve the attached Letter of Intent, or modify the letter of intent with the Snyderville Basin Special Recreation District.

B. Deny the Request: Direct Staff to discontinue efforts to implement a joint ice facility.

C. Continue the Item: Council could decide to continue direction on the item until a January 2003 City Council Meeting. Informal efforts to jointly develop an ice facility would likely be continued.

D. Do Nothing: The result of this action would be similar to continuing the request.

In summary, adopting the letter of intent is consistent with the 2000 Recreation Facilities Master Plan. If the Letter of Intent is adopted, the PRBB and City Council should hold public hearings prior to the adoption of an inter-local agreement, a commitment to distribute bond proceeds, or major policy recommendations are made. The attached Letter of Intent provides a framework from which future policy recommendations can be made.

SIGNIFICANT IMPACTS: The Letter of Intent states that the City and the SBSRD intend to each contribute $2 million in bond money to the project and work together to fund the remainder of the facility.

CONSEQUENCES OF NOT TAKING THE RECOMMENDED ACTION: Efforts to jointly develop an ice facility with the SBSRD would likely continue on an informal basis. The purpose of the Letter of Intent is to memorialize commitments that have essentially already been made. It is possible that without a Letter of Intent, the two parties could go their separate ways on ice.

RECOMMENDATION:

The City Council approve the Letter of Intent (attached) between the City and the Snyderville Basin Recreation District for the development of an ice facility.

Attachments:

2. Letter of Intent

Snyderville Basin Special Recreation District and Park City Municipal Corporation Regional Ice Facility Letter of Intent
December, 2002

Purpose

The purpose of this Letter of Intent is to re-clarify the understanding of the Snyderville Basin Special Recreation District (SBSRD) and Park City Municipal Corporation (PCMC) pursuant to phased capital project planning efforts for a regional ice facility.. SBSRD and PCMC agree in concept to the following terms contingent upon further discussion and finalization. These concepts and ideas are not binding on the parties:

3. SBSRD and PCMC have each secured and committed funding in the amount of $2 million for the purpose of constructing an Olympic sized outdoor ice facility.
   31 The parties agree that the phase I scope is proposed to include a 100' x 200' seasonal ice rink, insulated pavilion roof (to allow for future enclosure) bleacher seating (200-300 concrete tiered, plus slab space to allow for temporary bleacher seating for 300-400). Phase I enclosed building elements are proposed to include locker rooms (2 team, 1 ref/family), restrooms (# determined per building code for 600), concession area for skate rentals and sharpening, entry vestibule/ticket sales/warming area, food and pro shop "flex space," mechanical and zamboni storage, meeting/party room(s) and two offices.
   32 The parties further agree that it is appropriate for dry floor activities to be scheduled May through October in the pavilion area. (Ex: films, farmers' market, trade shows, dog shows, outdoor food and beverage functions).

4. Best efforts to leverage capital funding will be made by the parties in the form of cooperative grant applications for Restaurant Tax, foundation grants and corporate sponsorships. No grant or sponsorship shall be applied for, nor shall either party be bound unless formal approval is made by each agency prior to the grant application being submitted.

5. In an effort to facilitate regional recreation in the greater Park City area, staff of both agencies will be directed to work on task assignments. It is agreed there will be no charge for staff time or indirect overhead costs of either agency during the planning and construction phases. The parties agree that attorney's fees for preparation and/or review of contractual documents will be paid by each party independently.
6. A joint budget of consultant fees, and other anticipated direct expenses, will be set in an amount not to exceed $15,000, as detailed in section 9 , below. Each party agrees to pay $2 million towards construction of the facility. The budget may be amended by approval of both parties.

7. SBSRD and PCMC will jointly participate in the site selection process. The parties agree that a rink location along the Highway 224 transit corridor is most desired. SBSRD and PCMC further agree on a general project timeline that will provide completion of design

and engineering no later than January 1, 2004, construction to begin April 1, 2004, and projected occupancy December 1, 2004.

8. SBSRD and PCMC have established a Regional Ice Committee (RIC), consisting of five representatives from each entity, that shall continue to meet monthly, and more frequently as needed through project completion. Tasks of the RIC will include making recommendations to both PCMC and the SBSRD regarding use of consultant services, final site selection, and the development of an Interlocal Cooperative Agreement for Regional Ice facility for the parties to establish a separate political subdivision to be known as the "Regional Ice Authority"

9. RIC members agree that there is a need to assess community expectations, and to balance resident use with tourist use of the ice arena. After a site is selected, a citizens advisory group will be established to participate in facility master planning. Staff will consult with Park City and Snyderville Basin Planning Commission members, Snyderville Basin Planning staff, and Summit County Commissioners on site selection and facility design.

10. Best efforts will be made by both agencies to receive and consider public comment prior to final location decisions and design, recognizing that the design will drive short and long term programmatic uses of the facility.

11. SBSRD and PCMC acknowledge that use of contract consultants will expedite essential elements of early planning. Consultants will be jointly hired and supervised by SBSRD and PCMC staff with input from RIC for project specific tasks. Initial tasks have been identified as follows:

    111 Feasibility Study Update: PCMC conducted an ice rink feasibility study in 1997. SBSRD and PCMC have updated the feasibility study with a current market analysis (April, 2002), at a cost of $2,500 (ref. Point 4).

    112 Independent Capital Project Consultant – site selection and RFP. The RIC has used independent capital project consultants to advise on site selection and conceptual site and building design at a cost of $12,172.50. Projected planning budget expense (ref. Point 4), is $15,000.

12. Independent Capital Project Manager: The RIC recommends an independent capital project manager be jointly contracted to represent the parties' interests in communications with the Regional Ice Authority, the project architect and construction contractor. It will be the project manager's responsibility to ensure project completion on time and on budget.

13. By April 1, 2003, the RIC will propose an Interlocal Cooperation Agreement for approval by SBSRD and PCMC. The parties to the agreement are proposed to be SBSRD

and PCMC. The term of this letter of intent will expire on May 1, 2003.

131 The Interlocal Cooperation Agreement will set forth the responsibilities and expectation of the parties for capital construction and long term asset management.

132 The Interlocal Cooperation Agreement will establish provisions for the structure of long term facility management, operations and maintenance. Operations and Maintenance cost recovery goal is 100%.

DATE: December 19, 2002
DEPARTMENT: Facilities and Special Events
AUTHOR: Alison Butz
TITLE: DABC Lease
TYPE OF ITEM: Administrative - Lease Authorization

SUMMARY RECOMMENDATIONS: Approve the lease renewal, for space within the Old City Hall Building located at 528 Main Street, to the Utah Department of Alcoholic Beverage Control.

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14. TOPIC

Review the draft lease renewal for the rental of space within the Old City Hall Building to the Utah Department of Alcoholic Beverage Control (DABC).

15. BACKGROUND

The current lease of space to the DABC expires on December 31, 2002. In November, the City received a request from the DABC to exercise their option to renew their lease with the City, as outlined in the current agreement.

16. ANALYSIS

The DABC requested the lease renewal be for a duration of five (5) years with an option to renew for an additional three (3) years.

During the discussions with the DABC, possible relocation of the store was evaluated. At this time Staff and the DABC were unable to identify suitable space to meet their needs. Within the new lease, an option to relocate to a substitute facility has been addressed to where there would be no penalty to the lessee for the vacation of the premises before the expiration of the current lease terms.

The renewal of the lease would meeting Council's goal of economic development as well as maintaining an enhanced vitality on Main Street.

ALTERNATIVES

1. Recommend the draft lease which authorizes the renewal of the lease between the DABC and City for 1,380 square feet in the basement of the Old City Hall Building located at 528 Main Street.
2. Recommend denial of the lease renewal between the DABC and City for 1,380 square feet in the basement of the Old City Hall Building located at 528 Main Street.
3. The City Council may continue the discussion in order to receive additional information.

RECOMMENDATION:

Staff recommends that the Council approve the lease renewal between the DABC and City for 1,380 square feet in the basement of the Old City Hall Building located at 528 Main Street.

EXHIBITS:
Exhibit A - Draft of Lease

DATE: December 16, 2002
DEPARTMENT: Recreation Services
AUTHOR: **Kathy Kelly, Recreation Services Manager**
TITLE: **Ahh Spa**
TYPE OF ITEM: Lease

SUMMARY RECOMMENDATIONS:

Approve a one year lease for Ahh Spa.

DESCRIPTION:

A. Topic:

Approval of lease, in a form approved by a City attorney, for space within the Racquet Club for Ahh Spa.

B. Background:

Massage Express has leased space at the Racquet Club since 1993. They have occupied a space which contains three small massage rooms and a small entry and have been an excellent tenant. They have provided an upscale product, submitted rent in a timely manner, and stayed connected with the Racquet Club staff.

A Request For Proposal was conducted for this space. Massage companies, as well as other types of businesses, were invited to submit proposals.

The only submission was from Pam Anderson, owner of Massage Express. She has created and incorporated a new business, Ahh Spa, which will offer facials, and other spa services in addition to massage. She proposed this business for the Racquet Club.

Massage Express's current lease calls for rent of 20% of gross receipts, with an $8,750 yearly cap. There is also a guaranteed minimum monthly rent of $300. The proposal for Ahh Spa is for 22% of gross receipts, a minimum monthly rent of $500, and a yearly cap of $10,000.

C. Analysis:

The increase in rent is consistent with other city owned properties.

D. Review:

This lease has been reviewed and approved by the Legal Department and Acting City Manager.

ALTERNATIVES:

A. Establish a set monthly rent instead of revenue sharing.

B. Negotiate an alternative payment strategy with the leasee.

C. Discontinue the lease.

D. Do another RFP for a tenant**.**

<u>SIGNIFICANT IMPACTS</u>:

Establishing a set monthly rent instead of revenue sharing could change the relationship between the leasee and the Racquet Club. Currently we have an interest in each other's success.

The maximum cap of $10,00 per year is an equitable amount for the space.

The space is not currently needed for other programming and customers are pleased with the product.

DATE: December 19, 2002
DEPARTMENT: OCMB
AUTHOR: Mark Christensen, Thomas Daley
TITLE: **Park City Municipal Corp. and the Park City Water Service District Interagency Agreement**
TYPE OF ITEM: Legislative

SUMMARY RECOMMENDATIONS: Authorize the chairman to execute an interagency agreement between Park City Municipal Corporation ("Park City") and the Park City Water Service District (the "Water Service District") whereby the Water Service District leases water rights to Park City and authorizes Park City to charge and collect water rates set by the Water Service District.

DESCRIPTION:

A. Topic: Interagency agreement between the Park City and the Water Service District.

B. Background: On June 18, 1992, the City formed by resolution (23-92) the Water Service District. The Water Service District was formed primarily for the purpose of owning water rights since the Utah Constitution restricts the sale and lease of municipal-owned water rights and sources. As part of Park City's imminent issuance of the Series 2002 Water Bonds, bond counsel has advised that Park City should lease water rights owned by the Water Service District and should formalize Park City's current practice of charging and collecting the water rates set by the Water Service District.

C. Analysis: The interagency agreement will facilitate the bond issue. The following are terms that will be included in the interagency agreement:

Park City Municipal Corporation
- Ability to collect water user rates set by the "Water Service District"
- Ability to handle delinquent accounts
- Lease district-owned water rights
- Spend revenues generated by district for purposes of providing water service to the community

Park City Water Service District
- Lease water rights to Park City
- Ability to use Park City infrastructure, equipment, and personnel
- Set forth the method for collecting and enforcing district rates

D. Department Review: Public Works, OCMB, Legal, the Acting City Manager

ALTERNATIVES:

A. Authorize the chairman to execute an interagency agreement between Park City and the Water Service District in a form approved by the City Attorney.

B. Do not authorize the chairman to execute the interagency agreement.

C. Do Nothing/ Continue the Item

SIGNIFICANT IMPACTS: Park City's ability to issue the Series 2002 water bonds requires Park City and the Water Service District to enter into the above-described agreement.

CONSEQUENCES OF NOT TAKING THE RECOMMENDED ACTION: Not entering into the agreement would be detrimental to the success of the bond issue.

RECOMMENDATION: Authorize the chairman to execute an interagency agreement between Park City and the Water Service District.

DATE: December 19, 2002
DEPARTMENT: Legal
AUTHOR: Cindy LoPiccolo, Legal Department/Risk Management
TITLE: **2003 Insurance Renewal**
TYPE OF ITEM: Administrative

SUMMARY RECOMMENDATIONS:

- Authorize the following insurance premium payments for insurance covering a one year period from January 1, 2003 through January 1, 2004:
  1) $94,075 to Workers Compensation Fund ("WCF") for worker's compensation;
  2) $42,288 to Affiliated FM Group for property insurance;
  3) $50,000 to Genesis for physical damage coverage for City buses;

- Authorize payment of either $125,000 premium for Genesis comprehensive liability insurance with a $100,000 Self-Insured Retention (SIR) or $84,433 premium for risk-retention group comprehensive liability insurance with a $250,000 SIR (see comparison below), for a one year period from January 1, 2003 through January 1, 2004; and

- Decline optional terrorism coverage.

DESCRIPTION:

A. Topic: 2003 Insurance Renewal

B. Background:

7. **Insurance Market Status**.

Premiums are continuing their upward spiral. All classes of insurance are effected by increases with umbrella, commercial property, general liability and officers liability hardest hit; premiums are projected to continue increasing. Insurance clients are taking higher deductibles, more than half are self-insuring at least a portion of their risks, some are going bare. Reinsurers are stingy in coverage and committed to premium hikes. Risk managers working on January 1 renewals, like us, are coping with a difficult renewal season and facing many challenges including 'selling' their risks to underwriters. The biggest challenge is continued hard market and ongoing rate increases. Some underwriters are treating innocuous risks the same as large risks and insureds such as the City must have correct procedures, processes and prevention methodologies in place so that risks are mitigated.

Workers compensation is experiencing higher rates and some limited availability. Property insurance in general is problematic and the market is driven by catastrophe exposures, not just terrorism exposures.

8. **2003 Quotes**.

   Park City contracted with Marsh USA Risk and Insurance Services ("Marsh") in 2001 to act as the City's insurance brokers through August 31, 2004. Marsh submitted insurance applications prepared by the Legal Department to underwriters and obtained insurance premium quotes and limits for Park City's expiring worker's compensation, comprehensive general liability, physical vehicle damage coverage for City buses, and property insurance, for one year policies covering 2003.

   Additionally, Legal staff applied for and obtained a quote from States Self-Insurers Risk Retention Group ("States") for Public Entity Broad Form Liability which includes Public Entity Broad Form Liability which includes General Liability, Employment Practices Liability, Automobile Liability, Law Enforcement Liability, and Public Officials Error & Omission Liability. States is a Vermont domiciled and licensed stock insurance company, formed in 1987 to meet the long-term excess liability needs of public entities and registered in most other states under the federal Risk Retention Act of 1986 to conduct the business of providing excess liability insurance coverages for its Member-Insureds. In the state of Utah, States members include City of Bountiful, Davis County Corporation, Murray City Corporation, City of Provo, City of St. George, City of South Salt Lake, and South Utah Valley Solid Waste District. H. Craig Hall, Attorney, City of South Salt Lake, serves as Secretary on the States Self-Insurers Trust Board of Trustees and Director on the States Self-Insurers Risk Retention Group, Inc. Board of Directors. Don Wetzel, Murray City Corporation, serves as Trustee on the States Self-Insurers Trust Board of Trustees.

9. **Terrorism Risk Insurance Act of 2002**

   On November 26, 2002, President Bush signed the Terrorism Risk Insurance Act of 2002 which immediately impacted many insurance policies and placements. This Act nullifies terrorism exclusion on general liability policies and provides for 30 days of terrorism coverage to those entities with terrorism exclusion. During the next few weeks and months, the City will receive notices from our insurance carriers and from Marsh offering terrorism coverage and informing the City of a change in terrorism exclusion. For covered policies quoted and bound after November 26, 2002, terrorism coverage must be offered by the insurers, which applies to the City. All covered insurers must provide a clear and conspicuous disclosure to the City (policyholder) of the premium that would be charged for the terrorism component of the coverage and the federal share of compensation for any claims made under this coverage. This quote has been received and is discussed in the following analysis.

C. Analysis:

Comprehensive Liability Coverage

A comparison of comprehensive liability proposals from insurers Clarendon America and States is provided below, and summaries of the proposed limits and renewal quotes for comprehensive liability, property, and worker's compensation are attached for review.

The Genesis comprehensive liability proposal provides limits of $3 million, requires a $100,000 self-insured retention, and has an annual premium of $175,000, which includes a $50,000 premium for physical damage coverage for the City's buses. The physical damage policy requires a $50,000 SIR/ deductible, which is a substantial increase from last year's deductible of $5,000. The City annually receives federal and state funding for the transit buses and physical damage coverage is a requirement. Payment of this coverage will come directly from the transit fund.

In comparison to the Genesis proposal, the States comprehensive liability coverage proposal provides limits of $5 million, requires a $250,000 self-insured retention limit, and has an annual premium of $84,433. The States plan additionally includes employment practices liability, claim defense and liability loss control services through Berkley Risk Services, Inc. The States premium cost is approximately $40,500 less than the Genesis liability insurance proposal premium cost.
Staff reviewed the City's loss history for the past 5 years, which shows claim payments never exceeding or coming close to the $100,000 self-insured retention, with the one exception of the Alicia Larson injury settlement loss of $175,000 (5-year loss history report is attached). There is no reason to anticipate a change in the future, and because insurance premiums have substantially increased, staff is recommending Council equally consider the States proposal. In the event Council finds it acceptable to increase the City's self-insurance risk and accept the States proposal, staff will continue to review and compare insurance quotes and limits and options each year.

Comprehensive Liability Proposal Comparison

INSURER	**LIMITS**	**SIR/DEDUCTIBLE**	**1 YR PREMIUM**
Genesis	$3 million	$100,000	$125,000
States	$5 million	$250,000	$ 84,433

Workers Compensation Coverage

The 2003 workers compensation premium is 1% lower than last year. After considering the options two years ago, the City made the decision to obtain worker's compensation coverage from Workers Compensation Fund ("WCF"). According to

Marsh, WCF continues to be the best and least expensive worker's compensation insurer in the state of Utah.

Property Coverage
The property insurance premium increased 26% from $33,538 last year to $42,288 this year. Policy limits decreased from $10,000,000 from $38,500,000, although that is based per occurrence, and deductibles doubled from $1,000 to $2,500 for golf carts, mobile, cell and radio equipment, fine arts, flood, boiler and machinery, and from $5,000 to $10,000 for all other losses. Pursuant to the Terrorism Risk Insurance Act, a quote for optional terrorism coverage was obtained by Marsh and to full $10,000,000 policy limit the premium would be $5,000 additional premium for certified (known terrorists) and $5,000 additional premium for non-certified (unknown/new terrorists). Staff discussed the appropriateness of the optional terrorism coverage for the City with Marsh representatives and it was determined Park City, and the state of Utah for that matter, is at very low risk.

Summary
The payment of $94,075 will provide Park City with worker's compensation coverage, $125,000 or $84,433 will provide comprehensive public liability insurance, $50,000 will provide physical damage coverage for City buses, and $42,288 will provide property coverage, January 1, 2003 through January 1, 2004. This coverage provides the City with comprehensive protection and will not be subject to a year-end audit.

4. Significant Impacts:

Marsh has kept the City informed of the current insurance market trends, and those reports continue to advise we are clearly in the middle of a hard market and nobody knows exactly how long it will last. Liability and property premiums are projected to rise and/or limits reduced/deductibles increased at least through 2005 as the industry recapitalizes after several draining years.

E. Department Review:

Staff has reviewed all possible options to insure the City in a reasonable and acceptable manner. Quotes, coverages and options submitted by Marsh and States were reviewed by the Legal Department and Marsh representatives. The Legal Department consulted with Finance, Public Works and Leisure Departments for payroll, transit and recreation data, and OCM&B concerning the budget/self-insurance fund.

Alternatives:

A. Make a decision between the Genesis and States comprehensive liability proposals and approve the other insurance recommendations as presented.

B. Deny the recommendations. This is not recommended in regard to workers compensation coverage which the City is required to provide.

C. Continue the item and provide direction to staff. This is also not recommended as there may be a lapse in coverage.

RECOMMENDATIONS:

Staff requests the City Council authorize the payment of premiums providing insurance coverage from January 1, 2003 through January 1, 2004: 1) $94,075 for the City's worker's compensation; 2) either $125,000 for traditional comprehensive liability insurance (Genesis) or $84,433 for comprehensive liability insurance under the States program; 3) $50,000 to Genesis for physical damage coverage for City buses; and 4) $42,288 to Affiliated FM Group for Property insurance. Decline optional terrorism coverage.

DATE: 12/19/2002
DEPARTMENT: Office of Capital Management and Budget
AUTHOR: Mark Christensen
TITLE: Final Bond Resolution - $9,000,000 Water Revenue and Refunding Bonds, Series 2002
TYPE OF ITEM: Legislative/Administrative

SUMMARY RECOMMENDATIONS: The City Council should consider and approve the attached Final Bond Resolution to authorize the issuance of $9,000,000 Water Revenue and Refunding Bonds, Series 2002, to refund the City's Series 1991 and 1994 Water Revenue Bonds for an interest rate savings and generate $5,800,000 for new water projects.

DESCRIPTION:

A. Topic: Consideration and adoption of a resolution that does the following: 1) Approves the issuance and sale of Park City Water Revenue and Refunding Bonds, Series 2002 to effectuate a net interest savings on existing water revenue debt of $220,748 ($125,553 in present value savings); 2) Funds $5,567,000 for new water system projects and 3) Authorizes the Mayor and City Recorder to facilitate the closing of the bond, which includes executing closing documents and the purchase agreement.

B. Background: On November 21,2002, the City approved a "parameters resolution" that establishes the policy guidelines for the issuance of debt. Since that time Staff and the City's Financial Advisor, Municipal Bond Consulting, Inc., have conducted a request for terms (RFT) to privately place this debt issuance. In response to this request, the City received three proposals from Key Bank, Zions Bank, and Bank One. Each of the proposals were favorable to the City however, the Zions Bank proposal was the best offer as it required the lowest interest rate. In addition to the sale of the bonds, the City held an RFT for a Trustee for this debt issuance. There were three proposals for this service and Zions Bank was chosen as Trustee for this issuance. The attached resolution finalizes the bond issuance, interest rates, repayment schedule, and establishes the City's contractual obligations to the bondholders.

This Series 2002 Bond will refund two outstanding water revenue bonds; (1) a 1991 Subordinated Water Revenue Bond in the amount of $1,663,605 bearing interest at 5% and (2) a 1994 Water Revenue Refunding Bond in the amount of $1,285,000 bearing interest at an average rate of 5.39 percent. The proposed Series 2002 Refunding will refund or "refinance" the 1991 and 1994 bonds in an amount of $2,816,000 and generate an additional $6,184,000 in new money with $5,567,000 available to fund water projects after issuance costs and debt service reserves are paid. (Attachment B). The refinancing will also free up $232,738 of existing reserves that can be used for water system improvements.

Refunding the existing debt reduce the City's interest cost on existing bonds from 5 percent (1991 Series) and 5.39 percent (1994 Series) to a Net Interest Cost of 3.911 percent. The Present Value savings of $125,553 equals 4.46% of the amount refinanced and is considered very good by industry standards.

When the City adopted the Parameters resolution on November 21, 2002, a 30-day contest period began, which will end on December 21, 2002. If Council approves the attached resolution, the City will close the bond deal on December 30, 2002.

C. Analysis: The attached Final Bond Resolution authorizes and confirms the sale of $9,000,000 Water Revenue and Refunding Bonds, Series 2002 to Zions First National Bank. The attached resolution sets the final issuance amount of the bonds, the interest rate of the bonds, and the maturity schedule for the Water Revenue bonds, and designates the eligible projects for the additional funds created by the bond issuance.

1) Size: The total amount of the bond issue is $9,000,000.

This amount is comprised of the following components:

Refunding of Series 1991 Water Revenue Bond	1,732,459
Refunding of Series 1994 Water Revenue Bond	1,287,972
Additional Funds for new water system projects	5,800,000
New Debt Service Reserve	790,780
Purchaser's Fee	46,000
Financial Advisor	33,750
Bond Counsel	25,000
Trustee	3,500
Less existing reserves & rounding	-719,461
TOTAL	$ 9,000,000

Staff will be prepared to answer questions regarding any of the components listed above at the Meeting on Thursday, December 19, 2002.

2) Length to Maturity: The final maturity is June 15, 2017 for a total of 14.5 years.

3) Interest Rates of the Bond Coupons: This interest rate on the Series 2002 Bond is fixed until June 15, 2012 at which time the rate on the $3,514,000 balance is adjusted to 90% of the 5 year Federal Home Loan Bank of Seattle's advance rate. If that adjustment were to occur today, the rate would be approximately 3.24%. The City may prepay the Bonds without penalty at any time after June 15, 2007. The attached repayment schedule details the interest rates for these Bond.

4) Maximum Discount: The maximum amount that the bond price can be discounted is 1 percent. The discount is the amount by which a bond sells under its par or face value. Zions

Bank will purchase the Bonds at a discount of $46,000 or 0.511% of par.

5) Eligible Projects: This issuance will generate $5,567,000 in new money for new water projects. As part of the City's Capital Improvement Plan, the City has identified numerous projects in the Water Source Storage and Delivery project. The new money raised by this issuance will be used to fund:

14. Improved water quality and distribution
15. Upgrade the existing Spiro Water Treatment Plant to meet the new arsenic regulation levels
16. Build a new water treatment plant for the Judge Tunnel
17. Pump station replacements including design and construction
18. Pipeline improvements
19. Install a 2 million gallon reservoir

It is anticipated that this issuance will fund the next 2-3 years of projects. Staff anticipates that over the next 2 years the Council and Water Board will need to increase water rates in anticipation of issuing additional debt in FY2006.

6) Bond Rating: The City currently has an A-3 rating from Moody's on its Series 1994 Water Revenue bonds. Since the rated bonds will be retired and no rating was sought for the Series 2002 Bonds, the City's water debt rating will go away until such time as we apply for a rating for new water revenue debt.

D. Department Review: City Manager, OCMB, Legal, Public Works, and Finance.

ALTERNATIVES:

A. Approve the Request: Adopting the Final Resolution will approve the sale of bonds and authorize the Acting City Manager and Finance Manager to complete the bond issuance process. If the resolution is approved, it is anticipated that the bond deal will "close" on December 30, 2002.

B. Deny the Request: Denying the resolution will cause the bonds not to be sold at the negotiated price. Staff will need direction from the City Council as to how they would like to proceed.

C. Continue the Item: Continuing the item would mean that the resolution would not be before the City Council again until January 2003. It is likely that the City would not be able to keep the same rates from Zions Bank effecting this transaction. Delaying issuance of the Water bonds until 2003 would also impact interest rates for other City debt scheduled for issuance in 2003.

D. Do Nothing: This would have the same impact as continuing the item.

SIGNIFICANT IMPACTS: Adoption of this resolution will allow the City to proceed with the issuance of the bonds in a timely and efficient manner. Swift completion of the bond issuance is needed to take advantage of favorable interest rates and to complete the transaction in calendar year 2002.

CONSEQUENCES OF NOT TAKING RECOMMENDED ACTION: Not adopting the resolution will impact the City's ability to fund upcoming water projects scheduled to begin in FY2003 and will also limit the City's ability to issue bank-qualified debt in future years.

RECOMMENDATION: Adopt the attached Final Bond Resolutions relating to the issuance of Water Refunding Bonds, Series 2002 refunding the 1991 and 1994 Series Water Revenue Bonds and new water projects.

Attachments:

Final Bond Resolution

Park City Municipal Corporation Water Revenue Bond Refunding Analysis

DATE: December 13, 2002

DEPARTMENT: Public Works

AUTHOR: Kathy Gammell

TITLE: Judge Water Treatment Plant - Design Engineering

TYPE OF ITEM: Contractual

SUMMARY RECOMMENDATIONS: Authorize staff to enter into an agreement with Carollo Engineers for three engineering phases of the Judge Water Treatment project, and approve funding for Phases I, II and III engineering in an amount not-to-exceed $462,517.

DESCRIPTION:

A. Topic. Engineering Design for Treatment of the Judge Tunnel Source.

B. Background.

Judge Tunnel provides 22% of the city's water supply. The source has had quality issues resulting from lead content when high Spring flows are experienced and sediment is more likely to be picked up by the water. Modifications to water operations at the Judge Tunnel and Empire Reservoir have been made in cooperation with the State Division of Drinking Water (DDW) to ensure only high quality water enters the distribution system.

Normally the DDW requires that all ground water sources be diverted when the turbidity levels (measure of sediment density) reaches 5 turbidity units (NTUs). Although the State has classified the Judge Tunnel source as Ground Water, water is diverted when the turbidity level reaches 1 NTUs. A history of test results from the Judge source shows that lead levels are well below the maximum contaminant level (MCL) for lead at turbidity levels of 1 NTU or less. Park City staff and DDW mutually agreed to this conservative method of operation. Operating in this manner sometimes requires the water to be discharged during periods of high demand, challenging our ability to keep the Empire and Woodside reservoirs at operational levels.

The EPA continues to express concerns that Judge Tunnel may be ground water under the direct influence of surface water (GWUI) because of its highly fractured geology. Utah's DDW has left open the possibility of reclassification to GWUI even after negative results from extensive Microscopic Particulate Analyis (MPA) testing in June 2002, stating that "the tunnel was not challenged by surface influences as much as it would have been during a period of normal or high runoff."

If there is a reclassification of the Judge source sometime in the future, under State / EPA requirements, Park City will be required to have treatment in place within 18 months and provide an immediate level of chlorine treatment in the interim which, by itself, will be costly and challenging.

A Water Treatment Plant for the Judge Tunnel source will address several issues;

- Resident concerns about quality,
- Operational challenges during source discharge at 1 NTU,
- Looming GWUI classification in the future which will require immediate elevated chlorination and a treatment facility within 18 months.

C. Analysis.

The initial staff efforts began in mid August 2002 with advertisements for Statement's of Qualification (SOQ's) in the Park Record and Salt Lake area newspapers. Seven very qualified engineering firms submitted SOQ's on September 4, 2002: Boyle

Engineering, Brown and Caldwell, Carollo, HDR, Montgomery Watson Harza, Stante, and Tetra Tech.

With the help of Bill Luce of Hansen, Allen and Luce (HAL), the evaluation team completed an objective process of down selecting from the list of seven engineering firms to two engineering firms to be invited to submit proposals for the Judge project. Carollo and MWH were selected to submit proposals to respond to an RFP prepared by staff and Bill Luce. The RFP requested an approach to Judge water treatment for particulate removal initially, with the option for a follow-on phase to meet requirements for a potential Ground Water Under the Influence (GWUI) classification by the State DDW in the future.

The selection process was outlined to meet a Quality Based Selection (QBS) selection process to meet requirements for possible federal funding. The Judge Tunnel treatment project is listed as a potential recepient of a federal grant, State and Tribal Assistance Grant (STAG), in the amount of $250,000. (Note: For future reference the STAG grant has been renamed as the Drinking Water Infrastructure Grant (DWIG). Park City's application for funding still applies.) The funding does not require matching funds and will be administered by the State of Utah .

To meet QBS requirements, Carollo was selected as the engineering firm for the Judge project based on merits of the proposal, and staff subsequently negotiated with Carollo to ensure fair and reasonable engineering costs for the project. In line with the QBS process, MWH's costs remained sealed and will be returned to them unopened.

Carollo's total engineering cost estimate in the amount of $462,517 for all three phases is conservatively based on a worst case scenario. Conceptual design phase cost estimate of $29,020 is accurate but a firm opinion of costs for final design and construction management can only be determined in the conceptual design phase. Carollo's cost estimates are as follows:

I. Conceptual Design Phase $ 29,020

Requirements, design criteria, site layouts, construction and O&M costs reports and recommendations for preferred treatment alternative.

II. Final Design Phase $208,453

Pilot testing, final design, construction documents, cost estimates, state submittals, permitting.

III. Construction Management $225,044

Proposal documents and meetings, inspection services, O&M manuals, startup, as-built drawings.

Total $462,517

Staff proposes that an agreement with Carollo for engineering include all three (3) phases.

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

ALTERNATIVES:

N. Authorize staff to enter into an agreement with Carollo Engineers for all three engineering phases of the Judge Water Treatment project, and approve funding for Phases I, II and III engineering in an amount not-to-exceed $462,517. This is staff's recommended alternative.

O. Delay further action for now and wait until a final determination regarding the Judge Tunnel is made by the State DDW before making a decision on the future of the Judge Tunnel source.

P. Dismiss Carollo Engineers approach and cost estimates and direct staff to negotiate with MWH.

Q. Direct staff to solicite proposals from other engineering firms before proceeding.

SIGNIFICANT IMPACTS:

Assessment of alternatives:

Alternative A authorizes staff to proceed with the Judge Water Treatment Plant by entering into an agreement with Carollo Engineers, and meets Council's goal of providing quality water to Park City.

Alternatives B could indefinately delay treatment for removing particulates from the tunnel water. In the event the Judge source is reclassified as GWUI, it would require the city to either abandon the source or require the city to meet immediate treatment requirements (chlorine contact time), and to have a GWUI treatment facility operational within a limited time of 18 months from notification.

Alternative C may delay a Judge Water Treatment project by up to 3 months.

Alternative D would significantly delay the Judge WTP process.

CONSEQUENCES OF NOT TAKING THE RECOMMENDED ACTION:

The Judge source will continue to be a quality water source by meeting turbidity / discharge requirements of the State. However, operating in this fashion will continue to cause water supply challenges in late Spring during times of high demand.

RECOMMENDATION:

Authorize staff to enter into an agreement with Carollo Engineers for three engineering phases of the Judge Water Treatment project, and approve funding for Phases I, II and III engineering in the amount of $462,517.

DATE: December 12, 2002
DEPARTMENT: Executive
AUTHOR: Tom Bakaly, Acting City Manager
TITLE: Transit Center Construction Contract with Herm Hughes & Sons
TYPE OF ITEM: Legislative

SUMMARY RECOMMENDATION: The City Council should:

5. Authorize the Mayor to execute a contract amendment in a form approved by the City Attorney, to Herm Hughes & Sons, Inc. (Hughes), for construction services of the Old Town Transit Center and Deer Valley Drive Roundabout in the additional amount of $1,137,600. This action memorializes prior staff authorization and increases authorization.

6. Authorize the final payment of $675,000 to Hughes. Staff has determined these additional Hughes expenses are eligible to be funded by the City's Federal Transit Administration grant and a grant from UDOT.

DESCRIPTION:

A. Topic: Transit Center Construction Contract with Herm Hughes & Sons (Hughes)

B. Background: In March of 2000, City Council approved a contract with Herm Hughes in the amount of $5,998,000. In accordance with City budget policies that allow for 10% in additional expenditures without Council approval, Staff has had a contract authorization with Hughes of $6,597,800. The action requested in this report will formally bring the total contract authorization amount with Herm Hughes to $7,135,600. The final payment to Hughes is $675,000. Staff has determined that the additional Hughes expenses are eligible for funding by the City's Federal Transit Administration grant and a grant from UDOT.

C. Analysis: Prior to bidding the construction of the transit center in 2000, the city estimated that construction bids would come in at about $6.5 million - $7 million. Staff was cautiously optimistic when Hughes bid $6 million. However, the city made arrangements for receiving federal funds should the project costs come in closer to its pre-project estimates. Unfortunately, costs did come in closer to the city's original estimates. Fortunately, the city has lined-up federal funding source to cover these reasonable and justifiable costs.

While the majority of the project was completed in March of 2001, final landscaping and "punch list" construction was not finished until December of 2001. Staff has been working with Herm Hughes for the last year to close out the contract. Staff has carefully reviewed the costs submitted by Hughes and is recommending that City Council increase the contract to $7,135,600.

D. Department Review: This report has been reviewed by the City Attorney's Office, the

Office of Capital Management and Budget and the City Manager's Office.

ALTERNATIVES:

1) Council could formally increase the contract with Hughes by $1,137,600 and authorize the final payment of $675,000 to Hughes. Consistent with city budget polices, staff has already increased the contract by $599,800. This action will memorialize staff's previous authorization and add an additional $537,800 .

2) Council could authorize staff to increase the contract in a lesser amount. This action will likely cause the city to proceed with arbitration with Hughes.

SIGNIFICANT IMPACTS: The financial impacts of the recommended action have been discussed. Sufficient grant funds and funds in the Transportation Fund exist to fund this additional contract authorization.

CONSEQUENCES OF NOT TAKING THE RECOMMENDED ACTION: The City and Hughes will proceed to arbitration.

RECOMMENDATION: The City Council should authorize the Mayor to execute a contract amendment in a form approved by the City Attorney, to Herm Hughes & Sons, Inc. (Hughes), for construction services of the Old Town Transit Center and Deer Valley Drive Roundabout in the additional amount of $1,137,600.

DATE:	**December 19, 2002**
DEPARTMENT:	**Planning Department**
AUTHOR:	**Kirsten Whetstone, AICP**
TITLE:	**Annexation Policy Plan- Land Management Code Chapter 8**
TYPE OF ITEM:	**Land Management Code amendment**

SUMMARY RECOMMENDATIONS Review the proposed Annexation Policy Plan, conduct a public hearing, consider input, and consider approving the attached Ordinance revising the Land Management Code to include the Annexation Policy Plan as Chapter 8- Annexations.

BACKGROUND

On October 9 and 23, 2002 the Planning Commission discussed the proposed Annexation Policy Plan at work session. On November 13, 2002 the Commission held a public meeting to introduce the proposed plan, including the proposed Expansion Area map, to the public and affected entities. Staff received written comments from Wasatch and Summit Counties and Basin Recreation, as well as from a property owner (see Exhibit B- attached). Staff also received several phone calls from property owners requesting additional information regarding the plan.

On December 11, 2002 the Commission held a public hearing on the Annexation Policy Plan. No public comment was received at the hearing and the Commission voted to forward to the City Council a positive recommendation to approve the plan with specific amendments. Those amendments are highlighted in the most current draft dated December 19, 2002, and further described below.

PROJECT DESCRIPTION

A summary of the Annexation Policy Plan is as follows:

ANNEXATION POLICY PLAN

The purpose of the annexation policy plan is to help municipalities plan for future expansion in conjunction with neighboring political entities and to guide their decision making with specific criteria that reflect the communities general plan and policies. According to state law, the following four elements must be included in the Annexation Policy Plan:

1) **A map of the "expansion area".** State law defines the "Expansion Area" as the unincorporated area that is identified in an annexation policy plan as the area that the municipality anticipates annexing in the future.

2) **A statement of the specific criteria** that will guide the municipality's decisions on whether or not to grant future annexation petitions.

3) **Justification for excluding** from the "expansion area" any area containing urban development within ½ mile of the municipality's boundary.

4) A **statement addressing any comments made by "affected entities"** at or within ten days after the public meeting is held by the Planning Commission on the annexation policy plan.

"Affected entities" are defined by state law as i) a **county** in whose unincorporated area the area proposed for annexation is located, ii) an independent **special district** under Title 17A, Chapter 2, Independent Special Districts, whose boundaries include any part of an area proposed for annexation; iii) a **school district** whose boundaries include any part of an area proposed for annexation; and iv) a **municipality whose boundaries are within ½ mile** of an area proposed for annexation.

CHAPTER 8, ANNEXATIONS
The Park City Annexation Policy Plan will be part of the Land Management Code, as Chapter 8, consisting of the following sections:

15-8-1. PURPOSE
This section includes the purpose and policy statements that are specific to Park City and relate to state annexation requirements.

15-8-2. GENERAL REQUIREMENTS.
This section addresses specific requirements/criteria that Park City has adopted either through the General Plan or through other resolutions and ordinances (ie. annexations that expand the resort and/or tourist economy, provide second home or rental residential properties, and provide significant public open space and/or community facilities are preferred.) This section also includes general requirements that are required by the State (ie. property under consideration of annexation must be considered a logical extension of the City boundaries, etc.)

15-8-3. PROPERTY OWNER INITIATION OF ANNEXATION.
This section primarily includes those requirements required by state law. Staff has included these requirements, as well as references to sections of the Utah Code, in an effort to make the LMC as "user friendly" as possible. Staff believes that the Chapter can readily be updated on an annual basis, if and when these state requirements are modified, and that including the requirements in the code allows an applicant to find the basic requirements in one Chapter. Staff has included the requirement for submittal of a Master Planned Development and preliminary subdivision plat with the petition for annexation in cases where the property is intended for development.

15-8-4. PROCEDURE FOR PETITION AND ANNEXATION PLATS.
Procedural requirements of the state are included in this section, along with procedures that Park City has required in the past. Legal staff has reviewed the draft for conflicts between the City and State requirements.

15-8-5. ANNEXATION PETITION REVIEW.
In this section the Park City staff review team for annexations is defined and the review

criteria specific to Park City are identified. In this section staff has included review information such as Sensitive Lands review, statements as to how the proposed area will contribute to the achievement of the goals and policies of the Park City General Plan, as well as conditions of annexation approval that shall be formalized as part of a written Annexation Agreement.

15-8-6. MUNICIPAL INITIATION OF ANNEXATION.
This section is required in the Utah Code.

TIME LINE
Initial work session introduction- October 9, 2002
Work session/discussion of draft policy plan and expansion area map- October 23, 2002
Task Force meets to discuss Expansion Area boundary- November 1, 2002
Public Meeting- November 13, 2002
10 day comment period following public meeting ends November 23, 2002
Public Hearing and possible recommendation to Council- December 11, 2002
City Council public hearing- December 19, 2002 (possible adoption if no modifications)

ALTERNATIVES

1. The City Council may approve the Park City Annexation Policy Plan as recommended by the Planning Commission; or

2. The City Council may modify the text or expansion area map and approve as amended, or may send any amendments back to the Planning Commission for recommendation; or

3. The City Council may continue the discussion to a later date.

SIGNIFICANT IMPACTS
Adoption of the Annexation Policy plan will allow the City to accept petitions for annexation of properties that lie within the annexation expansion area boundary. After December 31, 2002 the City may not accept petitions for annexation until the City has adopted an annexation policy plan, including all state required elements, and following all state requirements for notification, public meeting, and public hearing.

RECOMMENDATION Staff recommends the Council discuss any outstanding issues, recommend any revisions, conduct a public hearing and consider approving the Ordinance to adopt the Annexation Policy Plan, including the annexation expansion area map, as part of the Land Management Code, to be known as Title 15, Chapter 8- Annexations. (see Exhibit A, attached).

EXHIBITS
A. Park City Annexation Policy Plan (available at the Planning Department)
B. Letters from affected entities

AN ORDINANCE ADOPTING THE PARK CITY ANNEXATION POLICY PLAN, INCLUDING THE ANNEXATION EXPANSION AREA MAP, TO BE INCLUDED IN THE PARK CITY MUNICIPAL CODE, AS PART OF THE LAND MANAGEMENT CODE, TO BE KNOWN AS TITLE 15, CHAPTER 8-ANNEXATIONS

WHEREAS, the Annexation Policy Plan is designed and enacted to help Park City plan for future expansion in conjunction with neighboring political entities; to guide decision making with specific criteria that further objectives of the Park City General Plan and City policies; and to abide by requirements of the Utah State Code relating to annexations for municipalities of Park City's size and class;

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

WHEREAS, on December 16, 1993 the Park City Council adopted an annexation policy declaration and annexation declaration boundary;

WHEREAS, on December 16, 1996 the annexation policy declaration and annexation declaration boundary expired;

WHEREAS, in 2001 the Utah State Legislature enacted revised annexation language in the Utah State Code, specifically standards required and suggested by Sections 10-2-401.5 et. seq. of the Utah Code Annotated 1953, as amended;

WHEREAS, the Planning Commission duly noticed and conducted a public meeting on November 11, 2002 to introduce the proposed plan and to solicit comment from affected entities, as defined by the Utah State Code;

WHEREAS, the Planning Commission duly noticed and conducted a public hearing on December 13, 2002 to receive additional public comment;

WHEREAS, on December 13, 2002 the Planning Commission voted to forward to the City Council a positive recommendation to adopt the Annexation Policy plan with specific amendments that have been included in the current document, dated 12/19/02;

WHEREAS, the City and Summit County are currently participating jointly in the Quinn's Junction Area Study, and the City intends to amend this Ordinance as necessary to be consistent with the final results of said study;

WHEREAS, the City Council duly noticed and conducted a public hearing at its regularly scheduled meeting on December 19, 2002; and

WHEREAS it is in the best interest of the residents of Park City, Utah to adopt the Annexation Policy Plan by amending the Land Management Code; to abide by the Utah State Code; to be consistent with the General Plan and the values and identified goals of the Park City community; to protect health, safety, and to maintain the quality of life for its residents; and to preserve the community's unique character.

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

SECTION 1. AMENDMENT TO THE LAND MANAGEMENT CODE. The Annexation Policy Plan and Annexation Expansion area map dated 12/11/02, attached hereto as Exhibit A, are hereby included in the Land Management Code as part of the Municipal Code as Title 15, Chapter 8- Annexations. Any conflicts or cross-references from other provisions of the LMC to Chapter 8 shall be resolved by the Community Development Director.

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

PASSED AND ADOPTED this 19th day of December 2002.

PARK CITY WATER SERVICE DISTRICT MEETING
SUMMIT COUNTY, UTAH
OCTOBER 17, 2002

I ROLL CALL

Chairman Dana Williams called the regular meeting of the City Council to order at approximately 6 p.m. at the Marsac Municipal Building on Thursday, October 17, 2002. Members in attendance were Dana Williams, Peg Bodell, Kay Calvert, Candace Erickson, Fred Jones. Jim Hier was excused. Staff present were Tom Bakaly, Acting City Manager; Mark Harrington, City Attorney; and Jerry Gibbs, Public Works Director.

II PUBLIC INPUT

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

III MINUTES OF MEETING OF JUNE 20, 2002

Hearing no corrections or omissions, the Mayor requested a motion to approve. Peg Bodell, "I so move". Fred Jones disclosed that he will be abstaining as he was not in attendance. Candace Erickson seconded. Motion carried.

Peg Bodell	Aye
Kay Calvert	Aye
Candace Erickson	Aye
Jim Hier	Absent
Fred Jones	Abstention

IV NEW BUSINESS

Authorization to the Chairman to execute the Water Sales Agreement and Water Supply Agreement with Weber Basin Water Conservancy District - See work session notes and staff report from City Council meeting of October 17, 2002. There was discussion about the Mayor presiding as the Chairman and executing documents on behalf of the WSD. Hearing no further comments, Fred Jones, "I move to authorize the Chairman of the Park City Water Service District Board to sign the Water Sales and Water Supply Agreements with Weber Basin Water Conservancy District, in a form approved by the City Attorney". Peg Bodell seconded. Motion carried.

Peg Bodell	Aye
Kay Calvert	Aye
Candace Erickson	Aye
Jim Hier	Absent
Fred Jones	Aye

Board member Fred Jones expressed that he made the motion, recognizing that there is an agreement in principle with the County regarding this project, and acknowledge that there are items that need to be memorialized relating to that agreement from Weber Basin's standpoint. Jerry Gibbs added that this is only a small step in what could be a five year process in bringing water to the Park City area.

V ADJOURNMENT

With no further business, the regular meeting of the Park City Water Service District was adjourned.

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

Prepared by Janet M. Scott

DATE: December 19, 2002

DEPARTMENT: OCMB

AUTHOR: Mark Christensen, Thomas Daley

TITLE: Park City Municipal Corp. and the Park City Water Service District IInteragency Agreement

TYPE OF ITEM: Legislative

SUMMARY RECOMMENDATIONS: Authorize the Mayor to execute an interagency agreement between Park City Municipal Corporation ("Park City") and the Park City Water Service District (the "Water Service District") authorizing Park City to lease water rights from the Water Service District and to charge and collect water rates set by the Water Service District.

DESCRIPTION:

A. Topic: Interagency agreement between the Park City and the Water Service District.

B. Background: On June 18, 1992, the City formed by resolution (23-92) the Water Service District. The Water Service District was formed primarily for the purpose of owning water rights since the Utah Constitution restricts the sale and lease of municipal-owned water rights and sources. As part of Park City's imminent issuance of the Series 2002 Water Bonds, bond counsel has advised that Park City should lease water rights owned by the Water Service District and should formalize Park City's current practice of charging and collecting the water rates set by the Water Service District.

C. Analysis: The interagency agreement will facilitate the bond issue. The following are terms that will be included in the interagency agreement:

Park City Municipal Corporation

20. Ability to collect water user rates set by the “Water Service District”
21. Ability to handle delinquent accounts
22. Lease district-owned water rights

    Spend revenues generated by district for purposes of providing water service to the community

Park City Water Service District

1. Lease water rights to Park City
2. Ability to use Park City infrastructure, equipment, and personnel
3. Set forth the method for collecting and enforcing district rates

D. Department Review: Public Works, OCMB, Legal, the Acting City Manager

ALTERNATIVES:

A. Authorize the mayor to execute an interagency agreement between Park City and the Water Service District in a form approved by the City Attorney.

B. Do not authorize the mayor to execute the interagency agreement.

C. Do Nothing/ Continue the Item

SIGNIFICANT IMPACTS: Park City’s ability to issue the Series 2002 water bonds requires Park City and the Water Service District to enter into the above-described agreement.

CONSEQUENCES OF NOT TAKING THE RECOMMENDED ACTION: Not entering into the agreement would be detrimental to the success of the bond issue.

RECOMMENDATION: Authorize the mayor to execute an interagency agreement between Park City and the Water Service District.

DATE: 12/19/02
DEPARTMENT: OCMB
AUTHOR: Matt Twombly
TITLE: Cross Country Skiing in Round Valley

TYPE OF ITEM: Informational

SUMMARY RECOMMENDATION:

Review the recommendation by the Cross Country Skiing Subcommittee of the Parks, Recreation and Beautification Board (PRBB) for cross country skiing in Round Valley and provide direction to staff on the use of the property.

DESCRIPTION

A. Topic: Cross Country Skiing in Round Valley.

B. Background: During the Council Questions and Comments item of the November 21, 2002 City Council meeting, Council raised the question of cross country skiing in Round Valley. Council raised additional questions about cross country skiing and specifically grooming during the December 12, 2002 Work Session discussion of commercial sled dog operations in Round Valley.

For many years the PRBB cross country skiing subcommittee have worked with the coach of the Park City High School cross country ski team, Mountain Trails Foundation, White Pine Touring, cross country skiing enthusiasts and residents of the community to increase the quality of the trails in and around Park City, especially at the Farm. Since the City purchased the 400+ acres of open space in Round Valley in January the cross country subcommittee has pursued the development of cross country skiing in Round Valley.

The cross country skiing subcommittee worked with the Mountain Trails Foundation, Recreation Dept. staff and OCMB staff to re-grade a one mile loop of jeep road beginning at the Round Valley Way trail-head (see attached map), in the prospect of Mountain Trails grooming the loop for cross country skiing during the Winter. The road was badly rutted and pitched off slope. The goal of the PRBB subcommittee for the upcoming winter was to try cross-country skiing in Round Valley. Unlike the White Pine Touring operation at the Golf Course and the Farm, the Round Valley skiing would be free to all users. Of course the track would not be near the same quality and there are no concessions, rentals etc. The setting of the track would also not prohibit any other non-motorized trail users access.

On August 1, 2002 the City Council reviewed and approved the PRBB recommended Trail-head Work Plan. The Work Plan contemplated an eight car trail-head parking area within the Round Valley property off of Round Valley Way. The proposed trail-head was envisioned to promote non-motorized access to the City owned Round Valley property including cross-country skiing in the Winter. Due to the duration of the approval process for the permitting of the trail-head the weather cut short the construction of the parking area. Currently there are no houses adjacent to the property at the end of the cul-de-sac and parking for trail users should not be a significant issue at this time.

In the RAP tax application discussion during the PRBB meeting on September 18, 2002 the PRBB recommended to staff to include cross country ski trails for the Round Valley property in the application and map for RAP tax grant request for trails (map attached). The County Commission approved the RAP tax application review committee recommendation of $200,000.00 for trails where a significant portion of the request is for trails including cross country skiing trails within the Round Valley property.

C. Analysis: The development of cross country ski trails in Round Valley is consistent with the Recreation Facilities Master Plan and survey, the Park City General Plan; specifically the Open Space, Round Valley Planning Area Land Use, and Parks and Recreation Elements, as well as the Trails Master Plan. The Basin Rec. District has also been working with the Mountain Trails Foundation, the landowners (PRI) of the property South of the Silver Summit neighborhood and City staff to connect cross country skiing from Trailside Park to the Round Valley trails while the property is not in use for grazing.

Necessary maintenance or snow grooming by the use of motorized vehicles on the trails is not prohibited by the language of the bond for the open space purchase. Most all trail construction and maintenance is done with the use of motorized equipment or vehicles. Cross country skiing is compatible with the use of open space property, and may help increase recreational opportunities in the area.

D. Department Review: Office of Capital Management and Budget, City Manager's Office.

ALTERNATIVES:

A. Approve the Request: Allow motorized snow grooming equipment in Round Valley for cross-country skiing.

B. Modify the Request: Provide direction to staff regarding other concerns or issues for cross country skiing in Round Valley.

C. Continue the Item: As necessary for discussion of issues.

D. Deny the Request: Not allow grooming of cross country ski trails in Round Valley.

SIGNIFICANT IMPACTS: The cost to provide snow grooming has not been determined at this time.

CONSEQUENCES OF NOT TAKING THE RECOMMENDED ACTION: Continuance would not allow grooming until some time in January.

RECOMMENDATION:

7. Staff recommends that the City Council allow the grooming of the cross country ski trail in Round Valley.

Maps attached.

DATE: December 19,2002

DEPARTMENT: Administrative Services

AUTHOR: Robert W. Stephens, ASD Director

TITLE: Affordable Housing

TYPE OF ITEM: Discussion/Informational

SUMMARY RECOMMENDATION: Provide staff with direction regarding the role of the City vis a vis Mountainlands Community Housing Trust (MCHT) on affordable housing.

A. Topic: Staff is seeking Council's direction for Affordable Housing policies and what role theCouncil would like the City to play particularly in relationship to MCHT.

B. Background; Affordable Housing (AH) has been an annual City Council goal from the early1990's to the present. Affordable housing is essentially divided into two separate components: (1)programs designed to specifically help City employees, and (2) programs designed to facilitateand stimulate community-wide affordable housing.

1. **Programs designed specifically for City Employees:**

a. **Housing allowance:** employees living within the PC School District boundaries areeligible to receive $200/month with police officers and water workers (emergencypersonnel) eligible for $250/month. This program began in 1985 at $100/month andwas increased to current levels in 1994.

b. **Mortgage assistance:** The City matches an employee's down payment up to$10,000 for a home purchased within the school district boundaries. The City's match is in the form of a 20-year loan with repayment deferred for the first 5 years. The Council has funded the mortgage assistance program with $20,000 each budget year since 1995 with unused funds carried forward. To date, 21 mortgage assistance loans have been provided. Twelve have been repaid completely, six employees are currently making biweekly payments, and three loans are in the five-year deferral period.

c. **Rental units:** In 1996, Council authorized the purchase of four Silver Meadowsunits to be used as rentals for City employees. In 1998 the City purchased oneadditional rental unit at 1465 Park Ave and in 2001, two additional Silver Meadowsunits were purchased bringing the current total of City affordable housing rentals toseven.

2. **Community-wide affordable housing:**

Since 1991 the City has promoted and encouraged affordable housing through a combination of policy changes and financial contributions.

1991 Resolution: Established the framework for such concepts as the Historic District Grant Program, the $5,000 per unit City fee waiver, and the MPD affordable housing unit requirements.

Resolution: Established affordable housing criteria to be used by CDD in their review of project applications, annexation petitions and other planning actions where affordable housing is an issue. Established minimum unit sizes, maximum rents, unit equivalent standards, City per-unit fee waivers and in-lieu payment guidelines.

Housing Advisory Task Force: Created by City Council in April 1994 to represent a broad cross section of the community to develop recommendations for providing housing opportunities for moderate and lower income residents so that they can continue to live and work in the community. The HATF also recommended that the City prepare an annual Housing Affordability update encompassing Park City and the Snyderville Basin. The purpose of this report is to address:

- Current trends in the rental and resale market.
- Trends in the Salt Lake And Heber housing

markets.

- An estimate of current affordable housing deficit in Park City.
- The current state of affordability for "Essential Public and Private ServiceWorkers."
- Housing needs for seasonal employees.
- The emergence of potential new rental barriers.

Council received the 2001-2002 Housing Update on December 12,2002. The report was in two booklets: Executive Summary and Technical Reference. This report has been prepared annually by Rosenthal & Associates since 1996.

1995 & 1999 Resolutions: Refined the affordable housing criteria that was set forth in the 1993 Resolution.

2000 Housing Element of the General Plan: This provides the most comprehensive overview o philosophy, issues, policies and proposed action plans on affordable housing
in Park City. A copy is attached for your review.

From 1995 to the present the City has made significant financial contributions to affordable housing in the $2.5 million range. This includes:

City rental units:	$950,000
Fee Waivers:	$160,000
Mortgage Assistance Loans:	$160,000
Holiday Village Loan:	$200,000
Aspen Villas Loan:	$600,000
Pechnik purchase:	$200,000
North Horse CDBG grant	$113,000

The housing allowance expenses are included in departmental operating budgets. In calendar year 2001, 81 employees received housing allowance.

In 1997 Mountainlands Community Housing Trust was created as a not-for-profit housing organization taking over for the troubled Ichthos organization. Phyllis Robinson was hired as the executive director and in the subsequent years its scope expanded into a facilitator of housing projects, an affordable housing resource center matching renters with units, and a recipient organization of numerous grants. Ms. Robinson left in 2001 and Scott Loomis was hired as the executive director. Mr. Loomis will be providing City Council with an update of MCHT programs and projects on December 19th also. Mr. Loomis will be making the following recommendations to Council (See MCHT report in this packet)

- Consider selling City rental units at Silver Meadows.
- Consider including the Pechnik property with the adjoining UPCM parcel foraffordable housing.
- Develop affordable housing on City owned site on Holiday Ranch Loop Drive.

- Develop senior for-rent apartments on City owned land adjacent to Park City Senior Center.

<u>C.</u> <u>Analysis:</u> Staff is in the process of developing a map layer of City-owned property on the GISsystem. This layer would identify those properties that have restrictions making themunavailable for AH options. This map will allow Council to view all the possible City-landoptions at one time. Once this map (January 2003) is available, staff will be seeking Councildirection on which properties, if any, Council would consider for Affordable Housing. With this direction staff can work with MCHT to craft AH development strategies for these parcels.

While the use of City-owned property may be a component of solving some AH needs within the City limits, staff sees the issue as a more regional one. Per Council direction, staff could coordinate an Affordable Housing meeting involving Summit County, MCHT, Fire District, SBWRD, PC School District, etc. to raise the affordable housing issues on a broader scale. Staff has met with Phyllis Robinson of Rural Collaborative and she would be willing to facilitate this type of meeting.

Staff has recently assisted MCHT with a CDBG grant application for affordable housing. MCHT is constantly searching for grant opportunities to assist with the funding of housing options. Would Council want staff to take a greater role in grant administration? OCM&B gained a great deal of experience in grant administration with the Transit Center and now possesses the expertise to comply with federal grant requirements. It is a matter of allocating staff time for the most part if this is a priority for Council.

Staff will continue to review and refine the existing AH policies used by the Planning process to require and/or encourage private developers to provide AH as part of their projects. Benchmarking innovative affordable housing strategies being implemented in other communities will continue to be researched.

D. **Departmental Review:** This report has been reviewed by the City Manager and the CDDDirector.

E. **Alternatives;**

What would City Council like the City's role to be regarding affordable housing?

Facilitator. Work with public and private groups interested in affordable housing to createpartnerships and potential funding sources.

Financial. Provide direct financial assistance in the form of fee waivers, loans and/or directpayments.

Develop affordable housing. Act as project manager to actually construct affordable housing.

Identify and coordinate the use of City owned land for affordable housing. Is Councilinterested in donating or selling land?

5. Provide assistance to MCHT when needed to stimulate affordable housing including financial contributions (continued fee waivers), donating land, and continued use of planning guidelines.

F. <u>Significant Impacts;</u> Should Council decide to direct staff to take a more proactive role in affordable housing, it will require dedicating more staff time. In the early and mid-1990's, Senior Planner, Megan Ryan, devoted nearly half of her time to affordable housing issues. Since that time, some of the workload has been shifted to MCHT; however, significant staff time from the Planning Department went into developing the Housing Element of the General Plan and in the constant review and fine tuning of affordable housing criteria that results in a new affordable housing resolution every few years.

G. <u>Recommendation:</u> To decide what the consensus of the Council will be on the City's role in affordable housing. Give staff direction on the use of City owned land for affordable housing; on the use of financial incentives (fee waivers, loans, grants) to facilitate affordable housing; and on the coordination of an affordable housing regional meeting.

PARK CITY WORK SESSION NOTES

SUMMIT COUNTY, UTAH

NOVEMBER 21, 2002

Present: Mayor Dana Williams; Council members Peg Bodell, Kay Calvert, Candace Erickson, Jim Hier; and Fred Jones

Tom Bakaly, Acting City Manager; Mark Harrington, City Attorney; Mark Christensen, Grants and Budget Manager; Ray Milliner, Planner; and Colin Hilton, Project Manager

Bill Malone and Cathy Miller, Chamber/Bureau; Elizabeth Swank, Park City/Summit County Arts Council; Ron Holmes, Wilbur Smith & Associates; Burke Cartwright, EDA Architects, and Gary Tassainer, Tesco Engineering

1. **Council questions/comments.** Fred Jones reported that he attended the interagency meeting and the HMBA visioning session. As liaison to the Parks and Recreation Board, Candace Erickson stated that the youth advisory committee grant recommendations will be coming to Council on December 12. There was discussion on the white water rafting park and setting track for cross-country skiing in Round Valley. Tom Bakaly clarified that this is not a City proposal; there was a RAP Tax application for cross-country trails in Round Valley. Mark Harrington added that the use would have to be approved by the Council. Ms. Erickson thanked Linda Cook for her work on trails. Kay Calvert discussed a request from Salt Lake taxi

companies to pick up fares in Park City which is an opportunity not extended to local companies dropping passengers off in Salt Lake. Mayor Williams shared a thank-you note on the Leadership Program from participant Patrick Lauden. He stated that he received a call from another dog sledding provider interested in using Round Valley trails and a call from a resident in opposition of this type of commercial use there.

The Mayor recognized the many contributions of employee Linda Cook who will be leaving the City December 6, and presented her with an a gift.

2. Chamber/Bureau update. Executive Director Bill Malone discussed an independent survey of summer visitors conducted recently; the last study was done in 1997. He discussed the demographics of the out-of-state summer visitor who tends to be 35 years old or plus, and affluent. Four out of five considered the visit to be a vacation and spent an average of 5.02 nights. Forty percent of the out-of-state day visitor indicated that the Olympics influenced their decision to visit Park City. The areas of greatest satisfaction of day and overnight visitors was weather, scenery, and people. With regard to the areas of greatest dissatisfaction, one-half of out-of-state visitors said nothing. Minor issues included prices, parking fees and weather. Overnight visitor spending has increased over the past five years, spending $142 per day; day visitors average $44 per day. The only area where overnight visitors appeared to be spending less money was on shopping and gifts. Twenty-nine percent of those visitors indicated that they visited the Chamber's website and a high percentage stated that they would visit Park City in the future.

The profile of the day in-state visitor tends to be female, married with children, and less educated than the out-of-state visitor. Only 6% of the in-state day and overnight visitors indicated that the Olympics affected their choice. Main Street is also an attraction to the majority of the in-state visitors. Forty-one percent of the overnight and 38% of the day in-state visitor responded that they had no complaints; the areas of greatest dissatisfaction were prices and parking. Overnight visitors from Utah spend $79 per day and day visitors average $27. The overnight visitor is spending slight less compared to 1997. Mr. Malone encouraged Council to review the extensive information available in the report which will be distributed soon.

He explained that the Chamber has been working with Olympic athletes to market Park City and discussed the media coverage in the New York, Los Angeles, and Chicago shows. Cathy Miller discussed their extensive advertising program and after the ads hit, their website visitation increased 50% from last October. There were 12 page inserts in both the October issue of Ski and the November issue of Skiing which was an effort between all three resorts and about 12 lodging partners. There are also ads marketing holding conventions and meetings in the area. She described the numerous consumer ski and travel industry shows sponsored by the three ski resorts and Chamber members and an email campaign. They are also in the process of finalizing a skier survey in conjunction with the Utah Travel Council, Salt Lake Chamber, Airport Authority, and Ski Utah. Ms. Miller explained that they are also focusing on defining Park City's *brand*, now that the Games are behind us. Peg Bodell suggested that the beautiful images of the Olympics used as a part of the Tourism Symposium presentation be made available to businesses to be displayed in their stores. A video in the Transit Center is another idea. There was discussion about the incredible amount of exposure Roots received during the Games without spending any money on advertising.

2. Arts Council grant recommendations. See staff report. Fred Jones disclosed that he will be refraining from discussion since his wife is a grant applicant. Mark Christensen explained that the Arts Council reviews grant applications for related projects and programs on behalf of the City, and is recommending a total disbursement of $14,500. It is proposed to amend the service contracts to include a provision releasing funding upon satisfactory completion. This will provide the City a mechanism to better monitor the contract. Jim Hier felt that an

IRS tax return should be a part of the information requested in the application process in the future. There was discussion about non-profit status not being required. Peg Bodell thanked the committee on behalf of the Council, for taking the time to carefully review these programs and projects.

3. MFL banners. See staff report. Ray Milliner clarified that Council directed staff to research commercial sponsorship appearing on banners on Main Street and on Empire Avenue to PCMR. He reviewed criteria which included that only MFL holders are allowed to have banners. Sponsor names are allowed to appear on the banner provided that it occupies less than 20% of the banner area. Identifying multiple sponsors is also permitted, but only one name per banner. If a corporate sponsor is part of the festival name, its appearance as the name of the event would be counted toward the allowable percentage. Mr. Milliner added that priority will be based on a first-come, first-serve basis. If applications are received simultaneously, the Special Events Manager is empowered to make a decision based on criteria. He requested direction on additional banner locations, i.e., Kearns Boulevard or Park Avenue and allowing Deer Valley and PCMR to place event banners on the existing Olympic standards at the resorts. There was discussion about limiting the size of the corporate logo, not the event logo.

Fred Jones expressed that he is generally opposed to increasing commercial advertising, but there may be ways to make it work. Twenty percent is too much and there should be clear language regulating corporate speech, i.e., the size of letters, logos, etc. He suggested that more time be spent on this so that the legislation is effective. Ray Milliner explained that 20% was used during the Olympics for the Coke banners. Alison Butz relayed that Cadillac is a corporate sponsor included in the name of the Park City Arts Festival while the *Sundance Institute* is not a for-profit corporation and would not be restricted. With regard to locations, Jim Hier suggested the round-about, Kearns, and Park Avenue. He understood that the banner standards at the ski area have already been discussed, but didn't recall mention of changing out banners for events. Ray Milliner referred to the

LMC where the associated provision referred only to Olympic legacy themes. Jim Hier added that as an example, he believes a correlation between the World Cup and the Olympics can be made, but there needs to some defined language. Mr. Milliner added that any banner on those poles would have to be approved by the City Council and perhaps at that time Council could determine if the content is associated with the Olympics. Council member Hier agreed but insisted that criteria needs to be better defined in the Code. Peg Bodell expressed that having a time limit for banners should be specified. Fred Jones stated that when Council reviews these applications, it is important to have criteria and believed the value to the sponsor should be considered. Mark Harrington cautioned that this is a Sign Code regulation, and authority is limited to general health, safety and welfare concerns as authorized by the state. Considerations primarily focus on visual clutter, street-scape, distractions for motorists, etc. He warned not to cross the line to a more involved process and in response to a concern expressed by Mr. Jones, explained that whenever commercial speech is increased within rights-of-way, the Sign Code is loosened. His department has consistently opposed this kind of enlargement of commercial speech, but felt comfortable with narrowly tailoring some restrictions without sacrificing the sign regulation scheme in place. Peg Bodell discussed the value of banners to event-holders in selling sponsorships. Fred Jones reiterated that he is reluctant to commercialize banners; the only reason he is entertaining this amendment is to support the goal of bringing events and businesses to Park City. Jim Hier felt that the content of event banners can be managed with an appropriate Code amendment.

OTIS update. Colin Hilton introduced Ron Holmes, Wilbur-Smith; Burke Cartwright, EDA Architects; and Gary Tassainer, Tesco Engineering who assisted in project consulting and cost estimating. A high priority of Council is to improve historic Park City, specifically infrastructure. Through the summer and fall, a great deal of information has been gathered from past studies and public meetings inviting constituents. The 1993 Sear Brown study addressed street and utility improvements; the lower Park Avenue study prompted pedestrian and transportation considerations; the 1996 Wilbur-Smith study provided extensive parking and transportation analyses; and the 1998 Downtown Action Plan focused on the vitality of Main Street and Swede Alley. He explained that the HMBA's priorities dealt with parking and sidewalks enhancements, more specifically repair and widening. Also, the Fire District, Snyderville Water Reclamation District, and the City worked together to obtain historical data.

Mr. Hilton stated that the cost of street reconstruction projects contribute significantly to the capital budget and typically a whole construction summer is needed to reconstruct a street. These types of projects are usually conducted every two or three years, but if the plan is supported, the City would take on a street project annually. He referred to a priority and time frame analysis addressing the scheduling of streets outlined in the report. Water line replacement is standard with street reconstructions and is typically funded through the Water Fund which is already committed to various water projects. There is about $1.3 million worth of water line replacement costs for Old Town. The concept of burying overhead utilities is best accomplished through a street reconstruction project as there are significant savings and mitigation of construction impacts. Tesco Engineering provided a conceptual design of under-grounding utilities through Old Town. He added that Gary Tassainer of Tesco, is very familiar with working with municipalities on under-grounding and served as the Mayor of Payson. He approached this by looking at all of the dry utilities, and meeting with Utah Power, Qwest, and AT&T for 16 different project areas throughout Old Town. Colin Hilton noted that under-grounding the entire area as one project is about $7.4 million versus stand-alone projects at $8.5 million and those costs are broken down into line item categories in the study.

Tesco outlined various funding options and project pros and cons. Included with cons is that major transmission lines, like the one on Park Avenue and 9th Street can not be under-grounded, and three phase power lines are costly to bury. Funding through a special improvement district requires obtaining support from more than 50% of the property owners in the area. Other challenges include dealing with historic structures, like retaining walls, and locating junction and transformers somewhere on the narrow streets. Under-grounding can take as long as two years, and negotiating with utility companies will be demanding. Another feature of the project is obtaining easements from property owners for rights-of-way to bury utilities and there may be objections. With regard to the pros, Mr. Hilton pointed out the reliability of the system will be greatly improved as will aesthetics. Most of the streets have single phase power and the cost of relocating those are less than three phase power. There is the possibility of some cost-sharing with telecommunications companies and CATV. There is some existing underground conduit in Old Town under Main Street and Woodside.

As an example, Mr. Hilton explained that the price to relocate utilities as a part of a street reconstruction project in the Ontario/Rossi Hill area is estimated at $406,000. The potential to obtain funding from utilities is roughly in the neighborhood of $120,000. Property owners bearing 25% of the project costs represents $101,000 but the Park Avenue residents have insisted that the only cost that should be borne by residents is to pay for the service connections from the junction box to their homes. This cost is estimated to be $750 per household. The City can contribute anywhere from $34,000 to $365,000 in varying levels of financial participation. An average cost to property owners in an area with 54 households, would range from $3,400 to $6,800 for a one-time payment. If this were tied into a special improvement district at a 6% interest rate over 15 years, it would yield an annual payment of $351 to about $700 per household. The best case scenario for residents would be paying a one-time fee of $750 with the City contributing the $365,000. Upper Park Avenue is estimated at $1.2 million with utility contributions of about $250,000. City support could range from $106,000 for staff and engineering fees, to 25% of the project which is about $300,000.

Gary Tassainer explained that Sandy City passed an ordinance that prohibited overhead utilities on new construction. Pacificorp approached the state legislature with concerns. The state legislature then mandated that municipalities must cover the differential costs of burying from what the new overhead construction would cost. He strongly suggested that Council adopt an ordinance because it provides the City with more leverage in negotiations. After four years, Sandy City finally reached a reasonable estimate with Pacificorp which illustrates the importance of bargaining power. Mr. Tassainer encouraged equalizing costs and assessments throughout the Old Town area, acknowledging that it is a tough political decision. Historical preservation is another challenge which plays into the cost. Peg Bodell indicated that there is an opinion that the historical character of Old Town attracts visitors and improvements should be borne by the whole community. She asked Mr. Tassainer if other communities share that philosophy. He stated no, and stated it is difficult to put a number on the value of that *attraction*. There is no question that under-grounding utilities enhances property values. He strongly urged Council to avoid approaching burying utilities as stand-alone projects and assessing residents on a street by street basis. Tom Bakaly suggested contacting Telluride for information about its experience in under-grounding.

Colin Hilton explained that parking was reviewed from a supply standpoint from the boundaries of Main Street, Park Avenue, Hillside and Marsac Avenues. Wilbur Smith conducted the study in 1996 and many of the formulas could be used to update some of the inventory and projected demand figures. There are currently 1,821 spaces within the area and approximately 1,000 are public. The Transportation Department has tracked utilization of parking in three zones through each month of the year. During the months of December, January, February and March, we are exceeding a reasonable capacity number which is about 88% of total public parking spaces. However, this does not occur every and all day during this period, but between the hours of 5 p.m. and 10 p.m. It is very difficult to predict demand. Utilization numbers, square footage figures commercial mixes on Main Street, and factoring in industry standards were used in the methodology to arrive at an estimate of 326 to about 400 spaces as the shortfall during the four month winter period. As an alternative to building a parking structure, EDA and Wilbur-Smith were directed to find additional surface spaces by way of angle parking on Main Street and adding spaces where none exist. It was found that Main Street is not wide enough to accommodate angle parking and no more than 40 to 60 spaces were discovered at a nominal investment of $80,000.

Recommendations on improving access to existing lots from Swede Alley was another directive and Mr. Cartwright explained that constructing an addition to the north of China Bridge with a ramp system to Swede Alley could yield 156 spaces. The top floor would provide better access to the Sandridge lot. Colin Hilton stated that the design also included a retail and/or civic space which could be considered for public safety. He referred to different designs included in the report and Mr. Cartwright expressed his sensitivity in preserving the westerly view. Jim Hier pointed out that parking is not fully utilized unless it is convenient and Ron Holmes of Wilbur Smith agreed that the Sandridge lot is not well utilized by patrons and employees of Main Street for a number of reasons including distance. Mr. Hier suggested a transportation component, and Mr. Holmes explained that bus service was provided for Sandridge in 1996-97 and was not very successful. Miners Hospital was also used for a park and ride along with valet parking in Swede Alley. Mr. Hilton felt there is a lot of merit to the suggestion of consolidating parking to an area, and simplifying the message on where to park. He added that public input included requests for pedestrian enhancements along certain corridors, widening sidewalks on Main Street, bulb-outs, and lower Park Avenue street improvements. The Crescent Tramway received a lot of attention, people requested a stairway at 9th Street, and City Hall requires some long-term upgrades. With regard to the next step, he added that the OTIS study is on the website and suggested giving people an opportunity to talk to each other and Council about these ideas. Once another public meeting is held, staff will have direction to prepare the capital improvements program two year budget.

Fred Jones complimented Mr. Hilton on the study and the whole public process. He is anxious to proceed and sees several areas where the task force approach would be appropriate, like parking. It is one thing to build the parking, and another to manage it so prime spaces are not filled with long-term parkers. Moving ahead with some of the Old Town streets continues to be a priority to him and it would be helpful to have a task force look at funding options for under-grounding utilities. Consensus needs to be reached by Council members on how projects are to be prioritized and Mr. Hilton agreed. Mr. Jones felt that staff should take some time right now to look into under-grounding with a task force, but did not consider this an *either or* in terms of dealing with parking. There are needs on both issues that should be addressed. Jim Hier stated that he was also very impressed with the quality of the report and because there is so much data, is reluctant to render any recommendations at this time. He suggested that a special work session be held with Council and the public so that Council is more informed to provide better direction to staff. In response to a question from Kay Calvert, Mr. Hilton explained that strategies for funding have not been developed pending Council direction on projects. Tom Bakaly continued that once Council answers some philosophical questions and determines parameters, staff can respond with options.

6. Review of regular meeting. In response to a question from Peg Bodell about the bonds, Mark Christensen explained that the proposal is to refinance about $3 million in existing debt at a lower interest rate. The bonds are intended to produce $6 million in new money for water projects scheduled in an 18 to 24 month time span. Tom Bakaly added that the money is required to be spent in a three year period.

Prepared by Janet M. Scott, City Recorder

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
NOVEMBER 21, 2002

I ROLL CALL

Mayor Dana Williams called the regular meeting of the City Council to order at approximately 6:15 p.m. at the Marsac Municipal Building on Thursday, November 21, 2002. Members in attendance were Dana Williams, Peg Bodell, Kay Calvert, Candace Erickson, Jim Hier, and Fred Jones. Staff present were Tom Bakaly, Acting City Manager; Mark Harrington, City Attorney; Alison Butz, Special Events and Facilities Manager; Ray Milliner, Planner; and Patrick Putt, Planning and Zoning Administrator.

II PUBLIC INPUT

The Mayor invited the audience to comment on any matter of City business not scheduled on the agenda.

1. Arts Council - Elizabeth Swank, President of Park City Arts Council, thanked the Council for granting money to community organizations.

2. HMBA - BID - Barb Clark, Director of HMBA, reported that a visioning session was held last and a lot of input rendered on the formation of the business improvement district. She relayed that it was an emotional meeting, but productive in terms of getting the group involved. She distributed information on the meeting including general goals and newly formed committees and felt that some misconceptions about the business improvement district were clarified.

Hearing no further comments, the public input session was closed.

III COMMUNICATIONS FROM COUNCIL AND STAFF

The Mayor welcomed and swore in Officer Jeffrey Mckay.

IV WORK SESSION NOTES AND MINUTES OF MEETING OF OCTOBER 17, 2002 AND OCTOBER 31, 2002

Kay Calvert, "I move that we approve the minutes of the meetings of October 17 and 31, 2002". Peg Bodell seconded. Motion unanimously carried.

V CONSENT AGENDA PUBLIC HEARING

1. Master Festival License for USSA Chevy Truck Snowboard Grand Prix at Park City Mountain Resort on December 19 - 21, 2002 - Alison Butz explained the schedule for the competition and the evening events, which will be ticketed. The Red Hot Chili Peppers will be performing Friday night at 5 p.m. at PCMR and the attendance of the concert will be capped at 8,000 tickets. At 7 p.m., the half pipe competition will be held and there will be a shuttle from the Boyer lot at Kimball Junction and the High School lot for patrons. The Police Department is coordinating security with USSA. There will be a Saturday broadcast on NBC with a projected viewership of five million. The applicant has requested a fee waiver, as outlined in the staff report. In response to a question from Ms. Bodell, Alison Butz explained that there is potential for this to become an annual event, but not necessarily at this time. Ms. Bodell felt this is an ideal time and key to our economy. Hearing no further questions or comments, Mayor Williams closed the public hearing.

2. Ordinance amending the Park City Survey,

incorporating a portion of Lot 14 of Block 22 of the Park City Survey, into property located at 350 ½ Main Street, Park City, Utah - Ray Milliner explained that this amendment will provide access to 340 ½ Main via the stairwell which now exists on the 350 Main Street plat. The Planning Commission forwarded a positive recommendation. Hearing no comments from the City Council, or the public, the public hearing was closed.

VI CONSENT AGENDA

Fred Jones, "I move approval of Consent Agenda Items 1 through 4". Jim Hier seconded. Motion unanimously carried.

1. Master Festival License for USSA Chevy Truck Snowboard Grand Prix at Park City Mountain Resort on December 19 - 21, 2002 - See staff report and public hearing.

2. Ordinance amending the Park City Survey, incorporating a portion of Lot 14 of Block 22 of the Park City Survey, into property located at 350 ½ Main Street, Park City, Utah - See staff report and public hearing.

3. Resolution authorizing the issuance and sale of not more than $9,000,000 aggregate principal amount of water revenue and refunding bonds, Series 2002, of Park City, Summit County, Utah; fixing the maximum aggregate principal amount of the bonds, the maximum number of years over which the bonds may mature, the maximum interest rate which the bonds may bear, and the maximum discount from par at which the bonds may be sold; providing for the publication of a notice of bonds to be issued; providing for the running of a contest period; and related matters - See staff report and work session notes.

4. Authorization to enter into a construction contract of permanent decking and assembly of a Yurt for use in cross-county concessions at the

Park City Golf Course in a form approved by the City Attorney, with Jeff Riehl Construction and authorization to the Interim City Manager to execute lease addendum reflecting changes in venue - See staff report.

VII NEW BUSINESS

Call-up of Planning Commission denial of a conditional use permit for an Olympic Legacy Tower to be located at 1455 Snow Creek Drive aka Olympic Welcome Plaza - Fred Jones, "I move to conduct the hearing de novo". Jim Hier seconded. Motion carried unanimously. The City Attorney explained for the benefit of the public that a de novo call-up will *re-decide* the issue rather than an error of law review, which is more narrow. This means conducting a public hearing soliciting testimony; in other words, the Council will not be upholding or denying an appeal.

Patrick Putt explained that the call-up relates to the Planning Commission denial of a conditional use permit on November 13 for an Olympic legacy tower to be located at 1455 Snow Creek Drive a.k.a. Olympic Welcome Plaza. The Commission held a work session on the application on October 23 to relocate one of the 60 ½ foot SLOC towers in the center of the plaza. With the criteria prepared by staff for the October 23 meeting, the Planning Commission was most concerned about No. 14, dealing with the structure's compatibility in mass, bulk, scale and use as it relates to the adjacent land uses and buildings. At the conclusion of the meeting, the Commission directed staff to return to the November 13 meeting with specific findings for denial based on the determination that the proposal did not meet Criteria No. 14. Mr. Putt added that the staff report also contains a response to the November 13 denial, provided by the applicant. There are four specific considerations the applicant would like considered by Council. (1) The tower complies with Criteria No. 14 since the location of the tower is within a one acre plaza adjacent to two state highways and maintains significant setbacks from adjacent buildings. (2) The 50 foot Yarrow Hotel tower is located across SR248 within the frontage protection zone and creates an existing context for towers. (3) By its nature, a way-finding tower is typically taller than existing structures; and (4) Allowing the tower will not create a precedent because the LMC allows this specific structure at a height of 60 ½ feet. The staff report also includes a revised draft of findings of fact, conclusions, and conditions of approval. Mayor Williams invited the public to comment.

Monty Coates, HMBA, encouraged the City Council to facilitate the placement of the tower. It is important to have this way-finding tower installed as the *halo* of the Olympics is only three years. Visitors expect to see Olympic displays, which was also a goal of the Downtown Action Plan Task Force.

Bill Malone, Chamber/Bureau, agreed that our guests expect to see something from the Olympics. Although the tower may not have been originally planned as the focus of the plaza, he urged Council to act favorably on this application. There are always options at a later date, and there is an opportunity now with the donation and installation of the tower covered by SLOC.

Gordon Strachan, resident and former Chairman of the Venue and Facilities Committee of SLOC and Board of Adjustment member, stated that he feels the tower fits the plaza area. The flags in Deer Valley look great. Time is of the essence.

Hearing no further comments from the audience, the public hearing was closed.

Peg Bodell emphasized that it's not a matter of whether the tower fits or looks good, it is about the process. Over the last five or six months, the staff and Council including her, have clouded this issue to a point where the public is very confused because issues that are not pertinent have been thrown into this decision. The Olympic Legacy Committee did not know about the frontage protection zone, the history of the facility or the original design. The people who responded on the website (question) did not know about the FPZ. However, the Planning Commission addressed it and said "no". When the City Council amended the LMC to provide for Olympic legacies, there was a consensus of this group that we wanted to look at the tower in the rear of the plaza which never came back to us. The issue was clouded by staff. The fact that this de novo hearing was *pre-noticed* is again proof of a rush to judgment that is inappropriate and ignores due process for our citizens. She stated that she would be supportive of a motion to uphold the Planning Commission's decision. Peg Bodell, "I move that the City Council uphold the Planning Commission's denial of the request to place the tower in the frontage protection zone". Motion died for lack of second.

Jim Hier stated that this application has gone through due process and the opportunity and amount of public comment both through associated committees and the Planning Commission is far more than normally occurs. Given this is an Olympic legacy, it was appropriate to do so. The Planning Commission's vote was not unanimously but 4:2 and the LMC provides for the call-up process. He believes that the staff report represents a fair evaluation of the process and of the criteria in the LMC. The location does not violate the FPZ requirements and he is in favor of overturning the Planning Commission's decision and voting for approval of the installation of this tower. Peg Bodell expressed that she felt the Planning Commission did not error. The City Attorney clarified that this hearing is de novo. The Council is not upholding or denying an appeal, but either granting or denying the application. This is a essentially a new process in which the Council is evaluating the application under the LMC. Council member Bodell understood that the findings then have to deal with compatibility and scale. If this is the case, the impacts have not been mitigated through careful planning. She stated that the Council asked staff to mitigate, but it never happened. Fred Jones questioned whether that directive was a consensus of Council. Council member Hier relayed that he feels the tower doesn't violate the FPZ and didn't feel there are other planning impacts. As a condition, he would like the ability to review the conditional use after a one year period to ensure that it doesn't fall in disrepair or in the event circumstances change.

Chairman Chris Larson suggested that Council conduct the review not the Planning Commission. Fred Jones, "I move to approve the location of the Olympic tower in the Olympic Plaza according to the findings of fact, conclusions of law, and conditions of approval, as presented in the staff report, Pages 71 and 72, with the addition of language to the effect that this will be reviewed on an annual basis for appropriateness". Mark Harrington suggested verbiage, "with an annual review by City Council and a preliminary recommendation by the Community Development Department staff regarding on-going compliance with Land Manage Code requirements for a conditional use permit". Mr. Jones accepted the additional language to his motion. Jim Hier seconded. Motion carried.

Peg Bodell	Nay
Kay Calvert	Aye
Candace Erickson	Aye
Jim Hier	Aye
Fred Jones	Aye

Peg Bodell pointed out the importance the Planning Commission places on the FPZ. We don't allow anyone else to build there and putting the Olympic tower there is a disservice to our citizens.

VIII ADJOURNMENT

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

MEMORANDUM OF CLOSED SESSION

The City Council met in closed session at approximately 3 p.m. Members in attendance were Mayor Dana Williams, Peg Bodell, Kay Calvert, Candace Erickson, Jim Hier, and Fred Jones. Staff present were Tom

Bakaly, Acting City Manager; Mark Harrington, City Attorney, and Alison Butz, Special Events and Facility Manager. Jim Hier, "I move to close the meeting to discuss property". Candace Erickson seconded. Motion carried unanimously.

The meeting opened at approximately 4 p.m.

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

Prepared by Janet M. Scott