PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
APRIL 29, 2004

PUBLIC NOTICE IS HEREBY GIVEN that the City Council of Park City, Utah will hold its regularly scheduled meetings 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, April 29, 2004.

AGENDA

Closed Session – Executive Office Conference Room

2:00 p.m. Personnel and property

Work Session – City Council Chambers

3:00 p.m. Public Art Advisory Board Interviews
4:15 p.m. Council questions/comments
4:30 p.m. Mountain Town Stages request:
- Temporary beer and liquor licensing
- Miner's Park
- Outdoor music request

5:00 p.m. Kimball Junction transportation plan
5:15 p.m. Review of regular meeting:
- Golf and tennis fees
- Three party water supply agreement
- Other meeting questions/comments

5:50 p.m. Break

Regular Meeting – City Council Chambers
6:00 p.m.

I ROLL CALL

II COMMUNICATIONS FROM COUNCIL AND STAFF

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

IV WORK SESSION NOTES AND MINUTES OF MEETING OF APRIL 15, 2004

V CONSENT AGENDA PUBLIC HEARING

1. Amendment to Title 4, Chapter 8A, regulating outdoor music, of the Municipal Code of Park City, Utah

2. Resolution adopting an Environmental Management System Program for Park City, Utah

VI CONSENT AGENDA

1. Amendment to Title 4, Chapter 8A, regulating outdoor music, of the Municipal Code of Park City, Utah

2. Resolution adopting an Environmental Management System Program for Park City, Utah

3. Authorization to reject all bids for construction of the 2 MG Boothill reservoir including associated pipelines and the valve vault

4. Resolution designating Tom Bakaly as the Environmental Certifying Officer for Park City, Utah

VII OLD BUSINESS

Resolution amending Section 8.4.4, Golf Fees, and Section 8.4.3, Tennis Fees included in the Leisure Services and Facility Rental Fees outlined in Exhibit A of Fee Resolution No. 17-03 and repealing Resolution No. 17-03 in its entirety

(a) Public input
(b) Action

VIII ADJOURNMENT

PARK CITY WATER SERVICE DISTRICT MEETING
SUMMIT COUNTY, UTAH
APRIL 29, 2004

I ROLL CALL

II PUBLIC INPUT

III MINUTES OF MEETING OF MARCH 4, 2004

IV NEW BUSINESS

Water Supply Agreement between Weber Basin Water Conservancy District, Mountain Regional Special Service District and Park City Water Service District for the long-term leasing of water

V ADJOURNMENT

A majority of City Council members may meet socially after the meeting. If so the location will be announced by the Mayor. City business will not be conducted.

Posted: 04/26/04
see: parkcity.org

Note: This future meeting schedule is TENTATIVE and subject to change.
PARK CITY COUNCIL TENTATIVE MEETING SCHEDULE

May 2004

5 *Open house - town plaza/parking – Council Chambers – 4:30 p.m. – 7:30 p.m.*

6 Sidewalk dining (15) - Jonathon
Conservation easements (15) – work - Brooks
Tentative budget (1 hr) – work
Transit Center Land Match Resolution - Gary
Ordnance - PCMR child care record of survey, 1310 Lowell Avenue – public hearing/action (motion to continue) - Jonathon
Appeal of determination of water credits for April Mountain – Bamberger Company - new business

13 CIP budget – work – (2 hrs)
Budget public hearing
LMC amendments – entry corridor protection zone – public hearing/action
Hoffman annexation plat (motion to continue) – Kirsten
Ordinance – vacation of a portion of Crescent Tram at 650 Woodside Ave - Pat

20 CIP and operating budgets – work
City-owned buildings – Pat
Public safety agencies - planning and education – work – Phil
Expansion of skate park – work (30 min) – Ken
Budget public hearing
Ordinance – 401 Silver King Drive, Snowflower Condominiums amendment to record of survey – Jonathon
Ordinance - 1483 Park Avenue plat amendment (motion to continue) – Ray

24 *Council and staff workshop – 9 a.m. – 5 p.m. – National Ability Center*

27 **No regular meeting** (possible work session on budget, if needed)

June 2004

3 Recycling update - work
Resolution adopting tentative budget

10 **No meeting**

17 Budget public hearing
Resolution adopting final budget (no tax increase)

24

July 2004

1

8

15

22

29

August 2004

5

12 Resolution adopting final budget (tax increase)
19
26

Water Service District – Grant of easement from Iron Mountain Associates

PARK CITY COUNCIL WORK SESSION NOTES
SUMMIT COUNTY, UTAH
APRIL 15, 2004

Present: **Mayor Dana Williams; Council members Kay Calvert, Marianne Cone, Jim Hier, and Joe Kernan**

Tom Bakaly, City Manager; Mark Harrington, City Attorney; Jeff Schoenbacher, Environmental Coordinator; Ron Ivie, Chief Building Official; and Patrick Putt, Planning and Zoning Administrator

Stephan Cornelius, art on public property proponent

Absent: **Council member Candace Erickson**

1. Council questions and comments. Marianne Cone, liaison to Library Board, reported on the progress of the Library expansion. She thanked staff for getting the pre-school space completed and for cleaning up debris at the Rail Trail.

Jim Hier stated that COSAC is discussing the acquisition of the Alice Mining Claim, consisting of approximately 13 acres, acknowledging that major remediation is required in the drainage area. He described the lots proposed for development and the area designated for open space. Mark Harrington further noted that zoning includes HR-1, HRL and Estate and there is some development potential with further platting. The City has filed a large grant request to help facilitate clean-up, but the award is contingent on public ownership of the property. Mr. Hier continued that COOL has changed its name to the Summit Land Conservancy. Kay Calvert requested that the City notify the property owner on Bonanza and Iron Horse to clean up his property.

Joe Kernan reported that he and Council member Erickson attended the Parks Advisory Board meeting. There was discussion of expanding the skate park with the goal of providing more beginner riding areas. However, the survey is showing interest in street skills type features and RAB will be looking to Council for direction. Mr. Kernan added that he and Jerry Gibbs attended the first meeting of the Summit County Solid Waste Advisory Board. The landfill is reaching its capacity and a new cell must be developed or the solid waste transported to an outside facility for disposal. Both approaches are expensive and the County will be seeking mechanisms for funding either option.

Jim Hier interjected that the Planning Commission authorized Mountainlands to replicate the historic buildings on Deer Valley Drive, with the understanding that some architectural elements be reused like the siding. Pat Putt explained that the buildings cannot be structurally repaired and there is a mold issue; the plan must be approved by staff before a permit is issued. . Jim Hier advised that the Park City Mountain Resort Child Care Center project will probably be denied by the Planning Commission, although no final decision was rendered. In response to a question from the Mayor, Jerry Gibbs commented that staff is participating in discussions about the expansion of the mosquito abatement district. Joe Kernan believes that this year, the Health Department will cover the cost, but may look to certain areas of the county for assistance. The Mayor thanked staff for their efforts on the upper Park Avenue reconstruction project. He discussed the Friends of the Library luncheon and voiced his support of the acquisition of two BMW motorcycles for the Police Department, which he feels is a great addition to the traffic calming effort.

2. Environmental management policy (EMS). As a resident since the 1980s, Mayor Williams explained his familiarity with soils mitigation in Prospector and complimented staff on the excellence of the EMS report. Jeff Schoenbacher explained that the EMS was proposed in 2001 and is a product generated from the stakeholders, US EPA, UDEQ and the City. Implementing a plan is an alternative to the blood study proposed by EPA and it has five main components. The plan contemplates an expansion of the soils ordinance, assessment of properties for risk factors, and field monitoring to measure concentrations of lead on all lots in the capped areas. The latter is of particular interest to EPA as it has wanted some type of data to confirm acceptable levels after capping. Staff feels that the benchmark is achievable and the goal is to sample as many lots as possible the first two years and to proactively prove that the cap is working.

Mr. Schoenbacher added that the next component is education for property owners and an environmental handbook is available. The fourth component addresses disposal assurances. UDEQ was concerned that the tracking process was not adequate and disposal insurance letters will now be required. The last feature of the plan is reporting and an annual report will be produced for the benefit of the regulatory agencies, validating that the EMPS program is being properly followed. Mr. Schoenbacher added that a five-year review of the plan will be conducted with the ultimate goal to de-list the site from CERCLIS.

Ron Ivie continued that the success of testing capped soils is entirely dependent on community cooperation so lots can be accessed, however, testing uncapped lots will be mandatory and not voluntary. There was discussion about advertising the public hearing and informing stakeholders of the upcoming public hearing. The Mayor reported that the cap on his property has recently been tested, and it is still effective. The bio-availability for lead to contaminate humans is minimal because of the lack of pathways. Ron Ivie added that physicians must report elevated levels in patients to the state. The Mayor added that the Health Department provides free blood testing and he believes the EMS program is a great compromise for everyone's interests. In response to a comment from Marianne Cone, it was clarified that there are about 24 properties that will be capped this year and about 65 lots within the area that have not been sampled. According to the plan, these parcels must be addressed by 2006.

From an historical perspective, Chief Building Official Ivie relayed that about half of the samples are acceptable and most other parcels, testing high, typically have small hot areas. He suggested considering designating a soil depository as a public service to the community. Ms. Cone commented that this would be a good time to plant water conservation varieties. In response to a question from Council member Kernan, Mr. Ivie indicated that samplings don't occur every few feet because it is pretty easy to spot problem areas by simply observing the vigor of plant growth. Council supported proceeding with a public hearing and the Mayor indicated that he will work with staff on procuring topsoil for the affected neighborhoods.

3. Review of regular meeting:

LMC amendments. In response to a question from Marianne Cone, Patrick Putt explained that the amendment dealing with set-backs was prompted by a private property owner. The first amendment deals with the General Commercial Zone, which would allow for unenclosed building elements to extend into required side and rear yards in the GC, when certain conditions are met. Primarily, that the rear and side yards abut platted open space, public spaces, or pedestrian areas, and also meet the Uniform Building and Fire Codes. This is intended to provide more flexibility for better architectural design, i.e., the properties along the Rail Trail and Kearns/Bonanza area. He stated that the Planning Commission forwarded a positive recommendation on this amendment.

Another modification to the LMC involves reinstating language in the subdivision code, which was inadvertently omitted with a previous amendment. Mr. Putt explained that the final amendment to the LMC proposed for consideration tonight is a request to allow mechanical equipment in side yard setbacks, which comes to Council with a negative recommendation.

Art vending ordinance. The City Attorney explained that the ordinance is a compromise to balance the City's and art community's interests and distributed the latest updated version. He relayed that about a year ago, there was a request to sell art on Main Street without a permit, which lead to exploring an alternative that would allow the sale of artwork and also respect the artists' freedom of expression. Accordingly, the City looked at Salt Lake City's ordinance, which allows temporary sidewalk displays and sale, which was not supported by Council, staff or the artists. Pocket parks on Main Street were also deemed inadequate and unpractical and the favored location is the Park City Library and Education Center campus. Mr. Harrington continued that the intent is to temper an ordinance that honors artistic expression and also serves the City's interest in regulating commercial speech and sale. He emphasized that it is fair to categorize this as a vending or sale ordinance. Licensing is the City's regulatory mechanism and all vendors should be treated alike. However, there will be no fee or business license, but staff recommends a contact list or registration, adding a sales tax provision, holding a public hearing and moving forward. The City does not intend to actively manage this activity.

Stephan Cornelius, proponent, asked the Council to consider replacing the word, "vending" because in his opinion, it is offensive to artists to "sell" their expressions. He felt that the group will self-police the area and pointed out that registration is not required in Salt Lake. He asked that the text include, *"in order to that we're able to* *contact you to let you know that there is a problem, it is necessary to have this (registration) in order to regulate and control availability of and access on City property."* Mr. Cornelius also suggested that signs be allowed to delineate the exhibition area and felt that asking artists for their social security numbers on the registration form is inappropriate. The City Attorney explained that this provision was included in an earlier ordinance version and should be stricken. Council concurred. Mayor Williams expressed that the word, "vending" is acceptable to him. Stephan Cornelius felt that the word "acquisition" is more appropriate and discussed his views on *symbols of belief and forms of expression*. See regular City Council minutes.

Prepared by Janet M. Scott, City Recorder

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
APRIL 15, 2004

I ROLL CALL

Mayor Dana Williams called the regular meeting of the City Council to order at approximately 6 p.m. at the Marsac Municipal Building on Thursday, April 15, 2004. Members in attendance were Dana Williams, Kay Calvert, Marianne Cone, Jim Hier, and Joe Kernan. Candace Erickson was excused to attend a Utah League of Cities and Towns meeting in St. George. Staff present was Tom Bakaly, City Manager; Mark Harrington, City Attorney; Kirsten Whetstone, Planner; and Patrick Putt, Planning and Zoning Administrator.

II COMMUNICATIONS FROM COUNCIL AND STAFF

None.

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

The Mayor invited the public to comment on any matter of City business.

<u>Loose dogs, trash containers, and allowed uses at McPolin Farm.</u> Rosemary Sweeney, Old Town resident, complained about unmonitored dogs and irresponsible pet owners. She stated that she picked up at least 25 feces last weekend, which were quickly replaced. She stopped using her herb garden because she believes the situation creates a health problem. Our trails are in deplorable condition and Ms. Sweeney referred to a Letter to the Editor in the *Park Record* about loose dogs chasing wildlife. Many people she has talked to feel that the dog situation needs the attention of the Council. Bag dispensers, high profile signs noting penalties, are all things that could be considered. She read a letter drafted to Daly Avenue residents urging people to voluntarily clean up after their pets and respect others. Ms. Sweeney also pointed out the large number of trash containers permanently left on the street in the Historic District.

Council member Cone pointed out that the high number of containers left on the street, are probably the result of the many units which are rentals and maintained by property management companies. There was discussion about trash regulations on Main Street. Ms. Sweeney emphasized that she feels BFI is doing a good job and explained that the large blue size can be traded for smaller brown containers. She suggested stronger penalties to encourage compliance.

Ms. Sweeney then discussed allowing weddings at the McPolin Barn. Jim Hier explained the regulations on uses. This policy provides for public events, but not private events like weddings. Mayor Williams invited Ms. Sweeney to discuss the loose dog issue with him.

IV WORK SESSION NOTES AND MINUTES OF MEETING OF APRIL 1, 2004

Jim Hier, "I move we adopt the work session notes and minutes of the meeting of April 1, 2004". Kay Calvert seconded. Motion unanimously carried.

V CONSENT AGENDA PUBLIC HEARINGS

1. Ordinance approving a plat amendment for the Roosevelt Gap Subdivision to combine with the Roosevelt Gap and Snow Park development parcels of the 1995 Deer Crest Settlement Agreement, as amended, a portion of an adjacent state trust lands parcel, and other minor amendments to easements and plat notes, located at 2300 Deer Valley Drive, Park City, Utah – Planner Kirsten Whetstone explained that minor amendments include requests for narrowing and realigning drive easements, the addition of notes regarding development and open space parcels, and timing for public improvements. The Roosevelt Gap parcel is zoned RC-MPD which is resort commercial and the Snow Park Lodge site is zoned RD, which is residential development and subject to the Deer Crest Settlement Agreement. The Roosevelt Gap plat was recorded in Wasatch County in December 1998, and in 1999, Park City annexed this property. A conditional use permit was approved in February 2001 for both Roosevelt Gap and Snow Park and it was recommended to combine both lots into one plat. She explained that Deer Crest Associates has negotiated the conveyance of state trust lands. On March 24, 2004, the Planning Commission approved an amended CUP for the Deer Crest Hotel and rendered a positive recommendation on the plat amendment. She referred to the findings of fact, conclusions of law, and conditions of approval outlined in the ordinance.

Hearing no questions or comments from the City Council or the audience, the public hearing was closed.

2. Ordinance amending the Land Management Code Section 15-2.18-3, Lot and Site Requirements (D) 10 and (F) 11 allowing setback exceptions in the rear and side yards of the General Commercial District, amendment to Section 15-7.4-1 (preliminary plat) inserting language that was previously deleted – Pat Putt explained that these two amendments deal with allowing enclosed porches and similar architectural features to extend in the side and rear yards of the GC and the other amendment reinserts language which was inadvertently removed during the last amendment to the subdivision code. This verbiage requires the owner's dedication and consent for recording plats. The Planning Commission forwards a positive recommendation from its March 24 review. Mr. Putt added that there was discussion for allowing mechanical equipment in the side yard setbacks in the HR-1, but the Planning Commission rendered a negative recommendation and it is not included in the draft ordinance before Council tonight. Hearing no comments or questions from the Council or the public, the public hearing was closed.

3. Ordinance adding Title 4, Chapter 3A, Section 7 to the Municipal Code, regulating vending by artists on public property, and adding "acoustic and unamplified" to Title 4, Chapter 3, Section 7 of the Municipal Code concerning street musicians – The City Attorney pointed out that this matter was discussed during work session. The latest version of the ordinance has been distributed to members of Council and available to the public. The Mayor invited the public to comment.

Stephen Cornelius, proponent, reiterated his concerns expressed in work session, about changing the verbiage, "works of art for sale" to "works of art for public acquisition". Mark Harrington explained that staff feels it's important to call the activity "sales" for the purpose of distinguishing between exhibits and to be clear and consistent with the terminology in the business licensing portion of the Code. Council supported his legal opinion.

In response to another comment from Mr. Cornelius, Mr. Harrington assured him that the recitals are incorporated in the ordinance by way of reference. Mr. Cornelius dissertated on his theory that a group of persons cannot be an original artist and Mark Harrington explained that the wording is intentionally collective for legal purposes and Council again supported the City Attorney's advice. It was agreed to eliminate the social security number requirement. Mr. Cornelius suggested that an indemnification clause be included on the registration form. Jim Hier explained that Council is charged with the substance of the ordinance and these details can be worked out with staff. With no further comments or questions from the City Council or the audience, the public hearing was closed.

VI CONSENT AGENDA

The Mayor invited Tommy Kirkoff to explain T'ai Chi Week. Mr. Kirkoff explained that the Governor signed a resolution declaring the 19th through the 25th as International T'Chi Week n Utah and he is pleased that the Park City will follow suit. He invited the Council and the public to attend demonstrations in City Park to be held on Saturday, April 24. T'Chi is the most popular exercise or practice in the world.

Marianne Cone, "I move to accept the Consent Agenda, Items 1, 2 and 3 and Item 3 with a change to the art in the park ordinance with the amendment to Paragraph C(2)(a) to read name, address, and phone number only". Jim Hier seconded. Motion unanimously carried.

1. Ordinance approving a plat amendment for the Roosevelt Gap Subdivision to combine with the Roosevelt Gap and Snow Park development parcels of the 1995 Deer Crest Settlement Agreement, as amended, a portion of an adjacent state trust lands parcel, and other minor amendments to easements and plat notes, located at 2300 Deer Valley Drive, Park City, Utah – See public hearing and staff report.

2. Ordinance amending the Land Management Code Section 15-2.18-3, Lot and Site Requirements (D) 10 and (F) 11 allowing setback exceptions in the rear and side

yards of the General Commercial District, amendment to Section 15-7.4-1 (preliminary plat) inserting language that was previously deleted – See staff report, work session notes, and public hearing.

3. Ordinance adding Title 4, Chapter 3A, Section 7 to the Municipal Code, regulating vending by artists on public property, and adding "acoustic and unamplified" to Title 4, Chapter 3, Section 7 of the Municipal Code concerning street musicians - See staff report, work session notes, and public hearing.

4. Resolution declaring the week of April 19 – 25, 2004 as "T'ai Chi and Qi-Gong Week in Park City, Utah – Staff recommends approval.

VII ADJOURNMENT

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

MEMORANDUM OF CLOSED SESSION

The City Council met in closed session at approximately 3:45 p.m. Members in attendance were Mayor Dana Williams, Kay Calvert, Marianne Cone, Jim Hier, and Joe Kernan. Candace Erickson was excused. Staff present was Tom Bakaly, City Manager; and Mark Harrington, City Attorney. Marianne Cone, "I move to close the meeting to discuss property". Jim Hier seconded. Motion carried unanimously.

The meeting opened at approximately 4:45 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

PARK CITY WATER SERVICE DISTRICT MEETING
SUMMIT COUNTY, UTAH
MARCH 4, 2004

I ROLL CALL

Chairman Dana Williams called the regular meeting of the Park City Water Service District to order at approximately 6 p.m. at the Marsac Municipal Building on Thursday, March 4, 2004. Members in attendance were Dana Williams, Kay Calvert, Candace Erickson, Jim Hier, Joe Kernan and Marianne Cone. Staff present were Tom Bakaly, City Manager; Mark Harrington, City Attorney; and Jerry Gibbs, Public Works Director.

II PUBLIC INPUT

The Mayor invited the public to comment. Hearing none, the public input session was closed.

III MINUTES OF MEETING OF JANUARY 4, 2003

Kay Calvert, "I move approval". Marianne Cone seconded. Motion unanimously carried.

IV NEW BUSINESS

Agreement between Park City Water Service District, Summit County, Mountain Regional Water Special Service District, and implementing the Summit County Project.

– The Chairman requested a motion to approve.

Kay Calvert, "I move approval". Candace Erickson seconded. Motion carried unanimously.

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.

PARK CITY PUBLIC ART ADVISORY BOARD INTERVIEWS
THURSDAY, APRIL 29, 2004

3:00 p.m.	Kathleen Metcalf
3:15 p.m.	Ron Butkovich
3:30 p.m.	Bianca Mead
3:45 p.m.	Julie Hopkins
4:00 p.m.	Patti Volla

Please refer to the applications and art policy previously distributed. Council is encouraged stay on schedule as work session promptly convenes after the last interview at 4:15 p.m. After this round, there will be four interviews remaining, which will be scheduled either on May 6 or 13.

City Council Staff Report

Author: Alison Butz
Subject: Title 4, Chapter Liquor and Beer
Date: April 29, 2004
Type of Item: Informational – Municipal Code Amendment

SPECIAL EVENTS AND FACILITIES DEPARTMENT

Summary Recommendations: Review the request for changes to the Municipal Code governing temporary beer and liquor licensing. Pending Council direction, Staff will return for formal action if needed.

Description:

Topic:

Review Mountain Town Stages' request for changes to the Municipal Code governing temporary beer and liquor licensing and provide Staff with direction.

Background:

The City has received a request from Randy Barton, representing Mountain Town Stages, requesting changes to Municipal Code Title 4, Chapters 5 & 6 regulating temporary beer and liquor licenses within Park City. The State of Utah regulates temporary beer (Utah Code Title 32A, Chapter 10, Part 3) and liquor licensing (Utah Code Title 32A, Chapter 7) and also allows each municipality to outline the regulations for permitting and licensing of the temporary distribution of beer and liquor within the parameters of state law.

The Municipal Code currently provides two types of temporary beer license: (1) Large-Scale Special Event Temporary Beer License, which may be issued only in conjunction with a fully licensed MFL and allows up to 30 consecutive days when such event is approved as a Master Festival License and has a duration of four (4) days or greater; and (2) a Small-Scale Special Event Temporary Beer License which allows licensing in conjunction with a Special Event, Master Festival License, or other convention, civic or community event for up to four (4) seventy-two hour permits in one calendar year.

The Municipal Code allows one type of Special Event Liquor License for a period not to exceed seventy-two (72) consecutive hours the storage, sale, service and consumption of liquor at an event sponsored by a bona fide association, corporation, church or political organization or a recognized lodge, chapter or other local unit that is conducting a convention, civic or community enterprise. The City may not issue more than two (2) Special Event liquor licenses in any one (1) calendar year to the same association, church, or political organization, chapter, lodge or unit thereof.

The Large Scale Special Event Temporary Beer License was amended last year, per Mr. Barton's request for the City to allow for a license for non-consecutive days for events that run over multiple weekends. Council did discuss the 30 non-consecutive day change and approved the change, however the ordinance was never clarified in the Municipal Code. Staff will return to Council to re-approve this item and cure any procedural defects that occurred in enacting the amended 2003 ordinance.

Mountain Town Stages has asked for revisions to both the Temporary Beer License and Liquor License provisions to match the maximum parameters allowed by Utah State Code. Those revisions would be as follows:

1. Amend the Large Scale Special Event Temporary Beer License to allow for three (3) permits within a calendar year and not limit eligibility to Master Festival Licensees.
2. Amend the Special Event Liquor License allowing up to four (4) permits a year for a period not to exceed one-hundred twenty (120) hours.

Analysis:
This request has come to staff from a single event promoter, Mountain Town Stages, but any changes in the current regulatory process for these licenses will be applied to all future applications, potentially causing unintended consequences not anticipated by this event promoter or desired by the City.

Under the current regulations, the City can approve Large Scale Temporary Beer Licenses only when they are associated with a Master Festival License. These licenses have been approved for events such as the Miners Park Outdoor Music Series and Sundance Film Festival. If the City were to remove the MFL license requirement, then a measure of review, regulatory authority, and enforcement coordination would be lost.

Utah State Code does not require applicants to obtain an event license and allows organizations to apply under any scenario to apply and receive approval for (3) permits a year for up to 90 total days of beer distribution. By modifying the Municipal Code to allow beer licenses outside of a Master Festival License process, an additional review and tracking process for these licenses would need to be developed and implemented, requiring additional staff resources.

Last year, during similar discussions, Staff discussed the issues with tracking, regulating and enforcing new locations that would otherwise not be tracked through an existing City process. There is no process set up to individually track an application and follow through on conditions assigned to a beer or liquor permit other than through a Master Festival License. Additional requirements would need to be added to the review process so that each application can be approved or denied based upon designated criteria, again requiring additional staff resources.

The Special Events Department coordinates the mitigation required for each Master Festival License such as noise, parking impacts and other permits required. Without the Master Festival License being required, the mitigation of each Large Scale Temporary Beer license would be up to the Police Department who does not currently have staff allocated to address such issues except on a incident response or complaints received basis.

The current temporary beer and liquor licensing scheme has been in place and worked well for staff and applicants since 2001; no organizations or prior licensees other than MTS have found the current code problematic or sought changes. As described above, the proposed changes would present additional challenges to City staff and reduce the City's ability to effectively review, regulate, and enforce temporary beer and liquor licensees and associated events. For those reasons, Staff does not support the requested amendments.

The Police Department has additional concerns when laws governing alcohol sales and/or distribution at special events are made less restrictive and the Department feels that a public safety concern is raised with creating code to increase the number of times that temporary beer licenses are obtained by a specific party for extended periods of time. By allowing extend time periods for special events alcohol sales with out direct ties specific events, the City may essentially be creating a 'temporary beer license' situation which may complete directly with fully licensed businesses. Staff raised these issues at a previous Council meeting and Council seemed receptive to pursuing an amendment where the restrictions are closely monitored by Staff such as in a Master Festival License.

Department Review:

All applicable departments have reviewed the request for modification to Park City's temporary beer and liquor licensing and comments have been incorporated into the report.

Recommendation:

Deny the request for changes to the Municipal Code governing temporary beer and liquor licensing and provide Staff with direction.

City Council
Staff Report

Author:	**Alison Butz**
Subject:	**Improvements to Miners Park**
Date:	**April 29, 2004**
Type of Item:	**Informational**

SPECIAL EVENTS AND FACILITIES DEPARTMENT

Summary Recommendations: Review the request for changes to Miners Park and provide Staff with direction. Staff recommends no changes to Miners Park.

Description:

Topic:

Review Mountain Town Stages' request for changes to Miners Park.

Background:

The City has received a request from Randy Barton, representing Mountain Town Stages, requesting permanent modifications to Miners Park. Mountain Town Stages has been operating an outdoor summer concert series in Miners Park for the past two seasons. This location has been very successful, serving locals and visitors with live music in the middle of historic Main Street. Mountain Town Stages has realized that this location has definite drawbacks in order for them to continue to increase their audiences.

In 2001 Mountain Town Stages organization approached the City Council to operate a stage at this location. At that time were denied approval due to the requirement of Mountain Town Stages to only operate the stage if beer could be sold. In 2002 we again approached the City with the same request and received necessary approvals. Mountain Town Stages installed a platform over an existing planter area and financed the construction of a stage and other modifications at this location.

Mountain Town Stages has now approached the Council with an additional request to make modifications to the plaza that would improve its functionality not only for their concert series but, as they state, also for year round pedestrian visitors.

The City has currently expressed a desire to create more gathering spaces on Main Street and is currently exploring options for a Town Plaza in the Swede Alley area.

Mountain Town Stages has requested the following modifications to Miners Park.

1. Remove and reconfigure the large wooden beams. Currently, the beams create a site line problem for the stage. They are also currently located on the southern end of the plaza – the main path to the restrooms. During the summer months a canvas top is placed over these beams to create shade. By reconfiguring the beams the shady spaces could improve in the Plaza and make them more enjoyable to visitors by taking them away from the bathroom corridor. Mountain Town Stages may (depending on funding), look at the possibility of placing a permanent roof on portions of the beams to create shady areas for the summer months and warming huts for the winter months.
2. Adding a few more benches. Currently Mountain Town Stages set up a large number of plastic chairs for each performance. When the show is over, due to City restrictions, we remove the chairs. This leaves very few shady places for people to sit. We would utilize the built in natural wall for seating as well as increase the number of benches to improve year round usability.

Analysis:

Miners Park was designed to provide pedestrians with a place to sit and view a bit of Park City's history. While the Municipal Code allows music performances two days a week in the summer in the park, there are no additional organizations that use the area for performances. Staff is concerned that reprogramming the passive intent of the park based upon two days a week of performance use is not substantial enough for such a change.

In order to address changing the full time use and design of the park Staff suggests moving the conversation into the arena of the downtown action plan which addresses the proposed stage and park in Swede Alley. This discussion has begun, and this location can be added to the discussion.

Staff is supportive of a temporary solution where the canvas covers on the wood beam structure could be installed by Mountain Town Stages and additional seating could be provided by them on the days of the performances.

Department Review:

All applicable departments have reviewed the request for modification to Miners Park and comments have been incorporated into the report.

Recommendation:

Review the request for changes to Miners Park and provide Staff with direction.

City Council
Staff Report

SPECIAL EVENTS AND
FACILITIES DEPARTMENT

Author:	**Alison Butz**
Subject:	**Title 4, Chapter 8A – Outdoor Music**
Date:	**April 29, 2004**
Type of Item:	**Legislative – Municipal Code Amendment**

Summary Recommendations: Staff requests the City Council conduct a public hearing and approve the ordinance amending Title 4, Chapter 8A of the Park City Municipal Code, regulating Public Outdoor Music Plazas within Park City.

Description:

Topic:
Review of the Ordinance regulating Outdoor Music Plazas

Background:
Randy Barton with Mountain Town Stages (MTS) has been programming outdoor music stages within Park City since 1999, and the City's Outdoor Music Ordinance has been in place since 2000. Since its inception, Title 4, Chapter 8A has authorized and regulated outdoor music at designated public outdoor music plazas for a single summer season, requiring annual review and adoption of new ordinances. As in the past, MTS has submitted their request for stages within Park City for the summer of 2004. Approval of the stages will require a modification to Title 4, Chapter 8A of the Park City Municipal Code. The first request is the continuation of located at the Lower Summit Watch Plaza, adjacent to Fiore. The second stage request is for Upper Summit Watch Plaza, adjacent to LaCasita. The third is for Miners' Park, a City owned property.

The fourth stage at Town Lift Plaza has been requested by Brothers III, LLC. This stage was in operation during the summer of 2003.

Throughout the 2003 outdoor music season, Staff monitored compliance with the ordinance regulations. At the conclusion of the season Staff received no negative input from the neighborhoods adjacent to the stages regarding their impacts.

Music on Main Street provides the community with a free live music venues and adds vitality to the area. This type of entertainment is consistent with Council goal to enhance the Historic District as well as to maintain Park City's status as a World Class Resort.

In 2003, the City contracted Spectrum Engineering to perform additional sound analysis on the stages and to provide input with regards to neighborhood impacts when all three stages in the Lower Main Street area are in operation. Spectrum Engineering provided Staff with their analysis in a letter dated July 17,2003 where it stated that the sounds from the music kiosks would not exceed that created by the typical normal activities in the surrounding private residential areas, given compliance with the 90 dB A at 25 fee limit described within the ordinance. Spectrum also analyzed the effect of adding similar noise sources, all at once and if that additional would be an overall increase in decibel levels. Spectrum concluded that if it were possible to stand in the exact center of the three sites, with unimpeded access to all three sources, the listener would indeed experience an increase in loudness of 1.7 decibels, which is almost imperceptible.

Analysis:
The current ordinance governing Outdoor Music operations needs to be amended to authorize public outdoor music plazas for the 2004 operation dates. Staff proposes to modify the outdoor music ordinance to provide a permanent framework whereby the designated public outdoor music plazas would be regulated via ordinance and licensed through a Master Festival License. This would eliminated the need to review and amend Title 4, Chapter 8A of the Municipal Code each spring, but would still require MFL review for each public outdoor music plaza on an annual basis. No substantial changes have been proposed for the locations. MTS has requested an increase in the dB levels from 90 to 95 within this amendment, but Staff has not included those within the amendment and does not support an increase. Spectrum Engineering's 2003 sound analysis for the plazas was based on the 90dB restriction.

If this ordinance is approved, a Master Festival License application would be submitted to identify the operation dates, and times. Staff will evaluation of the applications will include review for compliance with Title 4, Chapter 8A regulations and normal MFL licensing review pursuant to Chapter 8. Mountain Town Stages has requested the City's permission—as property owner-- to apply for temporary beer licensing at Miners Park. With the Council's consent, MTS can apply for such licensing during the 2004 summer season for that location on City property. Mountain Town Stages has served beer at Miners Park since 2002.

MTS also has requested that the ordinance allow prerecorded music to be played during breaks of the live performances. The original intention of the stages was for live music. Last year Council permitted the amplification of prerecorded music during breaks. Staff has kept the language allowing prerecorded music in the amendment.

Staff has included a summary of the applicant's request for each location below.

Lower Summit Watch Plaza

Location:	North end of the Summit Watch
Duration:	June 1st through Labor Day Weekend
Operation Days:	Maximum 3 days a week
Hours:	Maximum of 3 hours with music from noon to 8:30pm

Type of Music: Bands and prerecorded music during breaks
Property Owner: Summit Watch Commercial Condominium Association
Additional Licenses: None requested.
Costs: None to the City

Staff Analysis: In previous years the event operated smoothly in the location with little or no impacts to the neighbors while providing a great benefit to the merchants in the area. There are no modifications proposed to the decibel restrictions or ending time.

<u>Upper Summit Watch Plaza</u>
Location: South end of the Summit Watch
Duration: June 1st through Labor Day Weekend
Operation Days: Maximum 3 days a week
Hours: Maximum of 3 hours with music from noon to 8:30pm
Type of Music: Bands and prerecorded music during breaks
Property Owner: Summit Watch Commercial Condominium Association
Additional Licenses: None requested.
Costs: None to the City

Staff Analysis: In previous years the event operated smoothly in the location with little or no impacts to the neighbors while providing a great benefit to the merchants in the area. There are no modifications proposed to the decibel restrictions or ending time.

<u>Music at Miners Park</u>
Location: Miners Park
Duration: June 1st through Labor Day Weekend
Operation Days: Saturdays and Sundays
Hours: 3:00pm until 6:00pm
Type of Music: Solo and Duo Acoustic Acts and prerecorded music during breaks
Owner: Park City Municipal Corporation
Additional Licenses: Mountain Town Stages has stated that, subject to the Council's consent as property owner--they will be applying for a license to serve beer at this location. The permit is contingent upon receiving approval from the City and from the State of Utah.
Costs: None to the City

Staff Analysis: The applicant proposes three hours on Saturday and Sunday afternoons. The second request is the consent of City Council to go forward with an application to the State of Utah to receive a license to sell beer in the park. All State and City regulations would need to be met by the applicant such as the monitoring of the ingress and egress.

<u>Town Lift Plaza</u>
Location: Town Lift Plaza

Duration:	June 1st through Labor Day Weekend
Operation Days:	Maximum 3 days a week
Hours:	Maximum of 4 hours with music from noon to 8:30pm
Type of Music:	Bands and prerecorded music during breaks
Property Owner:	Brothers III
Additional Licenses:	None requested.
Costs:	None to the City

Staff Analysis: Last year's event operated smoothly in the location with little or no impacts to the neighbors while providing a great benefit to the merchants in the area. There are no modifications proposed to the decibel restrictions or ending time.

Department Review:

All applicable departments, including Special Events, Legal, Police, and Finance have reviewed this ordinance request and comments have been incorporated into the report.

Alternatives:

Approve the Request:

Approve both ordinances amending Title 4, Chapter 8A, regulating Public Outdoor Music Plazas within Park City.

Deny the Request:

Deny both ordinance amendments therefore preventing the performance of outdoor music at designated public outdoor music plazas

Continue the Item:

The City Council may continue the discussion in order to receive additional information

Do Nothing:

This would have the same effect as a denial since the existing outdoor music ordinance did not authorize the performance of outdoor music at designated public outdoor music plazas beyond 2003.

Significant Impacts:

Outdoor music has been programmed at these locations in a similar manner since 1999. Sound analysis has been done for these locations and no additional times or extended hours have been included within the language of the ordinance. No additional impacts shall occur from the approval of this ordinance.

Consequences of not taking the recommended action:

No outdoor music will be programmed at these locations during the summer of 2004.

Recommendation:

Staff requests the City Council conduct a public hearing and approve the ordinance amending Title 4, Chapter 8A of the Park City Municipal Code, regulating Public Outdoor Music Plazas within Park City.

ORDINANCE 04-___

AN ORDINANCE AMENDING TITLE 4, CHAPTER 8 OF THE MUNICIPAL CODE OF PARK CITY REGULATING MASTER FESTIVAL LICENSING; BY AMENDING SUB-CHAPTER 8A REGULATING PUBLIC OUTDOOR MUSIC PLAZAS

WHEREAS, Utah Code Annotated ("UCA") § 10-8-73 and 10-8-76 give the City the power to regulate and prohibit public demonstrations, processions and other street or otherwise public performances which may interfere with public order or otherwise create a noise nuisance; and

WHEREAS, UCA § 10-8-84 allows the City to pass all ordinances and rules, and make all regulations, not repugnant to law, necessary for carrying into effect or discharging all powers and duties conferred by Chapter 8 of UCA Title 10 which are necessary and proper to provide for the safety and preserve the health, and promote the prosperity, improve the morals, peace and good order, comfort and convenience of the City and its inhabitants, and for the protection of property in the city; and

WHEREAS, UCA § 10-8-60 gives the City the right to declare what constitutes a public nuisance, and provide for the abatement of the same, and impose fines upon persons who may create, continue or suffer nuisances to exist; and

WHEREAS, the City Council received a petition supporting outdoor music, but also heard from several area residents who objected to amplified music; and

WHEREAS, the City Council received recommendations based upon the findings and experiences of a volunteer citizen committee, and a University of Utah class concerning the effects and regulation of noise and the construction of sound mitigating stages, to properly set forth reasonable regulations and time limits to substantially mitigate the effects of such music upon neighboring residents and businesses; and

WHEREAS, the Community Development Department recommended the restrictions herein based upon the Department's noise measurements around the neighborhood and other parts of the City; and

WHEREAS, in 2000 the City commissioned an independent noise study by Spectrum Acoustical Engineers along Park Avenue and the study concluded that music performed pursuant to the restrictions herein should be compatible with the existing background and traffic noise of the neighborhood; and

WHEREAS, the plaza authorized herein are within the Historic Commercial Business ("HCB") zoning district, where noisy commercial operations, businesses and public master festivals/parades are common; and

WHEREAS, licensing and zoning are legitimate and reasonable means of time, place and manner regulations to ensure that outdoor music performers comply with reasonable regulations and to ensure that performers do not knowingly allow their music to become a nuisance to nearby residences and businesses, nor create public disorder; and

WHEREAS, the City Council received convincing testimony that outdoor music performances, because of their very nature, have a positive effect on both the existing businesses around them and the community at large, causing enhanced resort atmosphere and business patronage; and

WHEREAS, as a result of these findings and testimony, the City Council finds that public outdoor music in the specified plazas is not a nuisance per se, but if performed consistently with the regulations contained herein, is reasonably within the standard of comfort prevailing in the areas of and adjacent to the plazas defined herein, promotes the arts and cultural enhancement in the community; and

WHEREAS, the City Council desires to minimize and control these adverse effects and thereby preserve the property and character of surrounding neighborhoods, deter unreasonably large pedestrian crowds, protect the citizens from increased noise, preserve the quality of life, and protect the health, safety and welfare of the citizenry; and

WHEREAS, the time, place and manner restrictions of this ordinance are required to protect legitimate and important governmental interests and are reasonably related to achieve the protection of those interests with the minimum interference necessary to rights protected by state and federal constitutional provisions; and

WHEREAS, this ordinance does not prohibit other programming entities; and

WHEREAS, the City Council has reviewed the 2002 season's compliance with the regulations set forth in § 4-8A-5 and have conducted a public hearing and found no neighborhood impacts; and

WHEREAS, the City Council has received an update on the analysis provided in 2001 by Spectrum Engineering and the analysis is based upon the addition of a third stage in the Lower Main Street area; and

WHEREAS, the update provided by Spectrum Engineering in July of 2003 states that the addition of a third stage does not increase the impact to the adjacent residential neighborhood.

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

SECTION 1. FINDINGS. The recitals above are incorporated herein as findings by the City Council, the legislative body of Park City.

SECTION 2. AMENDMENT. The Municipal Code of Park City is hereby amended by adding the following Chapter 8a to Title 4:

CHAPTER 8A - PUBLIC OUTDOOR MUSIC PLAZAS

4-8A- 1. TITLE FOR CITATION.

This section shall be known and may be referred to as the Public Outdoor Music Plaza Ordinance.

4-8A- 2. PURPOSE: REASONABLE LICENSING PROCEDURES.

It is the purpose and object of this Chapter that the City establish reasonable and uniform regulations governing the licensing and manner of operations of Public Outdoor Music Plazas in Park City. This Chapter shall be construed to protect the legitimate and important governmental interests recognized by this Chapter in a manner consistent with constitutional protections provided by the United States and Utah Constitutions. The purpose of these regulations is to provide for the regulation and licensing of Public Outdoor Music Plazas within the City in a manner which will protect the property values of surrounding businesses and neighborhoods, and residents from the potential adverse secondary effects, while providing to those who desire to perform in and patronize Public Outdoor Music Plazas the opportunity to do so. The purpose of this Chapter is to prevent and control the adverse effects of Public Outdoor Music Plazas and thereby to protect the health, safety, and welfare of the citizens and guests of Park City, protect the citizens from increased noise, preserve the quality of life, and preserve the property values and character of the surrounding neighborhoods.

4-8A- 3. APPLICATION OF PROVISIONS.

This Chapter imposes regulatory standards and license requirements on certain activities, which are characterized as "Public Outdoor Music Plazas." It is not the intent of this Chapter to suppress any speech activities protected by the First and Fourteenth Amendments to the United States Constitution and the Constitution of the State of Utah, but to impose content-neutral regulations which address the adverse secondary effects of Public Outdoor Music Plazas. This Chapter is intended to supersede any other related ordinances including, but not limited to, Title 6 Chapter 3, Noise, and Title 15, Land Management Code, of the Municipal Code.

4-8A- 4. DEFINITIONS.

For the purpose of this Chapter, the following words shall have the following meanings:

(A) **AMPLIFIED EVENT OR MUSIC**. An event or music utilizing an amplifier or other input of power so as to obtain an output of greater magnitude or volume through speakers or other electronic devices.

(B) **STAGES**. The raised and semi-enclosed platforms that are designed to attenuate sound, or as otherwise approved by Special Events staff.

4-8A- 5. MASTER FESTIVAL LICENSE, REVIEW PROCEDURE.

~~The City Council hereby grants Master Festival Licenses for each of the Public Outdoor Music Plazas in Section 6. The Licenses shall be subject to all regulations and conditions of this Chapter. The Licenses shall be valid as of June 15, 2003 and shall expire September 15, 2003, unless renewed by the City Council. The City Council may not renew said licenses until after a public hearing and receipt of a staff evaluation of the prior year's compliance with this Chapter. Renewal shall be granted in the sole judgment of the City Council based upon compliance with the regulations herein, community impacts, and so long as such decision is not arbitrary and capricious.~~ The Public Outdoor Music Plazas identified at Section 4-8A-6 herein may be programmed for public performances and outdoor music, subject to the regulations and conditions of this Chapter and subject to Master Festival Licensing review pursuant to Title 4, Chapter 8, Master Festival License. No licensee nor performer shall accrue any vested rights under this revocable license.

4-8A- 6. PUBLIC OUTDOOR MUSIC PLAZAS.

The following locations, dates, and times may be programmed ~~by Mountain Town Stages~~ for public performances and outdoor music:

(A) **LOWER SUMMT WATCH PLAZA** ~~**PARTY ON THE PLAZA**~~:

(1) **LOCATION**. On the north end of Summit Watch Plaza Approved plans are on file with the Special Events Department.

(2) **OPERATION DAYS/HOURS/MONTHS**. This Stage may be programmed a maximum of three (3) days per week from June 1st through Labor Day ~~Tuesdays, Fridays, and Saturdays from 5:30 PM to 8:30 PM from June 17th through August 24th~~. Programming is limited to a maximum of three (3) hours per day and shall begin no earlier than 12:00 Noon and conclude no later than 8:30pm. A timer device must be installed that shuts the power of the stage and sound system off at 8:30 PM.

(3) **TYPE OF MUSIC**. Amplified and acoustic with prerecorded music allowed during breaks. For amplified events or music on Lower Summit Watch Plaza, the program manager shall be responsible to ensure that the sound system maintains the sound at an A-weighted sound level adjustment and maximum decibel level of 90, as measured twenty five feet (25') in front of the stage.

~~(4) **SPECIAL EVENTS**. This Public Outdoor Music Plaza may also be programmed for a maximum of four (4) additional week-nights during the summer for special events from 5:30 PM to 8:30 PM, provided these special events do not conflict with any City-sponsored or duly licensed Master Festival as approved by the Special Events Department.~~

(B) **MINERS PLAZA**.

(1) **LOCATION**. 415 Main Street.

(2) **OPERATION DAYS/HOURS/MONTHS**. This Stage may be programmed a maximum of two (2) days per week from June 1st through Labor Day ~~Saturdays and Sundays from 3:00 PM to 6:00 PM, from June 28th through August 24th~~, ~~excluding August 2nd and 3rd due to other approved Master Festival Licenses~~. Programming is limited to a maximum of three (3) hours per day and shall begin no earlier than 12:00 Noon and conclude no later than 8:30pm. Programming of this stage shall not conflict with any City-sponsored or duly licensed Master Festival as approved by the Special Events Department, including but not limited to dates reserved for the Park City Arts Festival. A timer device will be installed that shuts the power of the stage and sound system off at 8:30 PM.

(3) **TYPE OF MUSIC**. Solo and Duo acts with microphones for vocal, with prerecorded music during breaks. For amplified events, the program manager shall be responsible to ensure that the sound system maintains the sound at an A-weighted sound level adjustment and maximum decibel level of 90, as measured twenty five feet (25') in front of the stage.

~~(4) **SPECIAL EVENTS**. This Public Outdoor Music Plaza may be programmed for a maximum of four (4) additional week-nights during the summer for special events from Noon to 6:00 PM, provided these special events do not conflict with any City-sponsored or duly licensed Master Festival as approved by the Special Events Department.~~

~~(5) **CONCESSION SALES**. This approval grants the applicant to apply to the State of Utah for a permit to allow for the sale of beer. The City further grants this right provided that the following conditions are met.~~

~~(a) Dedicated personnel at the ingress and egress of the area to prevent any beer from leaving the designated area as well as at the water fountain area;~~

~~(b) Placement of three feet (3') or higher barricades along the edge of the park to designate the service area; and~~

~~(c) Placement of the concessions along the eastern edge of the park to help maintain the barrier between the park and the sidewalk. Concessions may only be sold to people within the park.~~

(C) **TOWN LIFT PLAZA**.

(1) **LOCATION**. 825 Main Street.

(2) **OPERATION DAYS/HOURS/MONTHS**. This Stage may be programmed a maximum of three (3) days per week from June 1st through Labor Day ~~Fridays, Saturdays and Sundays from 12:00 PM to 8:30 PM, from June 15th through September 15th, excluding August 2nd and 3rd due to other approved Master Festival Licenses~~. The maximum duration of programming per day shall not exceed four (4) hours and shall begin no earlier than 12:00 Noon and must conclude no later than 8:30pm. Programming of this stage shall not conflict with any City-sponsored or duly licensed Master Festival as approved by the Special Events Department, including but not limited to dates reserved for the Park City Arts Festival. A timer device will be installed that shuts the power of the stage and sound system off at 8:30 PM.

(3) **TYPE OF MUSIC**. Amplified and Acoustic acts ~~with microphones for vocal,~~ with prerecorded music during breaks. For amplified events, the program manager shall be responsible to ensure that the sound system maintains the sound at an A-weighted sound level adjustment and maximum decibel level of 90 ~~85~~, as measured twenty five feet (25') in front of the stage.

~~(4) **SPECIAL EVENTS**. This Public Outdoor Music Plaza may also be programmed for a maximum of four (4) additional week-nights during the summer for special events from Noon to 6:00 PM, provided these special events do not conflict with any City-sponsored or duly licensed Master Festival as approved by the Special Events Department.~~

(D) **UPPER SUMMIT WATCH PLAZA** ~~**LA CASITA AT SUMMIT WATCH PLAZA**~~.

(1) **LOCATION**. On the south end of Summit Watch Plaza ~~at LaCasita Restaurant~~. Approved plans are on file with the Special Events Department.

(2) **OPERATION DAYS/HOURS/MONTHS**. This Stage may be programmed a maximum of three (3) days per week from June 1st through Labor Day ~~Fridays and Saturdays from 5:30 PM to 8:30 PM and Sundays from 12:00 PM to 3:00 PM from July 18th through August 24th~~. Programming is limited to a maximum of three (3) hours per day and shall begin no earlier than 12:00 Noon and must conclude no later than 8:30pm. A timer device will be installed that shuts the power of the stage and sound system off at 8:30 PM.

(3) **TYPE OF MUSIC**. Amplified and acoustic with prerecorded music allowed during breaks. For amplified events or music ~~at LaCasita~~ on Upper Summit Watch Plaza, the program manager shall be responsible to ensure that the sound system maintains the sound at an A-weighted sound level adjustment and maximum decibel level of 90, as measured twenty five feet (25') in front of the stage.

~~(4) **SPECIAL EVENTS**. This Public Outdoor Music Plaza may also be programmed for a maximum of four (4) additional week-nights during the summer for special events from 5:30 PM to 8:30 PM, provided these special events do not conflict with any City-sponsored or duly licensed Master Festival as approved by the Special Events Department.~~

~~(E) **ADDITIONAL LOCATIONS; ADMINISTRATIVE REVIEW**. Additional Public Outdoor Music Plaza locations may be administratively approved by the Special Events Department for programming by Mountain Town Stages (MTS) of public performances and outdoor music pursuant to the criteria set forth herein. No additional Public Outdoor Music Plaza location shall be administratively approved unless the proposal fully complies with all of the following criteria:~~

~~(1) No more than two (2) additional Public Outdoor Music Plaza locations may be administratively approved;~~

~~(2) No proposed location may occupy or otherwise compromise any public parking space(s), whether for use by performers, attendees, or other amenities directly connected to programming pursuant to this Chapter;~~

~~(3) The proposed location must include sufficient area to accommodate performers, MTS staff, and anticipated attendees without interfering with pedestrian or vehicular traffic or otherwise impairing any public right of way;~~

~~(4) No proposed location shall be approved unless located within the HRC, HCB, RC, RCO, GC, or LI Districts, and in no case shall a proposed location be approved within one hundred feet (100') of a residential neighborhood;~~

~~(5) No additional Public Outdoor Music Plaza location shall be programmed prior to June 1, nor after September 30, 2002;~~

~~(6) Additional Public Outdoor Music Plaza locations may be programmed no more than three (3) days or evenings per week; and~~

~~(7) No additional Public Outdoor Music Plaza location may be programmed for more than five (5) hours in any day, and in no event shall programming commence prior to 11:30 AM nor end later than 8:30 PM.~~

4-8A- 7. GENERAL REGULATIONS.

(A) The program manager, or his/her designee, shall provide on-site management for each event.

(B) A sound technician shall provide on-site monitoring for each event with music, amplified or otherwise, and any amplified event.

(C) Except as otherwise provided at Subsection 6(A) herein, for amplified events or music, the program manager shall be responsible to ensure that the sound system maintains the sound at an A-weighted sound level adjustment and maximum decibel level of 90, as measured twenty-five feet (25') in front of the stage. The data currently available to the City indicates that a maximum decibel level of 90 satisfies the purpose of this ordinance. The City may amend this ordinance consistent with newly acquired data.

(D) All events shall be open to the public and free of charge.

(E) No event shall exceed 250 people at one time unless a separate Master Festival License is granted for that event.

(F) The Police Department or other proper City official shall have access at all times to all Public Outdoor Music Plazas under this Chapter, and may make periodic inspection of said premises whether the officer or official is in uniform or plain clothes.

(G) All events shall take place only on authorized Stages and shall have clean-up services directly following each event so as to leave the plazas in a clean and litter free manner.

4-8A- 8. ALCOHOL.

It is unlawful for the licensee or any person or business to allow the sale, storage, supply, or consumption of alcoholic beverages at the Public Outdoor Music Plazas, unless licensed pursuant to Chapters 4-6 of Title 4, as applicable.

4-8A- 9. LICENSE HOLDER, PROGRAM BOARD.

(A) ~~Mountain Town Stages (MTS) will be the licensee of the events and will own the Stages, except for 825 Main Street location, which licensee will be Sweeney Bros' Town Lift Café (TLC). MTS or TLC~~ The Licensee(s) will hire a program manager, approved by the City, said approval not to be unreasonably withheld. The program manager will be responsible for general management of each Public Outdoor Music Plaza and on-site oversight for each event. Agreements with the individual property owners will be provided to the City Special Events Department by the program manager.

(B) ~~Mountain Town Stages or TLC~~ The Licensee(s) shall schedule events in accordance with the regulations set forth in this Chapter. Nothing herein shall allow the City to regulate the content or otherwise censor plaza productions or speech. ~~Mountain Town Stages or TLC~~ The Licensee(s) shall at all times hold the City harmless and indemnify the City from all claims, actions and liability arising from ~~Mountain Town Stage's or TLC's~~ Licensee(s)' use of the Public Outdoor Music Plazas. ~~Mountain Town Stages or TLC~~ Licensee(s) shall maintain ~~its~~ their own liability insurance, with the City listed as an additional insured in a form approved by the City Attorney.

(C) Nothing in this Chapter shall be interpreted to create a contract or implied-contract between the City and any performer, or Public Outdoor Music Plaza owner.

4-8A-10. ON-GOING COMPLIANCE EVALUATION.

(A) ~~The Special Events Department will appoint an independent neighborhood review group of at least three (3) area residents which will be contacted weekly by the City Special Events staff and the program manager to receive comments and concerns. A~~ Licensee(s) shall post a phone number ~~will also be available~~ at each venue so that individuals may phone in comments. Based upon such comments, the Special Events staff may issue additional conditions consistent with the intent of this Chapter to the program manager, including decreasing DB levels in 3 DB increments with at least 3 days between each reduction. A summary of, and recommended response to comments will be forwarded to the City Council within seven (7) days of the end of each month of operation, or sooner if requested by the program manager to resolve any issue. ~~At the end of the season, the Special Events staff will forward a final recommendation to the City Council, with proposed changes, if any, prior to renewal of the licenses granted herein.~~

(B) The Police Chief, or his/her designee, may suspend the licenses granted herein and schedule a revocation hearing before the City Council at the next regularly scheduled City Council meeting for any of the following causes:

(1) Any violation of this Chapter as evidenced by a citation issued by the Police Department.

(2) Any violation of law or City ordinance.

(3) Upon any other evidence that the program manager or entertainer constitutes a hazard or nuisance to the health, safety, or welfare of the community.

4-8A-11. TRANSFER LIMITATIONS.

The Master Festival Licenses granted under this Chapter are not transferable without the written consent of the Mayor. It is unlawful for an individual to transfer a Public Outdoor Music Plaza Master Festival License without City approval as provided herein. If any transfer of the controlling interest in a Public Outdoor Music Plaza license occurs without City approval, the license is immediately null and void and the Public Outdoor Music Plaza shall not operate until a separate new license has been properly issued by the City as herein provided. The City will not unreasonably withhold consent of transfer provided the proposed Licensee is a non-profit organization within Park City, meets all the criteria of this Chapter, and demonstrates experience managing special events.

4-8A-12. PLAZA LICENSES IN LIEU OF ADMINISTRATIVE PERMITS FOR OUTDOOR MUSIC AND OUTDOOR SPEAKERS.

The Master Festival Licenses granted under this Chapter are in lieu of any Administrative Conditional Use Permit (CUP) for outdoor music, including outdoor speakers, pursuant to Title 15 of the Municipal Code, Land Management Code. The ~~Community Development~~ Planning Department shall not issue any outdoor music permits in the Historic Commercial Business (HCB) zoning district north of Heber Avenue. The City may still issue outdoor music permits in conjunction with an approved Master Festival License.

SECTION 3. SEVERABILITY. If any phrase, clause, sentence, paragraph, or section of this Ordinance is declared unlawful by a Court of competent jurisdiction, such decision shall not affect any of the remaining phrases, clauses, sentences, paragraphs, or sections of this Ordinance.

SECTION 4. EFFECTIVE DATE. This ordinance shall become effective upon publication.

City Council
Staff Report

Author: Kent Cashel
Kevin Callahan, Summit County
Public Works Administrator
Subject: Snyderville Basin Transportation Study
Date: April 29, 2004
Type of Item: Informational

Public Works

Summary Recommendations:
This report is for informational purposes.

Background: State Road 224 is the primary transportation corridor between Park City and Interstate 80. Congestion and related travel delays on SR-224 are becoming extremely acute on busy winter weekends and during large special events such as Sundance.

To address current and future traffic issues Summit County has begun the Snyderville Basin Transportation Study (SBTS). This study will cover a 20-year time horizon, and will evaluate and make recommendations on transportation issues throughout the Snyderville Basin. The SBTS will examine the following key transportation challenges relating to the SR-224 corrido.

- Existing and future traffic conditions for key intersections along the SR-224 corridor.
- Feasibility study of an intercept park and ride lot in the Snyderville Basin to assist in reducing traffic along SR-224 during special events in Park City.
- Capital improvements required to maintain service conditions along the SR-224 corridor.
- Traffic management techniques for the SR-224 corridor.
- Identification and assessment of alternative locations for a future transit hub in the Snyderville Basin.

Summit County has contracted with Fehr & Peers Transportation Consultants to conduct this study. Fehr & Peers is a firm that is well versed in the region's transportation issues and has been engaged by the City to conduct transportation studies in the past.

The Utah Department of Transportation, The Park City School District and several development firms are participating in the study. Total cost for the SBTS is $170,040.

Analysis:

Staff believes the City will benefit from participating financially in the Snyderville Basin Transportation Study. The key benefits are:

- Coordination of efforts to improve traffic flow along the SR-224 corridor during peak periods.
- Site analysis for potential park and ride lots in the Snyderville Basin.
- Completion of a feasibility analysis required to obtain Federal funding for a future park and ride facility.

<u>Coordination of efforts to improve traffic flow</u>
The City will benefit from participating cooperatively in the analysis of traffic patterns along SR-224. Summit County and the Utah Department of Transportation are the entities the City will need to cooperate with to coordinate traffic management efforts along the corridor. Both of these entities are participating in the SBTS and involvement in the study will enable the City to begin developing cooperative traffic management efforts for SR-224.

<u>Park & Ride feasibility analysis</u>
A key component of the SBTS is a feasibility study of a potential intercept park and ride lot in the Snyderville Basin. This park and ride could assist in reducing traffic along the SR-224 corridor during special events and busy winter weekends. Staff believes this component is of particular interest to the City as it seeks to expand parking resources to support special events and economic development.

It is likely any remote parking facilities the City would construct, or participate in, would be funded in whole or in part with Federal funding. Federal funding regulations require a grantee to conduct feasibility analysis for alternative locations for any facility prior to selecting a final site and receiving funding. The SBTS will provide this feasibility analysis for a Snyderville Basin park & ride alternative. Staff believes if the City were to conduct this analysis jointly with Summit County the City's share of cost would be approximately $10,000.

The City intends to contribute $10,000 in financial support based upon the benefits the City will gain from the SBTS. This contribution will be funded within current budget appropriations and the City's budget policies do not require Council approval of this action.

Department Review: This report has been reviewed and commented on by the City Managers office, the Budget office and Public Works.

Alternatives:
Council could direct Staff to not contribute funds for the SBTS.

Recommendation: Authorize staff to financially participate with Summit County in the Snyderville Basin Transportation Study in the amount of $10,000. This participation will be funded within current budget appropriations.

PARK CITY 1884

City Council Staff Report

Building Department

Author: Jeff Schoenbacher, Environmental Coordinator
Subject: IMPLEMENTATION OF EMS
Date: April 15th, 2004
Type of Item: Legislative

Summary Recommendations:

Staff recommends holding a public hearing and adopting a resolution that supports the implementation of the Soils Ordinance Environmental Management System (EMS) distributed to the Mayor and City Council two weeks ago, which will serve as Exhibit A.

Description:

Topic:

The Soils Ordinance titled "Landscaping and Maintenance of Soil Cover" found in Chapter 15 of the Building Code 11-15-1 was originally promulgated in 1988 to mitigate areas that were suspect for having underlying mine tailings. Although EPA has consistently given qualified approval to the approach, EPA has periodically sought to strengthen the long-term effectiveness and overall compliance with the ordinance. As a result, in a cooperative effort with the Citizens Soils Stakeholders Group, PCMC, EPA, and the Utah Department of Environmental Quality, an Environmental Management System (EMS) was developed to alleviate the regulatory concerns.

The implementation of the EMS program is intended to protect human health and the environment long-term as well as de-listing the site from the Environmental Protection Agency's Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS) database.

Background:

USEPA and the UDEQ have been investigating and evaluating mine sites within the Park City area since the early 1980's. During these evaluations, Silver Creek Tailings Site, now known as Prospector Square was investigated to determine the potential environmental impacts.

Following extensive study, it was agreed that Park City would implement the Landscaping and Soil Maintenance Cover requirements which mandates a 6-inch "clean top soil" cap for affected lots. Park City received United States Congressional support for the ordinance approach, which resulted in Prospector being removed from Superfund consideration, however the site remains on the CERCLIS database. The ordinance has an action level for capping a lot at a 1000-ppm lead for “vacant property (lot)” and for “occupied property” an action level of 200-ppm lead. The ordinance also requires the maintenance of vegetation and acceptable cover in order to maintain the cap and contain underlying mine related material. The general objective of these measures is to isolate contaminated material from the surface and minimize direct contact. To date 393 properties have been capped within the ordinance soils district.

USEPA and UDEQ concerns with the ordinance are as follows:

- **Definitive data** – both regulatory agencies want data definitive data that reflects the public is not exposed to heavy metals.

- **Long Term Commitment** – the regulatory agencies want assurances that the institutional controls will be in place long-term and that the public is educated on minimizing exposure.

- **Compliance** – lastly the regulatory agencies want assurances that the institutional controls will be complied with in addition to complying with applicable regulations in regards to the management and disposal of soil.

Analysis:

The implementation of the EMS will seek to fulfill the following objectives:

Strengthen Ordinance

The original ordinance does not contain mandatory deadlines for capping lots with elevated levels of lead. Within this proposal, PCMC strengthens the ordinance with uniform enforcement for all properties within the soils district. This includes the identification of lots with known elevated levels of lead that have not been capped. These properties have been provided with two notices and are required to be capped by December 2004 (Tab 5 of EMS). Also defined within this proposal is making non-compliant property owners subject to Class B Criminal Misdemeanor charges and legal enforcement (Tab 1 of EMS). In addition, property owners are given incentives such as free soil testing for site characterization and cap compliance verification. Finally, the ordinance is strengthened by instituting mandatory sampling for all lots that are **not** known to be capped and requiring a cap for these properties that exhibit elevated levels of lead. Tab 1 contains the revised ordinance that was voted on and approved by City Council on December 11th, 2003.

Annual Curb Side Risk Assessment

The annual risk assessment is a long-term commitment to evaluate properties residing within the soils district for environmental and human health risks. The proposed assessment will be conducted on an annual basis for specific zones within the district. A component of the assessment will be a voluntary XRF field-sampling event for lots that are capped within each area. The purpose of this sampling is to verify that the cap has adequately contained underlying soils that potentially could be impacted by elevated levels of heavy metals. This data will be archived and evaluated to determine if the ordinance is effective in providing a barrier between residents and the impacted soils.

Public Education

This section is intended to increase lead exposure awareness for property owners within the district and the practices that can be implemented to minimize exposure risk (Tab 6 of EMS). Property owners will also be informed of the underlying levels of lead contained on their lot and the importance of maintaining the cap (Tab 10 of EMS). This is an expansion of the PCMC Ordinance as it covers a broad spectrum of residents as well as outreach to local physicians (Tab 7 of EMS). See Tab 4 of the EMS document for the specific contacts that will be provided with correspondences. An option that has been discussed but not developed is the implementation of a loan program for those owners that may need assistance. During the Improvement District time frame in the 1980's, the City offered topsoil at a common location for those that had the need. This program could be revisited for those property owners that wish to improve certain "minor" areas of the yard and can demonstrate a need. Topsoil could be provided within a common area at cost of $150.00 per truckload (~12 cu/yds). At that rate $1,000 would purchase ~80 cu/yds of topsoil for property owners that wish to utilize soil for minor capping projects within the soils ordinance district. Currently, this is not part of the EMS program and has not been factored into the program budget. This issue was discussed during the April 15th meeting with Council. Staff was unclear if the Council wanted the City to cover these costs or coordinate bulk purchases funded by the residents. Staff recommends the latter option (residents fund bulk purchase).

Soil Disposal Assurances

Within this EMS are controls for assuring soils that are being transported outside the soils district are disposed of accordingly. This minimizes the scenario of soils being disposed of improperly. Tab 11 of the EMS document contains the revised Plan Checklist and Item G14 contains compliance with the soils ordinance.

Annual Review and Reporting

The EMS contains annual reporting requirements on the assessment results and reviewing the overall progress of the program after 5 years of implementation.

Department Review:

The content of the EMS has been reviewed and approved by Mo Slam (UDEQ), Ty Howard (UDEQ), Jim Christiansen (USEPA), Mayor Williams, Tom Bakaly (City

Manager) Ron Ivie (Building Official), and the Soils Stakeholder Group. The Soils Stakeholders Group is comprised of the following people:

Mayor Williams	Kathy Meyer	Ty Howard (UDEQ)
Tom Bakaly	Tom Ward	Dave Allison (UDEQ)
Lisa Cilva Ward	Jim Christiansen (USEPA)	Brent Ovard (Summit Co.)
Sally Elliott	Mo Slam (UDEQ)	Jennifer Chergo (USEPA)

Alternatives:

Approve the Request:

Hold a public hearing and gather public comment and adopt at the next council session on April 22nd, 2004.

Deny the Request:

Keep the current resolution and ordinance. This option would jeopardize the value of the ordinance and the strategy to de-list the site from CERCLIS. The only other option to pursue is the implementation of a blood study.

Delay Implementation:

The implementation of EMS is a product developed by the City, citizens, and agency stakeholders and implementing the program is a step toward the ultimate goal of de-listing. The current objective would be to have the program implemented by May 1st, 2004.

Do Nothing:

Same as item B. No action would result in not having a program to achieve the goal of CERCLIS de-listing. It should be noted that the only other option for achieving CERCLIS de-listing is conducting a full-scale blood study. Of course, the City could always litigate and attempt the de-listing of this site within the courts based on the 1986 SARA Amendment.

Significant Impacts:

- Lots that have not been sampled or characterized are required to do so by 2006.
- Lots with known elevated levels of lead are required to be capped after receiving two notices.
- Annual assessment would be done to assure properties are in compliance and the cap integrity is in place.
- Field sampling of all capped lots to determine if the cap is working as intended (i.e. containing underlying levels of lead).

- Cost to the City from the EMS will be $65,000.00 in staff time for the Environmental Coordinator and various contracts.
- Staff does not recommend financial assistance or a loan program for the costs incurred by the property owners. The City initially established a Special Improvement District (SID) for the capping of soils and eventually wrote off $200,000.00 in unpaid assessments.

Consequences of not taking the recommended action:

Without making changes the City will not reach the final goal of de-listing Prospector from CERCLIS.

Recommendation:

Hold a public hearing and adopt a resolution that supports the implementation of the attached Soils Ordinance Environmental Management System (EMS). And consider adopting at the next regular council meeting on April 22nd, 2004.

Resolution No. –04

RESOLUTION ADOPTING AN ENVIRONMENTAL MANAGEMENT SYSTEM PROGRAM FOR PARK CITY, UTAH

WHEREAS, the health and safety of residents and environmental protection of property is of paramount concern and priority of the Park City Council; and

WHEREAS, in 1988, the Landscaping and Maintenance of Soil Cover Ordinance, Section 11-15-1 of the Municipal Code of Park City, Utah, was promulgated to mitigate areas suspect of underlying mine tailings; and

WHEREAS, in a cooperative effort to strengthen the long-term effectiveness and overall compliance of the Ordinance, the Citizens Soils Stakeholders Group, Park City Municipal Corporation, the Environmental Protection Agency (EPA) and the Utah Department of Environmental Quality developed an Environmental Management System (EMS) to alleviate regulatory concerns; and

WHEREAS, the implementation of the EMS Program will seek to fulfill the objectives to strengthen Section 11-15-1 of the Municipal Code, provide a process for annual curb side risk assessment, offer public education, assure procedures for soil disposal, and formulate annual review and reporting guidelines; and

WHEREAS, a duly noticed public hearing on the EMS Program was held on April 29, 2004;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and the City Council that:

SECTION 1. INTENT OF ENVIRONMENTAL MANAGEMENT SYSTEM PROGRAM. The implementation of the EMS program is intended for the long-term protection of human health and the environment as well as to achieve de-listing of the site from the EPA's Comprehensive Environmental Response, Compensation, and Liability Information System database.

SECTION 2. ENVIRONMENTAL MANAGEMENT SYSTEM PROGRAM ADOPTED. Exhibit A, EMS Program, is hereby adopted.

SECTION 3. EFFECTIVE DATE. This Resolution shall become effective upon adoption.

PASSED AND ADOPTED this 29th day of April, 2004.

City Council
Staff Report

PARK CITY 1884

PUBLIC WORKS

Author: Kathy Gammell
Subject: Boothill Reservoir Bid Rejection
Date: April 29, 2004
Type of Item: Legislative

Summary Recommendations:

Authorize staff to reject all bids for construction of the 2 MG Boothill reservoir including associated pipelines and the valve vault, and defer the reservoir to a future year.

Description:

Topic:

Reject Boothill reservoir project bids.

Background:

The proposed new 2 million gallon Boothill Reservoir is the first phase of a two-phased project to ensure adequate water storage capacity for service and fire flow within Park Meadows and Prospector, improved redundancy to Old Town and Deer Valley, and to meet obligations for service to Flagstaff. The second phase of the project is a 2200 gpm pump station.

The existing 1 million gallon Boothill reservoir is a central water distribution point for Park Meadows, Prospector, and Deer Valley. The reservoir accepts water from Spiro, the Middle School Well, the Divide Well and the Park Meadows Well (when up and running again). When completed, the new 2 million gallon reservoir will be located below grade in the hill above the cemetery and adjacent to the existing reservoir. The two reservoirs will work together as one tank to provide 3 million gallons of storage. As part of the project, 1,500 feet of pipeline will be routed from the tank to monitor and approximately 2,850 feet to Holiday Ranch Loop road. An additional 2,850 feet of pipeline will be routed from the Park Meadows well to the tank to meet needs of chlorine contact time for the treatment of the Park Meadows well.

Analysis:

Staff conducted a contractor prequalification and subsequent bid process for construction of the Boothill reservoir project. An analysis of the water budget was completed after bids were received and a successful bidder was identified which indicated there was a budget shortage for capital projects. It was evident that some capital projects needed to be deferred to future years. The projected schedule for capital projects over the next three years included the new Spiro clearwell, Spiro antimony treatment, Park Meadows well treatment, Boothill reservoir, Boothill pump station, and the Judge water treatment plant. Since all but the Boothill reservoir and Boothill pump station are required for water quality compliance issues, these two projects are likely the best project candidates to defer to future years. Staff is proposing to move $3.6 M of the Boothill projects to budget years 07-08 and 08-09, and keep the pipeline/vault portion of the reservoir project in 04-05.

<u>Construction Bids</u>

Bids results from prequalified general contractors are presented below:

Bidder	**Lump Sum Bid**
Stantec's Engineering Estimate	$1,865,000
ABCO Construction, Inc	$1,933,862
Absolute Construction	$1,856,669
Bouchard Construction	**$1,841,771**
Gerber Construction	$1,914,346
Wehyer Construction	$1,877,775

Department Review: The City Manager and Assistant Public Works Director have reviewed this report

ALTERNATIVES:

Authorize staff to reject all bids for construction of the 2 MG Boothill reservoir including associated pipelines and the valve vault, and defer the reservoir to a future year. **This is staff's recommended alternative.**

Accept the low qualified bidder and proceed with the project. **This is not recommended by staff.**

Continue staff's request to a future City Council meeting. **This is not recommended by staff.**

SIGNIFICANT IMPACTS: The Boothill Reservoir, pump station, and waterline project are important projects. However, staff believes that in the near term operational "work-arounds" can address immediate needs that will ultimately be addressed with the Boothill projects. Anticipated construction of the Spiro plant clearwell will not only provide management of water flow out of the plant but will also provide an additional 250,000 gallons of storage to compensate to some degree for the delay in construction of the reservoir.

CONSEQUENCES OF NOT TAKING THE RECOMMENDED ACTION: If the project goes forward either additional revenue will be required in fiscal year 04-05 or one of the other capital projects will need to be delayed, i.e. Spiro clearwell, Spiro antimony treatment, Park Meadows Well treatment, or the Judge water treatment.

RECOMMENDATION:

Authorize staff to reject all bids for construction of the 2 MG Boothill reservoir including associated pipelines and the valve vault, and defer the reservoir to a future year.

City Council
Staff Report

Budget, Debt, and Grants

Author:	**Gary Hill**
Subject:	**Environmental Certifying Officer**
Date:	**April 29, 2004**
Type of Item:	**Legislative**

Summary Recommendations: Adopt a resolution designating Tom Bakaly as the Environmental Certifying Officer (ECO) for Park City.

Description:

Topic:

Environmental Certifying Officer

Background and Analysis:

On February 2, 2004 the City received notice that it had been approved for funding for a Community Development Block Grant (CDBG) for an affordable housing plan study. The determination for funding would become final once the City submitted its final application at the end of April.

The final CDBG application requires the signature of the City's designated Environmental Certifying Officer (ECO). The ECO accepts the legal authority and responsibility for making the findings of level of impact and determining the appropriate review category for the project's Environmental Assessment.

In June 2000 the City Council adopted a resolution designating Toby Ross (as Park City's City Manager at the time) as ECO. The resolution stipulates that "this designation and authority shall continue in full force and effect until … the designated individual no longer functions in the official capacity as described." Because the position is now filled by a new individual (Tom Bakaly), the City will need to adopt a new resolution.

Department Review:

All affected departments have reviewed this report.

Alternatives:

Approve the Request:

Council should adopt a resolution designating Tom Bakaly as Park City's Environmental Certifying Officer.

Deny the Request:

Council could choose to deny the request. This would not allow the City to receive CDBG funds for it's affordable housing study.

Do Nothing:

This would be the same result as denying the request.

Significant Impacts:

None

Consequences of not taking the recommended action:

The ECO signature is required for the final application which is due by April 30. Unless the new Eco is designated, the application will not be completed by the deadline, and anticipated CDBG revenues will not be available for the affordable housing study.

Recommendation:

Adopt a resolution designating Tom Bakaly as the Environmental Certifying Officer (ECO) for Park City.

RESOLUTION DESIGNATIONG AN
ENVIRONMENTAL CERTIFYING OFFICER (ECO)
IN PARK CITY, UTAH

BE IT HEREBY RESOLVED:

That Park City Municipal Corporation (City), a body politic and corporate of the state of Utah and a municipal subdivision of said state of Utah, by and through its governing body, hereby by this Resolution, made and executed this 29th day of April, 2004 does:

SECTION 1. APPOINTMENT. Designate and appoint for the City, City Manager Tom Bakaly as the ECO for all HUD funded grants operated by the City.

SECTION 2. AUTHORITY. The ECO shall have the full authority with approval of the City Council to certify for the City any and all documents, materials, and activities which may be required by other agencies for individuals, HUD, or units of government, state or federal, particularly, but not limited to housing finance agencies, public housing agencies, non-profit organizations and other entities.

SECTION 3. EFFECTIVE DATE. This Resolution shall become effective upon adoption. This designation and authority shall continue in full force and effect until revoked or until the designated individual no longer functions in the official capacity as described.

PASSED AND ADOPTED this 29th day of April, 2004.

City Council
Staff Report

Author:	**Ken Fisher, Recreation Manager**
Subject:	**Youth Tennis Fees**
Date:	**April 13, 2004**
Type of Item:	**Legislative**

Recreation & Library
Department

Summary Recommendations: Amend the Park City Fee Schedule to include youth tennis court fees. At the Racquet Club, Indoor tennis courts would be discounted to $8 per hour and outdoor courts would be $2 per hour during designated days and times.

Description:

Topic:

Amend the Park City Fee Schedule to include a discounted court fee for youth tennis courts at the Racquet Club.

Background:

The Racquet Club was approached by several parents of the high school tennis team that wanted their children to be able to use tennis courts at the Racquet Club at no charge. Tennis team members are allowed to use the courts at no charge during their respective season. Ken Fisher met with them and the Park City School District and explained that there are several reasons why this is not possible. It was suggested that the City might be able to come up with a discounted tennis court fee for all kids in the community. They thought this would be a great compromise and solution to the issue.

There is currently no discount for youth who would like to play tennis while there is a discount for pool and gym use. The Racquet Club currently charges youth with a valid recreation or county card $2 to use the gymnasium or swim in the pool while they are charged $20 to use an indoor tennis court and $6 for an outdoor tennis court.

Analysis:

The Racquet Club put an internal task force together to examine the Youth Tennis Court Fee issue. The task force has recommended dropping the indoor tennis court fee from $20hr to $8hr (60% discount) and the outdoor fees from $6hr to $2hr (67% discount) during designated days & times. The discount is close to the same percentage that is currently given to youth that use the gymnasium and pool ($5.50 discounted to $2 or 63% discount).

There is no change to the fees that adults pay or for youth without a valid recreation or county card.

The Racquet Club would begin offering these discounted rates on the following days and times:

Monday thru Thursday	**8 p.m. to 10 p.m.**
Friday	**6 p.m. to 10 p.m.**
Saturday & Sunday	**1 p.m. to Close**

The above schedule would be adjusted based on court use and the season. It is anticipated that the hours would be expanded during the summer months.

Revenues would increase because the courts are discounted at "off prime hours" or when the courts are under utilized. Projected revenue increase to the General Fund would be $4,225, which assumes a 10% use at the discounted rate.

There would be no increase in expenses associated with the change in fees.

Staff believes that by offering these discounted rates to the youth of the community, tennis will become affordable for kids to play at the Racquet Club and that play will increase during the designated days & times.

Department Review: The City Manager, Legal, Budget & Grants, and the Recreation & Library Department.

Alternatives:

Approve the Request:

Amend the Park City Fee Schedule to include a youth tennis court fees. Indoor tennis courts would be discounted to $8 per hour and outdoor courts would be $2 per hour during designated days and times.

Deny the Request:

This would have the same result as doing nothing.

Continue the Item:

Ask for more information from staff before amending the Park City Fee Schedule.

Do Nothing:

Take no action, which would mean fees remain status quo.

Significant Impacts:

Amending the Fee Schedule to include a Youth Tennis Court Fee will result in tennis becoming affordable for more kids in the community.

Consequences of not taking the recommended action:

Tennis court fees would remain the same and no additional discount would be given to kids with a valid recreation or county card.

Recommendation:
Amend the Park City Fee Schedule to include youth tennis court fees. Indoor tennis courts will-be discounted to $8 per hour and outdoor courts would be $2 per hour during designated days and times.

Author:	**Craig Sanchez, Mark Christensen**
Subject:	Golf Course Update, Fee Increase
Date:	April 29, 2004
Type of Item:	Legislative

Summary Recommendation:
Approve a fee increase for the Golf Course of $2.00 per 18 holes and pass a resolution (attached) amending the fee schedule for the 2004 Golf Season.

Topic
Golf Course update and fee increase for 2004 calendar season.

Background

In 2000 Park City Golf Club conducted an economic evaluation with the assistance of Wikstrom Economic and Planning Consultants. At that time a 5 year pricing plan and performance report was produced that outlined operating ratios for the Golf Course. Recommendations identified in that report included: the grandfathering of season passes (Season pass holders were occupying prime tee times at a greatly reduced price per round), increases in daily user fees both resident and non-resident, and reduction of expenses. We are now at the end of the five-year horizon. A copy on the golf course 5-year plan (Attachment A) is attached to provide historical data and information.

Since 2000 the Golf course has undergone significant changes associated with the construction of the Hotel Park City. Several mitigating factors have impacted the operations of the Golf Course such as the Olympics, delayed construction timelines with the Hotel, and the delay of construction of the Cottages impacting performance of the Course. While these factors were anticipated in the report, Wikstrom and staff could not anticipate all of the operating issues at that time.

Attachment B: Actual and Projected Golf Fund Revenues and Expenditures FY1998-2005 shows the revenues and expenditures for the Golf Course along with the percentage that each line is of the total. This analysis agrees to the audited financials of the City for the period (1998-2003). It also recreates the analysis shown in the Wikstrom report to compare actual expenditures and revenues to the projections identified in 2000.

Analysis:
There are several factors that have combined to necessitate the recommended fee increase for this season along with proposed reductions in expenditures. This report will discuss the individual issues that are indicating the need for a fee increase. The primary issues are:

1. Budgeted expenditures and revenues without a fee increase will require deferred capital equipment purchases and improvements.

2. Staff is proposing reduced budgeted operating and levels. These reductions are already figured into this analysis. Further budget reductions will likely result in visible service level reductions.
3. The current rate structure has not provided the revenue increases projected in the Wikstrom analysis and the City has not been able to fund all of the capital replacement or enhancements to the golf course that are needed.
4. Since the Wikstrom Study in 2000 the player mix (the usage of residents to non-residents) has continued to shift adversely impacting the revenue generation. Therefore, staff is recommending increasing fees for 004 in a greater amount.

Each of these issues is discussed below in greater detail.

Revenues and Expenses- In Fiscal years 1998 and 1999 total expenditures exceeded total revenues (Attachment B) resulting in a cash shortfall for the fund. This happened because a 5-year plan that was developed, that recommended incremental fee increases in 1996 was not followed during the later years of the plan. This shortage necessitated a loan from the General Fund to meet cash needs and prompted the 2000 Wikstrom analysis. At that time an aggressive operating and revenue strategy was developed to shift player mix through a pricing strategy, reduce operating expenditures, and thereby generate additional revenues for the golf course. This strategy included funding capital needs. The course has not realized the type of revenue growth predicted in 2000.

Since FY1999 operating revenues have increased 36% (FY 99 to FY04 Budget). The most substantial revenue change is in the area of green fees. This revenue stream has increased $260,761, (50%). This currently accounts for 58% of all revenues collected (FY2004). This compares to 53% of revenue collected in 1999. The new shop space has been beneficial in increasing sales. In FY2004 the Pro Shop collected approximately $28,500. Cart Fee revenues have also increased by $21,341 (13%). One area that has seen decling revenues is range fees. This revenue has dropped largely due to the range's limited driving distance and the change to golfers hitting from mats instead of natural grass.

During this same period (1999-2004 budget) expenditures have only increased 10%. Personnel costs have increased 5%. Expenditures for utilities have nearly doubled. This is due to the move into the new building and the use of electric carts.

Attachment B also shows one-time donations/contributions in FY 2002 and 2003. The 2002 contribution of $1,130,951 was for the parking structure and was funded by the Lower Park Ave RDA, not the golf fund. The $150,000 in 2003 was from the hotel developers to rebuild the 18th green. The main difference in the Wikstrom revenue numbers and the actual revenues can be seen in the player mix and the course not realizing the projected growth associated with the non-resident change in player mix. Therefore staff is recommending a slightly higher fee for 2004 than contemplated in the Wikstrom report.

Player mix- Over the last several years the player mix has changed. In 1996, the combined resident and season pass play represented 52% of all green fee revenues. Currently this number is 65%. The non-resident numbers dropped by 20% during this time. Indications are that this could be due to the increase in rates, but there are many variables such as the inability of non-residents to easily attain prime tee-times, that could be affecting this change. An analysis sufficient to conclusively determine the casual factors of the shift in mix has not been conducted to date. Staff recommends that this be included as a component of the recommended five year plan for the golf course to be completed by January 2005. This drop off was not anticipated in the economic study and has lasting impacts on the funding strategy for the golf course.

In 1996 the golf course kept residential fees lower than were recommended by staff, increased non-resident rates, dropped the majority of its company tournaments, and instead provided the local lodging community reserved access to the course. Currently the lodging community is the only group that can pre-book tee times as anticipated in the Wikstrom study. This program was designed to generate additional revenues for the lodging community and the golf course. However, the program has not seen the anticipated growth that was projected. Staff has recently met with the lodging association, has printed flyers to send out to potential customers, and will increase communication, and marketing with lodging sales staff to increase the use of this program. The goal is to increase these rounds by 50% over the next two seasons or increase from 1,600 lodging rounds to 2,400 rounds per season. Staff currently estimates the total capacity for the golf course at about 32,000 18 hole rounds. The course is at approximately 85% its total capacity.

Table 1: Golf Rounds and Player Distribution (Mix)

Calendar Year	1997	1998	1999	2000	2001	2002	2003
Resident	11,773	9,397	9,960	11,346	12,849	13,293	13,813
Season Pass	6,432	6,412	6,022	3,045	4,420	3,877	3,857
Non Resident	10,263	8,722	7,957	9,742	8,682	7,020	7,820
Punch Pass	455	283	587	910	788	702	727
Tour Lodging	1,498	1,494	1,084	1,875	1,762	1,594	1,643
total	30,421	26,308	25,610	26,918	28,501	26,486	27,860

Calendar Year	1997	1998	1999	2000	2001	2002	2003
Resident	39%	36%	39%	42%	45%	50%	50%
Season Pass	21%	24%	24%	11%	16%	15%	14%
Non Resident	34%	33%	31%	36%	30%	27%	28%
Punch Pass	1%	1%	2%	3%	3%	3%	3%
Tour Lodging	5%	6%	4%	7%	6%	6%	6%
Total	100%	100%	100%	100%	100%	100%	100%

Table 2: Green Fee Comparison

Park City	Thanks. Pt	Wasatch	SLC	SL County	Homestead
$42-65	$58-78	$34-36	$32-40	$35-45	$50-60

Resorts	Steamboat	Lake Tahoe	Vail	Sun Valley	
	$57-99	$72-85	$107-117	$118-138	

Green fee comparison (includes cart rental)

Table 2 identifies some comparable course fees from local courses and public access resort courses. All of the courses identified in this table are public access courses. Steamboat (Haymaker), and Vail are (like Park City) municipally owned. Note that each of the resort courses charge higher fees than Park City. In comparing fees and capital commitment, staff would argue that you get what you pay for. The Park City course is comparable in quality to the Thanksgiving Point and Homestead courses.

Table 3: Wikstrom Recommended Fees per 18 Holes (from 2000-2004)

	2000	2001	2002	2003	2004	2004 Proposed
Resident	$ 25.00	$ 26.00	$ 27.00	$ 30.00	$ 31.00	$ 33.00
Season Pass	$ 15.00	$ 15.00	$ 15.00	$ 20.00	$ 21.00	$ 22.25
Nonresident	$ 35.00	$ 36.00	$ 37.00	$ 40.00	$ 41.00	$ 43.00
Lodging/Tournament	$ 40.50	$ 43.00	$ 48.00	$ 51.00	$ 55.00	$ 60.00

Table 3 identifies the recommended rates for FY2005 in comparison to past years. Please note that the Wikstrom Study identified a phased pricing plan designed to increase rates as improvements to the Hotel were completed. This phased approach allowed for a more gradual rate increase to match the condition of the course facilities and in part mitigate the construction related impacts to the course user.

Capital Outlay: With the exception of the new golf shop parking, all capital replacement and improvements are funded solely through golf revenues. These capital projects will maintain and improve the current quality of golf, offer new challenges and enhance the experience and enjoyment to the golfing patrons.

The following table identifies future capital projects targeted for the next six years. The golf fund budget anticipates an adequate level of capital funding to meet the needs identified in the table beginning in FY 2005. Capital Outlay budgeted for FY 2005 is made up of critical capital replacement and environmental mitigation projects.

Capital Item	FY 2005	FY 2005-09	6 Year Totals

Computer Equip.	2,500		2,500
Equipment Replacement	58,884		58,884
Snow Cat Replacement	15,000		15,000
# 1 Tee Re-landscape	15,000		15,000
Pump Station Replacement	100,000	70,000	170,000
Stream\Drainage Silt Control	55,000	45,000	100,000
Dredge 18 Lake	30,500	269,500	300,000
Restroom Improvements	10,000	40,000	50,000
Tee Signs\Benches		25,000	25,000
Cart Paths		300,000	300,000
Tee Construction		200,000	200,000
Irrigation Improvements		300,000	300,000
Purchase Property #5 Tee		50,000	50,000
Rebuild #14 Green		60,000	60,000
Totals	286,884	1,359,500	1,646,384

2005 Capital Outlay Descriptions

Computer Equipment: Hardware & Software replacement required by pro-shop.

Equipment Replacement: Replacement of fairway mower, fertilizer spreader, and greens mower, that have reached end of useful life.

Snow Cat Replacement: Provide annual funding for replacement of Snow Cat used in Cross Country Ski operation. Currently funded by payment from concessionaire.

1 Tee Re-landscape: Landscaping required due to course reconfiguration to accommodate hotel construction.

Pump Station Replacement: Replacement of 20-year-old irrigation pumps that have reached the end of their useful life.

Public Input: Since the April 1st meeting with Council, staff has met, and received input from officers of all three golf associations and has held golfer outreach meetings and discussed golf fees at the annual spring meetings of the Men's and Women's association. (Park City Men's Golf Association, 80 attendees, Park City Women's 18 Hole Association 30 attendees, and Park City Women's 9 Hole Association). In addition to attending these meetings staff has met with numerous golfers in person and by phone to discuss the fee increase. The associations recently nominated a representative to take part in the Friends of Golf group as per City Council policy; staff may form "friends" groups to assist staff. This group will meet in May, and provide public input for future golf programs. The general consensus is that golfers are concerned about an increase in green fees, but understand that the fee increases are needed for capital replacement. They feel that we are already at the higher end for user fees for Utah courses, despite the fact that the proposed fees would be lower than the Homestead and Thanksgiving Point. There is also a concern that many other recreation amenities in the city are subsidized in some fashion, such as, recreation, racquet club, trails, and possibly a future ice complex. Although most understand that the golf course is an enterprise fund, and as such is required to cover all of its expenses, more golfers are beginning to question the equity of this arrangement.

Two letters regarding a fee increase have been received by staff and are attached.

Prior to the Recreation Enterprise Fund merging to the general fund, the City has elected to subsidize recreation programs that are largely directed at youth programming. Typically adult programs are encouraged to pay for themselves. Consistent with supporting youth programs the General Fund currently subsidizes the Golf Course $25,000 per year for youth and employee tournaments.

Hotel: The final phase (cottages) of the Hotel project is currently on hold. Hotel Park City plans to continue construction beginning this fall. We may see impacts to the golf course on this project during the 2005 season. Holes that will be impacted are: the left side of number 12, behind number 13 green, around the lake on number 18, and a new tee box on number 14. The course is currently in negotiations with the developers to purchase the golf shop.

Cross Country Skiing: Jan's (White Pine Touring) is in the last year of their contract. In the summer of 2004 staff will be putting out a Request for Proposal for this concession.

Although revenues have increased, the Golf Fund is still not generating revenues anticipated in the FY 2004 and FY 2005 budget. Currently revenues are not anticipated to meet expenses as required by State law. To address this shortfall staff is recommending a two-step approach to bridge the funding gap.

1. **Expense Budget Reduction:** In the upcoming City Manager's recommended Budget, staff has trimmed $85,000 from the 2004 Budget and $105,000 from the 2005 Budget to reduce the revenue shortfall.

   Reductions in 2004 are from fund 55-40571, golf shop. An additional $30,000 in capital has been deferred until future years.

		FY 2004 reductions
4520	$10,000	Contract services account
7410	$10,000	Delay purchase of new range picker
1114	$15,000	Cut back hours of outside services personnel
5563	$20,000	Delay funding for inventory for resale

In FY 2005 these cuts would remain in effect. In addition Maintenance (fund 55-40564) would reduce expenses by $52,500.

		Additional 2005 reductions
1114	$20,000	Reduce 1.0 FTE's (grounds maintenance 1)
2410	$2,500	Delay rough mower reel replacement
2321	$1,000	Reduce conference and travel budget
2370	$1,000	Reduce training budget
2431	$1,500	Reduce uniforms to three per employee
2511	$2,500	Reduce parts inventory to essential areas only
4521	$10,000	Reduce contract spraying and construction
5731	$2,000	Reduce seeding program to essential areas only
5732	$3,500	Delay adding sand to bunkers
5735	$3,500	Delay tree planting / replacement program
7311	$5,000	Delay irrigation controller and system improvements

Staff's recommended reductions in expenses have been targeted to minimize the effect to the end user (golfer) and will not affect the overall experience in the short term. However, any additional expense reductions made as a result of not raising fees will result in a decrease in the quality of play and could negatively affect revenues further. If fees are not increased, the reductions would need to be essentially doubled prior to the budget being adopted in June of 2004.

2. Fee Increase: Staff is recommending a $2.00 increase. This increase should provide the additional revenues necessary to balance the Golf budget in FY 2004 and FY 2005. No increase would require staff to make additional expense reductions, this could have long-term negative results to the condition and service levels of the golf course.

A rate increase would not change the revenue numbers substantially in the current fiscal year. However, the increase would generate 8% more in green fee revenue in FY 05. All other revenue streams would remain flat, as that pricing structure would not change.

Green Fees	Revenues FY04	Revenues FY05
No Increase $31 - $41	$698,000	$700,000
$1 Increase $32 - $42	$704,000	$730,000
$2 Increase $33 - $43	$710,000	$760,000

This summer staff recommends that the City conduct a comprehensive study to evaluate revenues, expenses, and programs. The study will be reviewed by the Friends of Golf committee. Staff will present to council recommendations for a new five-year plan in January of 2005.

Department review:
The City Managers Office, the Office of Budget, Debt, and Grants, Public Works Department, and the Recreation-Library Department have reviewed this report.

Significant Impacts:
Significant impacts have been discussed in detail in this report.

Alternatives:
Approve the Request:

Deny the Request:
This would keep all rates at their current levels.

Continue the Item:
Council could continue the item and direct staff to provide further information at a future date.

Alternative B: Council could direct staff to increase fees and charges for all of the Courses revenues. This would place less of a fee impact on usage fees and distribute fees across all areas of the Course.

Do Nothing:
Council could choose to do nothing. This would have the same effect as alternative B.

Consequences of not Taking Recommended action:
Should the Mayor and Council choose to deny Staff's recommendation for a fee increase, deferral of capital expenditures, or expense budget reductions would need to be identified to balance the Golf Fund budget for FY 2004 and FY 2005. Council could loan the Golf Course funds from the General Fund or subsidize the Golf Fund. Staff does not recommend these actions. Staff believes further budget reductions will have a significant impact on the quality of the City's golf product and does not recommend this course of action.

Recommendation:
Approve fee increase of $2.00 per 18 holes.

Resolution No. -04

A RESOLUTION AMENDING SECTION 8.4.4, GOLF FEES, AND SECTION 8.4.3. RACQUET CLUB FEES, INCLUDED IN THE LEISURE SERVICES AND FACILITY RENTAL SECTIONS OUTLINED IN EXHIBIT A OF FEE RESOLUTION NO. 17-03 AND REPEALING RESOLUTION NO. 17-03 IN ITS ENTIRETY.

WHEREAS it is necessary to update the fee resolution to reflect the current costs of conducting business and performing services; and

WHEREAS, a public hearing was held on March 18 and April 22, 2004 to receive public comments on golf fee increases proposed for the 2004 season at the Park City Golf Club; and

WHEREAS, the proposed adjustment in tennis fees better accommodates the use of Racquet Club tennis courts for youth and public input was solicited for golf fees and tennis fees on April 29, 2004;

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

SECTION 1. FEE SCHEDULE AMENDMENTS. Section 8.4.4. Golf Fees, and Section 8.4.3., Racquet Club Fees, of the Park City Fee Schedule are hereby adopted as outlined in Exhibit A, and Resolution No. 17-03 is hereby repealed in its entirety.

SECTION 2. EFFECTIVE DATE. This resolution shall take effect upon adoption.

EXHIBIT A – EXCERPTS FROM FEE RESOLUTION – APRIL 29, 2004

8.4.3 Racquet Club Fees

Punch Card Admission. For ease of administration and convenience to users, a punch card system has been established for Racquet Club programs and activities. Tennis court time and drop-in use may be purchased in advance and used when needed. The purchase of a punch card may result in a savings off the regular rate.

Tennis Court Charges Hourly Court Fees

Indoor Outdoor		
Resident discount rate	$ 20.00	$6.00
Regular rate	27.00	9.00
Youth Resident*	$ 8.00	$2.00

*Only during designated days & times

Court Charges	Hourly Court Fees	
	Indoor	Outdoor
Resident discount rate	$ 20.00	$6.00
Regular rate	27.00	9.00

Drop-in Fees: Drop-in activities fall into two categories - those with instructors, and those without.

8.4.4 Golf Fees

The Park City Municipal Golf Course is an 18 hole course and 6,743 yards in length. The fees listed below are established fees, however they may be altered for certain types of tournament play. To receive a resident discount, the recreation card (which must have a City resident designation) must be presented to the golf starter. Season passes are available only to those who possess a locals card. Playing conditions on the course may vary due to weather constraints, particularly early and late in the season. The Golf Pro may, at his discretion, discount the established fees in order to encourage use of the course when playing conditions are less than optimum.

Regular Season- Memorial Day through September
Off-Season- Pre-Memorial Day, October and November

	Current Rev. '03	**Proposed 2004**
Resident Season Pass	$930	$990
Non-Resident Season Pass	$1,140	$1,200
Junior Pass	$400	$425

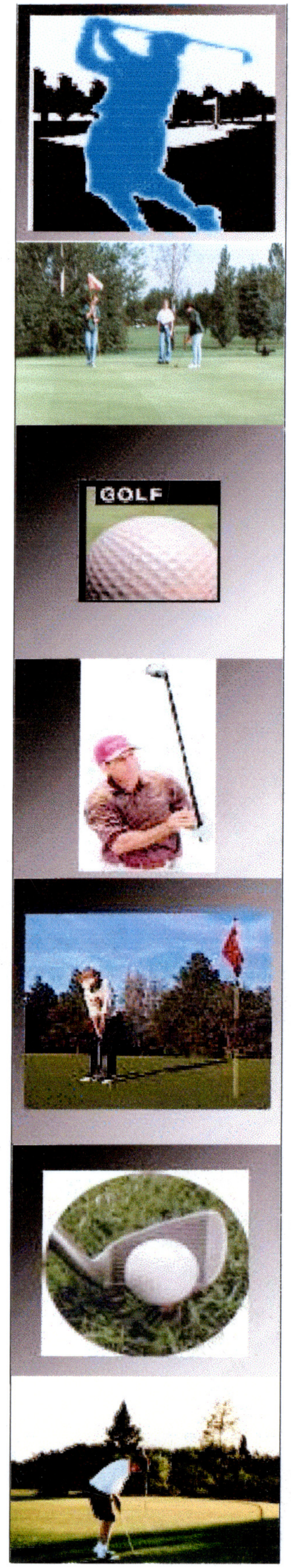
Jr./Sr. Punch Pass	$260	$275

Non-Resident Punch Pass	$365	$375
Corporate Pass	$2,850	$2,850
Resident 18 Hole	$31	$33
Resident 18 Hole with Cart	$45	$47
Non-Resident 18 Hole	$41	$43
Non-Resident 18 Hole with Cart	$55	$57
Resident 9 Hole	$15.50	$16.50
Resident 9 Hole with Cart $22.50	$23.50	
Non-Resident 9 Hole	$21	$21.50
Non-Resident 9 Hole with Cart	$27.50	$28.50
Resident Off-Season 18 Hole	$23	$23
Non-Resident Off-Season 18 Hole	$26	$26
Small Range Bucket	$3	$3
Large Range Bucket	$6	$6

Park City Municipal Golf Course Evaluation

Wikstrom Economic & Planning Consultants, Inc.

May, 2000



INTRODUCTION

The approach taken in the overall analysis of options for the Park City Municipal Golf Course begins with a review of past and current operations at the course in order to establish ranges for projections of future operations. This includes a comparison of Park City Municipal Golf Course operations to industry standards and other public courses. Next, an evaluation of the revenue structure of greens fees provides information about the effectiveness of certain changes in green fees in increasing total revenues. Taken into account is a possible restructuring of the mix of play among residents, nonresidents, passholders and tournaments (including lodging rounds). Finally, a projected budget is presented based on the proforma analysis and projected revenues, given recommended changes in the pricing structure.

It is clear that in order to operate without a loss, the golf course will need to make changes in both revenues and expenses. Two categories of expenses, (1) personnel and (2) materials, services & supplies have grown dramatically in the past two years and will need to be cut in order to stay within reasonable levels. In addition, the greens fees are lower than those charged for comparable courses in the area and should be increased. There also needs to be shift in the mix of play among pass holders, residents and nonresidents.

It is recognized that there have been tremendous strains placed on the operation of the course by the hotel construction project. It is anticipated that this disruption will continue through the summer of 2002. The recommendations include suggestions for the construction period and post-construction period. However, it is strongly recommended that as an overall principle, expenses must be kept in line with revenues. This will mean expense cuts, accompanied by increases in revenues, neither of which are easy decisions to make, especially when the course is in a disrupted state.

The proforma analysis establishes a context for understanding standards within the industry and at other municipal courses that should be used in creating a budget for the course. It is well understood that the detailed operations of the golf course are best known to golf course management, and the recommendations should be used as guidelines, within which budgeting decisions are made.

It is also recommended, as a general rule, that fee increases occur *across the board* and not be targeted toward any particular group. In order to achieve the revenue increases that are needed to create a break-even situation in the next year, the large revenue sources will need to be targeted for increases as well as the fees that represent smaller portions of the total budget. For example, a number of questions have been raised regarding season pass policies; it is clear that the passes are consuming peak period play at the lowest rate of revenue contribution. But increasing pass prices alone will not solve the overall problem; season pass revenues only represent 11 percent of total green fees.

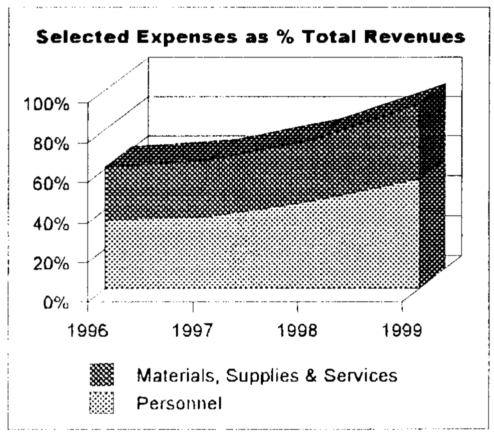
Finally, the recommendations are illustrative of the range of changes that could be made at the course. There are a number of changes that could take place that are not easily shown to have a direct impact on the budget, but whose cumulative impact could change the mix of players in a desired direction such as limiting play time for various classes of players, changes in inventory procedures, etc. These are not discussed in this report.

ANALYSIS OF OPERATIONS 1996 - 1999

Budgets for the years 1996 - 1999 were evaluated and compared against other available operating information in order to develop a projected operating proforma for the golf course. Each line item in the budget is expressed as a percentage of total revenues (a standard used in the industry). This approach is useful to review the role that major revenue and expense items have played in the overall operations of the course.

Revenues

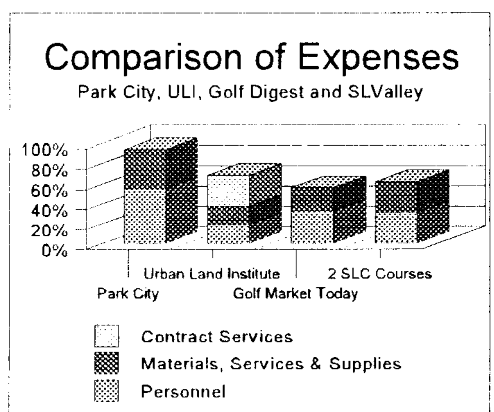
Not surprisingly, the revenue "engine" of the golf course is green fees. Unfortunately, green fees (including pass fees) as a percentage of total revenues has been declining since 1996, from 57 percent to 53 percent in 1999. Other major revenue contributors include cart rentals and pro shop sales. As green fees have dropped, the percentage of total income represented by retail operations has increased. For comparison, green fees at two Salt Lake Valley municipal courses have been equal to 64 percent of revenues, while information generated by two national organizations (the ULI and *Golf Market Today*) suggest a range of between 51 percent and 55 percent. This suggests that even though fees' percentage of revenues has been declining, it is still within the range of industry norms.



Expenses

The biggest issue related to operations is the tremendous increase in expenses that has occurred since 1996 (an overall increase of 35 percent). A primary cause has been a fairly substantial increase in personnel and supplies costs, up 41 percent since 1996.

Expenses have also been increasing *as a percentage of total revenues*; in fact, in 1998 and 1999, expenses have exceeded total revenues. Again, the major contributor is personnel costs which were equal to 35 percent of total revenues in 1996 and 55 percent of revenues in 1999. Materials, supplies and services have also increased, from 26 percent in 1996 to 38 percent in 1999. By comparison, a review of operations for selected Salt Lake Valley municipal courses and data from *Golf Market Today* suggest that alternative ranges for these expenses is 30 to 35 percent for personnel and 25 to 30 percent for materials, supplies & services -- substantially lower than the 1999 levels for these categories.



Summary of Revenues and Expenses as Percentage of Total Revenues Park City Municipal Golf Course, Industry Standards and Salt Lake Valley Municipal Courses							
	Park City Golf Course Budget - Actual				Other Sources of Operating Data for Comparison		
	1996	1997	1998	1999	Wingpointe and Westridge	ULI 1992 Rocky Mountain Standards	Golf Market Today for Municipal Courses
Revenues							
Green Fees	51.76%	51.19%	44.25%	46.19%	62.54%	51.47%	48.22%
Pass Fees	5.13%	5.90%	5.15%	6.73%	1.60%	0.00%	6.72%
Total Greens and Pass Fees	**56.89%**	**57.09%**	**49.39%**	**52.92%**	**64.14%**	**51.47%**	**54.94%**
Cart Fees	**18.31%**	**17.81%**	**14.92%**	**17.03%**	**17.87%**	**17.66%**	**18.28%**
Driving Range Fees	3.64%	3.74%	2.93%	4.33%	4.83%	9.05%	3.46%
Pro Shop Retail Sales	**13.36%**	**13.43%**	**14.18%**	**18.75%**	**8.67%**		**10.77%**
Golf Lessons	3.66%	3.76%	4.70%	4.40%	0.05%		
Other	4.14%	4.16%	13.88%	2.57%			
Tournament Administration	0.36%	0.16%	0.18%	0.25%	1.98%		
Tournament Refreshment	0.26%	0.00%	0.13%	0.00%			
Lease Income	0.90%	1.18%	0.83%	1.10%			
Other Miscellaneous	0.02%	0.05%	9.63%	0.24%	2.46%	21.82%	12.55%
Cash Over/Short	0.01%	-0.28%	-0.01%	0.02%			
Interest Earnings	2.60%	3.05%	3.13%	0.96%			
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Expenses							
Personnel	34.93%	36.61%	44.39%	55.04%	31.31%	19.69%	32.91%
Materials, Supplies & Services	26.37%	28.35%	30.75%	38.20%	30.81%	18.05%	23.22%
Contract Services						30.62%	
Other Expenses						6.98%	2.27%
Interfund Transactions	5.71%	5.49%	7.39%	8.47%			
Debt Service FIXED	10.84%	10.42%	10.42%	11.69%		11.16%	
Carts Purchase	0.00%	0.00%	0.00%	0.00%			
Capital Outlay	7.08%	5.59%	11.97%	10.44%		3.98%	
Total Expenses	84.93%	86.45%	104.93%	123.83%	66.16%	90.48%	62.94%

EVALUATION OF REVENUE STRUCTURE

The next step is to estimate revenues for the 2000 - 2004 period. To begin, a review of fees at area courses as well as at other resort courses was completed.

Comparison of Green Fees (Including Cart) Park City and Other Resort and Municipal Courses		
	Weekday	Weekend
Park City (With Cart)	$38	$38
Homestead	$45	$55
South Mountain	$45	$45
Wasatch	$30	$32
Salt Lake City	$33	$33
Salt Lake County	$32	$32
Aspen *Resident* *Nonresident*	 $65 $80	 $65 $80

Comparison of Green Fees (Including Cart) Park City and Other Resort and Municipal Courses		
	Weekday	Weekend
Steamboat		
Resident	$54	$54
Nonresident	$84	$84
Lake Tahoe		
Resident	$35	$35
Nonresident	$115	$115
Vail		
Resident	$65	$65
Nonresident	$95	$95
Sun Valley	$72	$72
Source: Craig Sanchez, Park City Municipal Golf Course		

As can be seen, the resident and nonresident fees at the Park City course are lower, and often substantially lower, than other comparable courses. It is also important to note that this is the only public course in Park City, which means that there will likely be less price elasticity of demand, given that there are no direct substitutions.

Resident Fees

Based on the review of fees at comparable courses, it was determined that a "market" price for resident fees is more likely in the neighborhood of $30 (as opposed to the current $20 price). It is assumed, then, that an increase up to the $30 level, may not result in a substantial decrease in the number of resident rounds played.

Pass Fees

A number of observations are made regarding season pass play. First, a very limited number of players, a total of 212, use the season pass (see table below), yet pass play represents nearly one quarter of all rounds played. It appears that the average revenue per pass round is $11.35. Eliminating the corporate passes (and not deducting rounds for corporate pass play, which is unknown at this time) drops this average revenue to $10.49 per round.

Summary of Passes Sold, 1999	
Type of Pass	**Number of Passes Sold 1999**
Resident	76
Jr\Sr resident	69
Punch pass - Snyderville Basin	32
Sr. punch pass	17
Non-resident pass	7
County privilege & assoc. tag	8
Corporate pass	3
Total	212

Given that the current resident price per round is $20, pass holders are getting a roughly 50 percent price benefit off of an already low price for golf (roughly $11 v. $20). It is assumed that if a reasonable opportunity for cost savings were offered with the season pass price, pass holders would still play at the levels seen in 1998 and 1999. For example, if pass prices were increased by fifty percent, the estimated average cost/round to the pass holder would be $15.50. This would be a 25 percent price benefit from the current price of $20. (Note, however, that this is not a major revenue generating option; the 50 percent increase in the pass rates is only a 2.2 percent increase in total greens fees revenues.) It is also assumed that limiting pass play during peak periods may increase play at resident and nonresident rates.

Nonresident Fees

Nonresident fees of $33 per round also appear to be low. These fees should be increased to reflect other resort's rates. An increase of $5 to $10 may not result in noticeable reduction in play but would have a significant impact on total revenues.

Not surprisingly, the impact of changes in specific fees is greatest for those fee categories that represent a substantial amount of current revenues. A review of changes in each of the fees and their corresponding impact to total greens fee revenues are summarized as follows:

Impact of Changes in Fees on Total Green Fee Revenues

Average Pass Revenue/Round	Impact to Total Green Fee Revenues	Average Resident Revenue/Round	Impact to Total Green Fee Revenues	Average Nonresident Revenue/Round	Impact to Total Green Fee Revenues
$12.00	0.00%	$25.00	6.40%	$35.00	1.36%
$13.00	0.72%	$26.00	8.00%	$36.00	2.72%
$14.00	1.44%	$27.00	9.60%	$37.00	4.08%
$15.00	2.16%	$28.00	11.20%	$38.00	5.44%
$16.00	2.88%	$29.00	12.80%	$39.00	6.80%
$17.00	3.60%	$30.00	14.40%	$40.00	8.16%
$18.00	4.32%				
$19.00	5.04%				
$20.00	5.76%				

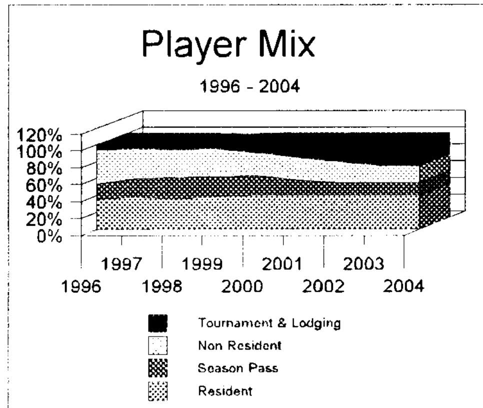
As can be seen, a nearly doubling of the average revenue per round for season pass holders has a limited impact on total revenues, while changes in the resident and nonresident rates would be more strongly felt. However, this should not be taken as an argument against increasing pass fees; as long as pass play represents its current substantial amount of total play, it is a serious drag on overall revenues.

Fee Recommendations

The following table outlines the recommended fees for the various classes of play. A two-stage price increase is suggested to reflect the reduced quality of the course during the construction period. The intent of the pricing is to more closely match the market once construction is completed, but to make some price adjustments in the next year to provide needed revenues.

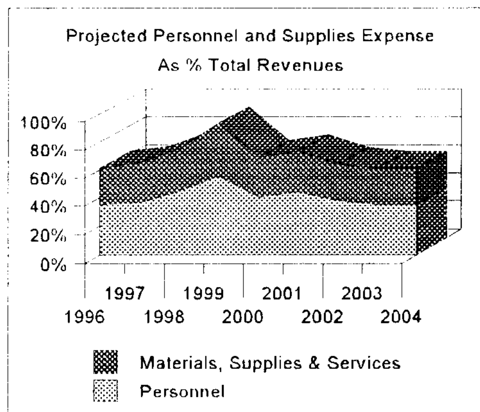
Recommended Fees, 2000 - 2004					
	2000	2001	2002	2003	2004
Resident	$25.00	$26.00	$27.00	$30.00	$31.00
Season Pass	$15.00	$15.00	$15.00	$20.00	$21.00
Nonresident	$35.00	$36.00	$37.00	$40.00	$41.00
Lodging/Tournament	$40.50	$43.00	$48.00	$51.00	$55.00

As a start, season pass increases are recommended as follows: resident and senior passes should be priced at $750; junior passes should be increased to $330. This will begin to approximate the average rates for pass play noted in the table above, but we suggest continued reevaluation of pass pricing as the price of resident and nonresident rounds are increased, and as player mix is impacted (see discussion below). It is suggested that season pass pricing is based on the assumption that the average revenue per round should be no less than 75 percent of the normal resident green fee. It is also recommended that all prices be adjusted annually for inflation.



EVALUATION OF PLAYER MIX

Player mix has become increasingly weighted toward local players over the past four years. Since 1996, the proportion of rounds played by residents and passholders has increased from 52 percent to 62 percent. As a result, even in years where the number of rounds played has increased, revenues have not. The course operations as currently configured cannot break even while operating at 80 percent of capacity. This suggests a need for structural changes.



The golf course management is aggressively marketing the lodging play and anticipates a significant increase for FY2001. This, combined with suggested increases in season pass pricing, should serve to change the mix as indicted in the above chart.

PROJECTED OPERATIONS

The recommended proforma outlined below, in essence, reverses the trends of the past three years with a desired operation mirroring the 1996 budget occurring in FY2003. This allows for continued extraordinary expenses related to the hotel construction and establishes a three-year target to return to more profitable operating levels. However, it should be noted that no losses are projected within the proforma.

The recommended operating ratios for FY2000 through FY2004 are as follows:

Projected Operating Ratios
FY2001 - FY2004

	FY2001	FY2002	FY2003	FY2004
Revenues				
Green Fees	52.00%	53.00%	54.00%	54.00%
Pass Fees	6.00%	5.00%	4.00%	4.00%
Subtotal	58.00%	58.00%	58.00%	58.00%
Cart Fees	18.00%	17.00%	17.00%	17.00%
Driving Range Fees	0.00%	3.00%	3.00%	3.00%
Pro Shop Retail Sales	15.00%	15.00%	15.00%	15.00%
Golf Lessons	4.00%	4.00%	4.00%	4.00%
Tournament Administration	0.25%	0.50%	0.75%	0.75%
Tournament Refreshment	0.25%	0.25%	0.25%	0.25%
Lease Income	1.00%	1.00%	1.00%	1.00%
Other Miscellaneous	3.50%	1.25%	1.00%	1.00%
Cash Over/Short	0.00%	0.00%	0.00%	0.00%
Interest Earnings	0.00%	0.00%	0.00%	0.00%
Total Revenues	100.00%	100.00%	100.00%	100.00%
Expenses				
Personnel	44.00%	38.00%	35.00%	35.00%
Materials, Supplies & Services	29.00%	26.00%	26.00%	26.00%
Interfund Transactions	7.02%	7.81%	8.05%	8.06%
Debt Service FIXED	9.56%	8.22%	6.90%	6.22%
Genl Fund Loan Repayment	2.38%	2.05%	0.00%	0.00%
Additional Principal Payment	0.00%	0.00%	0.00%	0.00%
Carts Purchase	3.40%	4.00%	6.00%	8.00%
Capital Outlay/Contingency	3.40%	4.00%	6.00%	8.00%
Total Expenses	95.36%	86.08%	83.68%	83.27%

Projected Cash Flows

Using revenue projections based on fee increases and changes in the mix of play and the operating proforma assumptions outlined above produces the following projected budget. Note that this assumes that the course is operating at 75 percent of total capacity[1] in 2000 (or 24,000 rounds) to reflect a reaction to the new fee structure, increasing to 80 percent of capacity in 2001-2002, 85 percent in 2003 and 90 percent (the level achieved in 1996 and 1997) in 2004.

Projected Cash Flows Based on Desired Operating Ratios
FY2000 - FY2004

	FY2000	FY2001	FY2002	FY2003	FY2004
Revenues					
Green Fees	$455,583	$637,680	$759,040	$890,800	$989,280
Pass Fees	$65,443	$64,800	$57,600	$81,600	$90,720
Subtotal	$521,026	$702,480	$816,640	$972,400	$1,080,000
Cart Fees	$193,616	$218,011	$239,360	$285,014	$316,552
Driving Range Fees	$21,212	$0	$42,240	$50,297	$55,862
Pro Shop Retail Sales	$185,834	$181,676	$211,200	$251,483	$279,310
Golf Lessons	$50,162	$48,447	$56,320	$67,062	$74,483
Loan From General Fund	$100,000	$0	$0	$0	$0
Tournament Administration	$2,874	$3,028	$7,040	$12,574	$13,966
Tournament Refreshment	$1,041	$3,028	$3,520	$4,191	$4,655
Lease Income	$12,527	$12,112	$14,080	$16,766	$18,621
Other Miscellaneous	$116,738	$42,391	$17,600	$16,766	$18,621
Cash Over/Short	$1,554	$0	$0	$0	$0
Interest Earnings	$0	$0	$0	$0	$0
Total Revenues	$1,206,344	$1,211,172	$1,408,000	$1,676,552	$1,862,069
Expenses					
Personnel	$491,065	$532,916	$535,040	$586,793	$651,724
Materials, Supplies & Services	$340,223	$351,240	$366,080	$435,903	$484,138
Interfund Transactions	$85,000	$85,000	$110,000	$135,000	$150,000
Debt Service FIXED	$115,762	$115,762	$115,762	$115,762	$115,762
Genl Fund Loan Repayment	$0	$28,859	$28,859	$28,859	$0
Additional Principal Payment		$0	$0		
Carts Purchase	$0				
Capital Outlay/Contingency	$168,699	$41,180	$56,320	$100,593	$148,966
Total Expenses	$1,200,748	$1,154,957	$1,212,061	$1,402,911	$1,550,590
Revenues less Expenses	$5,595	$56,216	$195,939	$273,641	$311,479

[1]Capacity is estimated to be 32,000 rounds, per Craig Sanchez.

Note that this will involve roughly $92,000 in expense cuts in FY2000 and a loan from the general fund in the amount of $100,000. Because the bulk of the FY2000 expenses have already occurred, this may not be likely. Rather, a larger loan will be required to keep the golf course from experiencing negative cash flows. A revised budget that reflects a loan of $190,000 and less in expense cuts is as follows:

Revised Projected Cash Flows

Larger Loan from General Fund, Less Expense Reductions in FY2000

	2000	2001	2002	2003	2004
Revenues					
Green Fees	$455,583	$637,680	$759,040	$890,800	$989,280
Pass Fees	$65,443	$64,800	$57,600	$81,600	$90,720
Subtotal	$521,026	$702,480	$816,640	$972,400	$1,080,000
Cart Fees	$193,616	$218,011	$239,360	$285,014	$316,552
Driving Range Fees	$21,212	$0	$42,240	$50,297	$55,862
Pro Shop Retail Sales	$185,834	$181,676	$211,200	$251,483	$279,310
Golf Lessons	$50,162	$48,447	$56,320	$67,062	$74,483
Loan From General Fund	$190,000	$0	$0	$0	$0
Tournament Administration	$2,874	$3,028	$7,040	$12,574	$13,966
Tournament Refreshment	$1,041	$3,028	$3,520	$4,191	$4,655
Lease Income	$12,527	$12,112	$14,080	$16,766	$18,621
Other Miscellaneous	$116,738	$42,391	$17,600	$16,766	$18,621
Cash Over/Short	$1,554	$0	$0	$0	$0
Interest Earnings	$0	$0	$0	$0	$0
Total Revenues	$1,296,344	$1,211,172	$1,408,000	$1,676,552	$1,862,069
Expenses					
Personnel	$544,874	$532,916	$535,040	$586,793	$651,724
Materials, Supplies & Services	$378,370	$351,240	$366,080	$435,903	$484,138
Interfund Transactions	$85,000	$85,000	$110,000	$135,000	$150,000
Debt Service FIXED	$115,762	$115,762	$115,762	$115,762	$115,762
Genl Fund Loan Repayment	$0	$54,832	$54,832	$0	$0
Additional Principal Payment		$0	$100,529	$0	$0
Carts Purchase	$0	$0	$0	$0	$0
Capital Outlay/Contingency	$168,699	$41,180	$56,320	$100,593	$148,966
Total Expenses	$1,292,705	$1,180,930	$1,338,563	$1,374,052	$1,550,590
Revenues less Expenses	$3,639	$30,242	$69,437	$302,500	$311,479

Note that while no prepayment of the General Fund loan is shown, there are sufficient cash flows to retire this debt in two years.

RUTH & HOWARD ANDERSON
P.O. BOX 680757
PARK CITY, UTAH 84068

March 20, 2004

Park City Council
Park City Municipal Corp.
P.O. Box 1480
Park City, UT 84060

Subject: Golf

Hi:

I learned while listening to KPCW this week you are considering an increase in the golf course rates to balance their budget because of an accounting change to recognize depreciation as part of the operating cost. My wife and I played golf three days this week at Round Valley in Morgan – a privately owned facility. The rate was $10.00 each including a cart. Not just for eighteen holes, but all day. Obviously, an early season special!

I believe all recreation facilities owned by the city should be operated for the primary benefit of the residents and property owners. If tourists can also use them for a fee, that's good too. Racquet Club and swimming pool, golf course, baseball and soccer fields, and the proposed ice rink should all be operated with the same philosophy. If it's break even for one, it should be break even for all. The numbers on the ice rink I've seen show it to be an annual loser of hundreds of thousands. Do the other recreation facilities now operate profitably?

Park City golf course rates for locals are now among the highest in the surrounding area. We play at Mountain Dell, Wasatch, Homestead, Round Valley, and a few in the valley. One complaint I heard was most people here choose to walk which reduces our revenue. Carts here are $14.00. Most courses charge $10.00. A more competitive rate might significantly increase your cart revenue total.

Before increasing the rates, please take a serious look. Look at the competition, and look at your overall philosophy for operating recreation facilities.

Sincerely,

Howard Anderson

From: "Rich" <rich@greatlender.com>
To: <csanchez@parkcity.org>
Date: 4/21/04 10:42AM
Subject: FW: Golf Fees

-----Original Message-----
From: Rich [mailto:rich@greatlender.com]
Sent: Tuesday, April 06, 2004 2:03 PM
To: mcone@parkcity.org
Cc: jim@parkcity.org; jkernan@parkcity.org; kay@parkcity.org; cerickson@parkcity.org; tbakaly@parkcity.org; dana@parkcity.org; csanchez@parkcity.org; Bob Rudd [brudd@parkcity.org]
Subject: Golf Fees

To All,
Please let me start by saying these are my own opinions and not to be connected to the RAB, of which I am a member. The golfing community has seen increases annually over the last five years. We are an enterprise fund and expected to carry our operational costs while other recreational opportunities are subsidized by the taxpayers. From the financials that I have seen over the past three years, it seems we are doing that quite well, without even considering the 100K per year this fund has to pay the city for telephones? Then when we add on depreciation in the amount of 220K and still make money, I can't see the justification in raising rates once again. The staff and managers at the course are great people and I believe doing a very good job. We have a great new retail space, which looks like sales are improving yearly and I think will continue to improve in the years to come. Now my numbers above may be slightly off, but with other areas of the course looking for continued improvement in the future, now is not the time to raise greens fees again.

Another point I'd like to make on this topic is with regards to season passes. I am one of approximately 70 people who still have the right to purchase a season pass. This is something that should be opened up again the taxpaying citizens of our community. It may hurt revenues slightly, but it many cases it improves revenues. An example being myself, who played approximately 30 rounds last year (which is the price of the pass), but in almost all of those 30 rounds I brought three other people who paid full greens fees. Lastly, the biggest complaint I hear about our course is that it is too expensive, especially from my 84098 friends, who refuse to play here because of that expense.

I urge you all to carefully analyze the golf course financials, before raising our rates once again, to subsidize other recreational programs. Thank you for your consideration of my thoughts.

Sincerely yours,

Rich Miller
125 Norfolk Ave
901-2014

Attachment B: Actual and Projected Golf Fund Revenues and Expenditures FY1998-2005

Operating Revenues	FY1998	FY 1999	FY2000	FY2001	FY2002	FY2003	FY2004 Adjusted Budget*	2005 Adjusted Plan*
Golf Fees	491,453	457,577	530,688	623,393	652,776	673,540	710,000	760,000
Pass Fees	57,146	66,662	58,517	74,324	76,179	72,063	75,000	75,000
Subtotal Operating Revenues	548,599	524,239	589,205	697,717	728,955	745,603	785,000	835,000
Other Revenues							5.02%	5.99%
Cart Fees	165,707	168,659	177,359	199,645	196,666	184,949	190,000	200,000
Driving Range Fees	32,515	42,929	21,212	1,022	40,551	39,959	33,000	35,000
Pro-Shop Retail Sales	157,474	186,579	169,297	183,381	180,649	184,379	215,000	220,000
Golf Lessons	52,209	43,632	51,178	55,058	43,578	46,266	50,000	50,000
Tournament Admin.	1,971	2,500	1,273	3,360	3,756	4,080	2,132	2,132
Tournament Refresh	1,427		75	-	-	-	1,543	1,543
Rental Income	9,178	10,896	4,448	5,115	3,700	12,409	15,000	15,000
Other Miscellaneous	106,839	1,732	131,303	25,802	42,599	39,703	18,585	
Subtotal Other Revenues	329,097	245,339	357,573	272,715	274,282	286,837	302,260	288,675
Revenues	1,075,918	981,166	1,145,349	1,171,099	1,240,454	1,257,349	1,310,260	1,358,675
Non-Operating Revenues								
Interest Earnings	34,750	9,490	(839)	23,198	10,682	8,644	10,408	10,408
Transfer from General Fund			25,000	25,000	25,000	25,000	25,000	25,000
Donations/Contributions					1,130,951	150,000		
Total Revenues	1,110,668	990,656	1,169,510	1,219,297	2,407,087	1,440,993	1,345,668	1,394,083
% increase (decrease) from prior year (adjusted for one time donations)		-11%	18%	4%	5%	1%	-7%	4%

Expenses	FY1998	FY 1999	FY2000	FY2001	FY2002	FY2003	FY2004 Budget	2005 Plan
Personnel	492,987	545,241	564,012	498,427	556,289	551,725	574,676	501,776
Materials, Supplies and Services	409,959	423,437	322,997	313,150	328,584	379,759	354,725	337,725
Energy and Utilities	32,828	26,017	20,919	36,244	40,012	40,136	45,387	45,387
Depreciation	116,169	136,972	152,309	156,105	196,599	215,990	33,689	
Capital Outlay							176,311	286,884
IFT Debt Service/Rental Expense	115,762	115,762	115,762	115,762	115,762	115,762	115,762	50,580
Subtotal Expenses	1,167,705	1,247,429	1,175,999	1,119,688	1,237,246	1,303,372	1,300,550	1,222,352
Operating Transfers Out**	50,000	50,000	51,400	51,400	50,000	101,085	121,842	138,585
Interest Expense				15,180	8,186	9,936	8,700	7,000
Loss on fixed asset disposal					73,576			
Total Expenditures	1,217,705	1,297,429	1,227,399	1,186,268	1,369,008	1,414,393	1,431,092	1,367,937
% increase (decrease) from prior year		7%	-5%	-3%	15%	3%	1%	-4%
Revenues less Expenses (Agreed to CAFR)	(107,037)	(306,773)	(57,889)	33,029	1,038,079	26,600	(85,424)	26,146

*Unaudited/Budget Projections

** Additional details on interfund transfers available upon request.

Park City Water Service District

Staff Report

Public Works

Author: **Jerry Gibbs, Director of Public Works**
Subject: **Agreement with Weber Basin**
Date: **April 29, 2004**
Type of Item: **Legislative**

Summary Recommendations:
Authorize the Chairman to sign a water supply agreement with Weber Basin Water Conservancy District, Park City Water Service District, and Mountain Regional Special Service District.

Description:
Topic: Weber Basin Water Agreement

Background:
Weber Basin, Park City and the County have been discussing a water project since an MOU was signed November 27, 1996. Weber Basin identified 5000 acre feet of water from Smith-Morehouse and other Weber Basin surface sources in addition to 1600 acre feet of underground water to be used under exchange contracts.

The MOU required:

- Reservation fees for the reserved acre-feet of water
- A Water Supply contract signed November 27, 2003
- Reservation fees applied to project costs

A committee of staff members from Park City and Summit County formed in 1999 to finalize the details of an interlocal agreement. Numerous meetings were held with the County and Weber Basin. By the end of 1999 the County and the City had decided to move forward with Weber Basin in a 5000 ac-ft designed to import water from Weber Basin sources.

In 2000, the committee was increased to include two representatives from the City Council (Council members Erickson and Jones) and one representative from the County Commission (Commissioner Schifferli). The County hired a water manager to help identify their needs and changed Atkinson's name to Basin Regional Water Service

District and later to Mountain Regional Water Special Service District. A long term look at basin demand showed a need of 10,000 ac-ft. In February 2000 the County developed a Long Range Strategic Water Plan which called for the development of the Upper Weber River Project.

The Upper Weber River Project used a groundwater approach to meet the initial demands for the County. The surface diversion was planned in Phase IV of the Upper Weber River Project; it would be constructed only if the wells did not produce a sufficient amount of water.

A bridge agreement was adopted on November 20, 2003 prior to the expiration of the MOU extending the project efforts until April 30, 2004. In March, the City and County approved a two party agreement that addressed many issues. It is now time to adopt a three party agreement to guarantee the water supply, should a project go forward. A water supply agreement is required. If it is not adopted, Weber Basin's obligation to keep water for Park City and the Snyderville Basin will expire.

Analysis:
The current bridge agreement will expire April 30, 2004. Mountain Regional and Park City have paid reservation fees for seven and a half years in excess of $1,250,000. Some monies have been spent for miscellaneous studies and pilot programs. A substantial amount remains.

The proposed agreement provides for:

- Cooperation between the Parties and Bureau of Reclamation (BOR).
- BOR to complete a feasibility study to determine the preferred alternative to bring water to the Snyderville Basin.
- Continue to reserve 2500 ac-ft of water for Park City and 2500 ac-ft of water for Mountain Regional (1000 ac-ft, east side Summit County, 1200 ac-ft, Promontory, 300 ac-ft Snyderville Basin).
- Parties agree to cooperate in all Federal and State approval processes.
- Annex into Weber Basin Water Conservancy District all properties within the water service district boundaries.
- Requires Park City and Mountain Regional to sign a petition agreement upon completion of the feasibility study prior to moving into a design phase.
- Can cancel at our discretion if Federal and State approvals are not forthcoming within 60 days written notice.
- Opportunity to cancel at the end of the feasibility study and the completion of design upon approval of all parties. Reservation fees would be forfeited.
- Provide for annual reservations fees of $125,000 per party.

All parties have committed to complete and execute the agreement by April 30, 2004.

Department Review:

The City Manager, Deputy City Attorney, and Public Works Director have reviewed the agreement

Alternatives:
Approve the Request:

Authorize the Chair to enter into a Water Supply Agreement between Park City Water Service District, Weber Basin Water Conservancy District, and Mountain Regional Special Service District to reserve 2500 ac-ft of Weber Basin Water. (Staff recommended)

Deny the Request:

Let the bridge agreement expire, forfeit the reservation fees paid and the water currently reserved with Weber Basin, and pursue the importation of water from other entities.

Continue the Item:

The agreement needs to be adopted by April 30,2004 to keep our rights with Weber Basin in place. A delay beyond April 30th would be a denial of the agreement.

Do Nothing:

Park City would no longer have water rights reserved through Weber Basin.

Significant Impacts:
Authorizing the Chairman to sign the agreement will preserve Park City's rights in an importation project. Weber Basin has the water rights and the ability to seek Federal funding, bond capability and the expertise to build a project. By approving this agreement, BOR will begin their feasibility study to determine the preferred project to deliver Park City water.

Consequences of not taking the recommended action:
Park City would forfeit approximately $470,000 in past reservation fees. The Basin remains closed to new appropriations or exchanges due to State Engineer determinations. Future water must come from outside of the Synderville Basin or drastic cuts will be required in water use and demand of current customers to meet approved build out obligations. Park City would need to examine why it should remain in the Weber Basin Water Conservancy District if very little benefit is derived from taxes paid to the entity.

Recommendation:
Authorize the Chair to sign the Water Supply Agreement with Weber Basin Water Conservancy District, Park City Water Service District and Mountain Regional Special Service District and continue reserving 2500 ac-ft of Weber Basin water.

Draft April 15, 2004

WATER SUPPLY AGREEMENT BY AND AMONG WEBER BASIN WATER CONSERVANCY DISTRICT, PARK CITY WATER SERVICE DISTRICT AND MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT

SUMMIT COUNTY WATER IMPORTATION PROJECT

THIS WATER SUPPLY AGREEMENT (this "**Agreement**") is made and entered into as of this ____ day of _________________, 2004, by and among the Weber Basin Water Conservancy District, a water conservancy district organized and existing pursuant to the provisions of '17A-2-1401 *et seq*., Utah Code Annotated, 1953, as amended (A**Weber Basin**@), Park City Water Service District, a special service district organized and existing pursuant to the provisions of '17A-2-1301 *et seq*., Utah Code Annotated, 1953, as amended (A**Park City Water**@), and Mountain Regional Water Special Service District, a special service district organized and existing pursuant to the provisions of '17A-2-1301 *et seq*., Utah Code Annotated, 1953, as amended (**"Mountain Regional"**). Weber Basin, Park City Water and Mountain Regional are hereinafter sometimes referred to individually as a A**Party**@ and collectively as the A**Parties**.@

RECITALS

A. Weber Basin, in part under agreement with the United States Bureau of Reclamation ("**BOR**"), owns or administers certain water rights and operates an extensive water storage, treatment and distribution system commonly known as the "Weber Basin Project", by means of which Weber Basin Project water and water under other Weber Basin water rights are made available, by contract, to municipalities and other entities and persons within Weber Basin=s boundaries.

B. Park City Water, as a public agency, owns and operates an approved water system to supply water within its service area in Park City, Utah.

C. Mountain Regional, as a public agency, owns and operates an approved water system to supply water within its service area in Summit County, Utah.

D. The Parties desire and are willing, and deem it to be in the best interest of the public, to participate in a project for which BOR has agreed to conduct a feasibility study (the **"Feasibility Study"**), which project would deliver water to the Snyderville Basin (the **"BOR Project"**). Park City Water and Mountain Regional have requested delivery of such water at the Lost Canyon Pipeline Pump Station located at approximately _________________________ (the **"Point of Delivery"**). It is anticipated that the BOR Project will have a delivery capacity of 5,000 acre-feet per year.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

SECTION I
BOR PROJECT FACILITIES AND FINANCING

A. Cooperation. Each Party agrees to fully cooperate with each other and with BOR, and to keep each of the other Parties informed of all non-privileged matters in connection with the study, development, design and construction of the BOR Project.

B. Ownership of Facilities, Transport of Non-BOR Project Water. The Parties acknowledge and agree that the facilities comprising the BOR Project shall be designed, constructed and owned by BOR and operated, maintained, repaired and replaced by Weber Basin. The transport of any water other than BOR Project Water through said facilities shall be in the sole and absolute discretion of BOR and Weber Basin, both before and after the repayment contract repayment contract referred to in paragraph I.C below.

C. BOR Project Costs and Financing. The Parties anticipate that the costs of study, development, design and construction of the BOR Project will be borne by BOR but repaid to BOR by Weber Basin pursuant to a long-term repayment contract. Park City Water and Mountain Regional shall purchase the right to use their respective allocations of the BOR Project Water pursuant to the Petitions referred to in Section II.C, below.

D. Park City Water and Mountain Regional Facilities. All facilities necessary to be constructed or otherwise provided by Park City Water to receive, transport and deliver water from the BOR Project point of delivery into Park City Water's water system(s), and all facilities necessary to be constructed or otherwise provided by Mountain Regional to receive, transport and deliver water from the BOR Project point of delivery into Mountain Regional's water system(s), shall be acquired, designed, constructed, owned, operated, maintained, repaired and replaced by Park City Water and Mountain Regional, respectively, at their sole cost and expense.

SECTION II
BOR PROJECT WATER SUPPLY

A Water Supply Commitment. The water from the BOR Project shall come from sources developed under BOR water rights and facilities and sources developed under Weber Basin water rights and facilities (collectively, the **"BOR Project Water"**).

Subject to the terms, conditions and limitations of this Agreement and of the Petitions referred to in Section II.C, below, Weber Basin shall provide a perpetual supply of raw water to Park City Water and Mountain Regional, to be delivered by Weber Basin from said sources of supply, in the amounts
specified in the Takedown Schedule attached hereto and by this reference incorporated herein (the **"Takedown Schedule"**), at the Point of Delivery.

B. Allocation of Water Supply. The total BOR Project Water supply to be made available to Park City Water, subject to the provisions of this Agreement (and subject to adjustment as provided in Section III.B below), shall be equal to Two Thousand Five Hundred (2,500) acre-feet of water per year. The total BOR Project Water supply to be made available to Mountain Regional, subject to the provisions of this Agreement (and subject to adjustment as provided in Section III.B below), shall be equal to Two Thousand Five Hundred (2,500) acre-feet of water per year.

C. Water Purchase Commitment. Upon completion of the Feasibility Study (provided the Feasibility Study indicates the BOR Project can be constructed), Weber Basin shall send written notice thereof to Park City Water and Mountain Regional, together with a petition, in the form attached hereto and by this reference incorporated herein, for its respective allocation of the BOR Project Water as provided in Section II.B, above (individually, a **"Petition"**, and collectively, the **"Petitions"**). Within thirty (30) days after receipt of such notice and Petition,
Park City Water and Mountain Regional shall execute such Petition and deliver the same to Weber Basin. If there are any contradictions or inconsistencies between the terms and provisions of this Agreement and the terms and provisions of said Petitions, the terms and provisions of the Petitions shall govern.

D. Reservation Fees for BOR Project Water. Until the date which is three (3) years after the date on which construction of the BOR Project is complete and able to deliver water (the **"Project Completion Date"**), or until this Agreement is terminated in accordance with Section II.E or Section IV, below, Weber Basin shall reserve from its sources of supply for use in the BOR Project Five Thousand (5,000) acre-feet of water, less any amounts previously contracted for in accordance with the Takedown Schedule, and as an express condition to Weber Basin reserving said water, Park City Water and Mountain Regional shall each pay to Weber Basin annually, on or before the first business day of January of each year for which such water is to be reserved, a reservation fee in the amount of One Hundred Twenty-Five Thousand Dollars

($125,000) per year (the **"Reservation Fees"**). Weber Basin shall use said Reservation Fees to cover all of its costs, whether contracted or internal, incurred in connection with the BOR Project (collectively, **"Weber Basin's Costs"**), including, but not limited to, all costs incurred in connection with the Feasibility Study, all design, engineering and other costs incurred in connection with the BOR Project, and all costs in obtaining all required State Approvals and Federal Approvals referred to in Section III.A, below. If at any time or from time to time the then remaining balance of the Reservation Fees paid by Park City Water and Mountain Regional pursuant to this Agreement is insufficient to cover any of Weber Basin's Costs, then within thirty (30) days after receipt of written notice from Weber Basin of the amount of such deficiency Park City Water and Mountain Regional shall each pay to Weber Basin one-half (½) of the amount of such deficiency. In the event this Agreement is terminated pursuant to Section II.E, below, or in the event this Agreement is terminated pursuant to Section IV, below, by Park City Water or Mountain Regional, or in the event the BOR Project is not ultimately constructed for any reason other than Weber Basin's termination of this Agreement pursuant to Section IV, below, then any remaining Reservation Fees paid pursuant to this Agreement shall be retained by Weber Basin and may be used for other purposes in the Weber Basin system. In the event this Agreement is terminated by Weber Basin pursuant to Section IV, below, Weber Basin shall rebate to Park City Water and Mountain Regional, in equal shares, an amount equal to the difference between the amount of Reservation Fees paid to Weber Basin pursuant to this Agreement and the amount of Weber Basin's Costs.

E. <u>First Right of Refusal to Acquire Defaulting Party's Share of Water</u>. In the event, prior to completion of the Feasibility Study, either (but not both) Park City Water or Mountain Regional shall fail to pay its share of the Reservation Fees when due as provided herein, Weber Basin shall send written notice of default to that Party (the "defaulting Party") and a copy of such notice to the other of them (the "non-defaulting Party"). The defaulting Party shall have sixty (60) days after receipt of such written notice in which to cure the default by making payment in full to Weber Basin. In the event the defaulting Party shall fail to timely cure the default, then the non-defaulting Party shall have a period of sixty (60) days to exercise a first right of refusal to allocate to itself all (but not less than all) of the defaulting Party's share of the BOR Project Water, provided the non-defaulting Party shall pay to Weber Basin all of the defaulting Party's share of the Reservation Fees prior to expiration of said sixty (60) day period. In the event the non-defaulting Party fails to timely exercise said first right of refusal, or to timely pay the defaulting Party's share of the Reservation Fees, or in the event that both Park City Water and Mountain Regional shall fail to timely pay their respective shares of the Reservation Fees, then this Agreement shall automatically terminate without further obligation of any Party (other than the obligations of Park City Water and Mountain Regional to pay Weber Basin the amount of Weber Basin's Costs in excess of the Reservation Fees as provided in Section II.D, above, and the provisions of this Agreement necessary to enforce said obligations, including without limitation Section VIII.C, below). The foregoing provisions of this Section II.E shall not apply after completion of the Feasibility Study.

Further, in the event either (but not both) Park City Water or Mountain Regional (the "non-petitioning Party") shall fail to timely execute and deliver to Weber Basin the Petition required by Section II.C, above, Weber Basin shall send written notice thereof to the other Party (the "petitioning Party"). The petitioning Party shall have thirty (30) days after receipt of such written notice in which to increase its allocation (and the resulting cost) of BOR Project Water by the full (but not less than the full) amount of the non-petitioning Party's allocation. If the petitioning Party so exercises its right to so increase its allocation, it shall thereafter pay to Weber Basin the non-petitioning Party's share of the Reservation Fees as and when the same are due. If the petitioning Party fails to timely exercise its right to take the full amount of the non-petitioning Party's allocation, or if both Park City Water nor Mountain Regional shall fail to timely execute and deliver their Petitions to Weber Basin, as provided above, then this Agreement shall automatically terminate without further obligation of any Party (other than the obligations of Park City Water and Mountain Regional to pay Weber Basin the amount of Weber Basin's Costs in excess of the Reservation Fees as provided in Section II.D, above, and the provisions of this Agreement necessary to enforce said obligations, including without limitation Section VIII.C, below).

Except as provided above, if at any time Park City Water or Mountain Regional wishes to assign a portion of its allocation of BOR Project Water to the other, both must submit a written request to Weber Basin for its prior written approval.

SECTION III
FEDERAL AND STATE APPROVALS

A. Federal and State Approvals. The Parties acknowledge and agree that certain approvals shall be required in order for Weber Basin to make BOR Project Water available for delivery and use by Park City Water and Mountain Regional. The Parties shall commence to obtain such approvals in conformance with the following:

(1) Federal Approvals. After completion of the Feasibility Study (and provided the Feasibility Study indicates the BOR Project can be constructed), and upon execution of the Petitions referred to Section II.C., above, Weber Basin will pursue and/or cooperate with and assist BOR in pursuing and obtaining all approvals from the United States Government, including, but not limited to, all required contractual authorizations, all environmental compliance, the federal Record of Decision, and appropriation of funds, all as shall be necessary to facilitate the construction of the BOR Project and the delivery of BOR Project Water (the **"Federal Approvals"**).

(a) Park City Water and Mountain Regional shall fully cooperate with Weber Basin and BOR with respect to all proceedings relating to the Federal Approvals. Weber Basin will provide Park City Water=s and Mountain Regional's legal counsel with copies of all non-privileged correspondence, pleadings, and other documents generated in connection with proceedings relating to the Federal Approvals and otherwise keep Park City Water and Mountain Regional fully advised with respect to the proceedings relating to the Federal Approvals.

(b) Final approval of all Federal Approvals shall mean the applicable contractual, environmental or other authorization or permit has been approved and no appeal has been filed, or in the event an appeal has been timely filed, that such appeal has been finally resolved without possibility of further appeal by the applicable judicial or other governmental agency. The date on which final approval of all Federal Approvals of the BOR Project is obtained will hereinafter be referred to as the **"Federal Approval Date."**

(2) State Approvals. The filing and approval of an application or applications for permanent change (the **"Change Applications"**) may be necessary to authorize the diversion and use of BOR Project Water by Park City Water and Mountain Regional as they intend. There may also be other state and/or local approvals or permits required to facilitate construction of the BOR Project and delivery of the BOR Project Water. The Change Applications and such other state and/or local approvals and permits are herein collectively referred to as the **"State Approvals."** In connection with the State Approvals:

(a) Prior to or within a reasonable time after issuance fo the federal

Record of Decision, Weber Basin will prepare, file and pursue the final approval of any Change Applications deemed necessary, including the defense of any appeal of the State Engineer=s memorandum decision regarding the same. The Parties will pursue all other State Approvals as and when they are needed after the Federal Approval Date.

(b) The Parties will fully cooperate with each other with respect to all proceedings involving the State Approvals. The Party responsible for obtaining each State Approval will provide the other Parties' legal counsel with copies of such State Approvals, and all non-privileged correspondence, pleadings, and other documents generated in connection with proceedings relating to the State Approvals and otherwise keep the other Parties fully advised with respect to proceedings relating to the State Approvals.

(c) For purposes of this Agreement, final approval by the State Engineer shall mean that the time for filing an appeal of the State Engineer=s memorandum decision approving the Change Applications has run without an appeal having been filed, or in the event an appeal has been timely filed, that such appeal has been resolved by judicial decree upholding the State Engineer=s memorandum decision approving the Change Applications; and final approval of all other State Approvals shall mean the applicable authorization or permit has been approved and no appeal has been filed, or in the event an appeal has been timely filed, that such appeal has been finally resolved without possibility of further appeal by the applicable judicial or other governmental agency. The date on which final approval of all State Approvals is obtained will hereinafter be referred to as the **"State Approval Date."**

B. Reduction in Water. In the event that State Approvals or Federal Approvals are not ultimately obtained for the full five thousand (5,000) acre-feet of water contemplated by this Agreement, the amount of BOR Project Water will be accordingly reduced to the amount for which the State Approvals and Federal Approvals are ultimately obtained and the allocations of BOR Project Water to Park City Water and Mountain Regional as provided in Section II.B, above, shall be reduced prorata.

SECTION IV
TERMINATION OF AGREEMENT PRIOR TO

EXECUTION OF PETITIONS

Prior to execution of the Petitions, any Party may, upon thirty (30) days written notice to the other Parties, terminate this Agreement without further obligation of any Party. Notwithstanding any such termination of this Agreement, the obligations of Park City Water and Mountain Regional to pay Weber Basin the amount of Weber Basin's Costs in excess of the Reservation Fees as provided in Section II.D, above, if either of them terminates this Agreement, or the obligation of Weber Basin to rebate the Reservation Fees as provided in said Section II.D, above, if Weber Basin terminates this Agreement, and the provisions of this Agreement necessary to enforce said obligations, including without limitation Section VIII.C, below, shall remain in effect. After execution of the Petitions, this Agreement may not be terminated without the written consent of all Parties.

SECTION V
ANNEXATION

Park City Water and Park City agree to take all action necessary to annex into the Weber Basin Water Conservancy District all property that is now or in the future may become within the boundaries of Park City Water Service District. Mountain Regional and Summit County agree to take all action necessary to annex into the Weber Basin Water Conservancy District all property that is now or in the future may become within the boundaries of Mountain Regional Water Special Service District. Notwithstanding any provision herein to the contrary, the provisions of this Section V shall survive termination of this Agreement for any reason.

SECTION VI
SUBJECT TO WATER CONSERVANCY ACT

This Agreement, and any amendments thereto, shall be subject to the Utah Water Conservancy Act, 17A-2-1401 et seq., Utah Code Annotated, l953, as amended, and the rules
and regulations of the Board of Trustees of Weber Basin as the same have been and may be supplemented or amended from time to time.

SECTION VII
INTEGRATION

This Agreement and the attachments hereto constitute the entire understanding and agreement by and among the Parties hereto. Any and all other prior agreements, representations or understandings by and among the Parties, whether written or oral, pertaining to the importation of water into the Snyderville Basin Area, are superceded, merged and integrated into this Agreement.

SECTION VIII
MISCELLANEOUS PROVISIONS

A. Binding Effect. The provisions of this Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

B. Assignment Limited. No assignment or other transfer of this Agreement or any part thereof or interest therein shall be valid unless and until approved by Weber Basin=s Board of Trustees.

C. Attorney=s Fees. In the event that this Agreement or any provision hereof shall be enforced by an attorney retained by a Party hereto, whether by suit or otherwise, the fees and costs of such attorney shall be paid by the Party who is determined by a court of competent jurisdiction to have breached or defaulted hereunder, including fees and costs incurred upon appeal or in bankruptcy court.

D. Severability. If any term or provision of this Agreement shall, to any extent, be determined by a court of competent jurisdiction to be void, voidable, or unenforceable, such void, voidable or unenforceable term or provision shall not affect the enforceability of any other term or provision of this Agreement.

E. Captions. The section and paragraph headings contained in this Agreement are for the purposes of reference only and shall not limit, expand or otherwise affect the construction of any provisions hereof.

F. Construction. As used herein, all words in any gender shall be deemed to include the masculine, feminine, or neuter gender, all singular words shall include the plural, and all plural words shall include the singular, as the context may require.

G. Further Action. The Parties hereby agree to execute and deliver such additional documents and to take further action as may become necessary or desirable to fully carry out the provisions and intent of this Agreement.

H. Inducement. The making and execution of this Agreement has not been induced by any representation, statement, warranty or agreement other than those herein expressed.

I. Force Majeure. Performance by any Party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrections, strikes, lock-outs, floods, earthquakes, fires, casualties, acts of God, epidemics, quarantine, restrictions, inability (when the responsible Party is faultless) to secure necessary labor, materials, tools, acts or failure to act of any public or governmental agency or entity, or by any other reason not the fault of the Party delayed in performing work or doing acts required under the terms of this Agreement, and in such event, the performance of such work or the doing of such act shall be excused for the period of the delay and the period of performance for any such work or the doing of any such act shall be extended for a period equivalent to the period of such delay.

J. No Third Party Beneficiaries. This Agreement shall not be deemed to create any right in any person who is not a Party (other than the permitted successors and assigns of a Party) and shall not be construed in any respect to be a contract, in whole or in part, for the benefit of any third party (other than permitted successors and assigns of a Party hereto).

K. Warranty of Authority. The individuals executing this Agreement on behalf of the Parties hereby warrant that they have the requisite authority to execute this Agreement on behalf of the respective Parties and that the respective Parties have agreed to be and are bound hereby.

SECTION IX
APPROVALS REQUIRED

Performance of the Parties' obligations under this Agreement is conditioned upon and subject to the approval of this Agreement by BOR (as evidenced by its execution of a counterpart hereof).

SECTION X
ALTERNATIVE PROJECT

In the event the Feasibility Study does not indicate that the BOR Project can be constructed, the Parties agree to negotiate in good faith an agreement for a project to import water into the Snyderville Basin (the **"Alternative Project"**), such agreement to include provisions relating to:

A. the acquisition, design, construction, ownership, operation, maintenance, repair and replacement of the Alternative Project at the sole cost and expense of Park City Water and/or Mountain Regional;

B. Weber Basin's providing of assistance and guidance to Park City Water and/or Mountain Regional, upon their request, during the design and construction of the Alternative Project, including assisting in the selection of a design engineer and in contracting for the
construction of the Alternative Project, and, for a limited period of time immediately prior to and after completion of the Alternative Project, causing its personnel to be available to assist in advising and training Park City Water's and/or Mountain Regional's personnel in the operation and maintenance of the Alternative Project (provided and only to the extent that Weber Basin's personnel are themselves familiar with and have expertise in operating the type of facilities so designed and constructed);

C. the costs and expenses incurred by Park City Water and/or Mountain Regional in the development and construction of the Alternative Project, including, but not limited to, legal costs, easement acquisition costs, environmental costs, engineering and design costs, construction costs, including labor and materials, reimbursement of Weber Basin's costs, and debt service costs (including interest) and costs of issuance, to be financed by bonds and/or other debt financing instrument(s) to be issued by Park City Water and/or Mountain Regional, with the cooperation of Weber Basin;

D. the parties' obtaining of Federal and State approvals for the Alternative Project;

E. Weber Basin's reservation for a limited period of time of water for the Alternative Project, in an amount and on terms and conditions to be negotiated and agreed upon;

F. payment by Park City Water and/or Mountain Regional of Reservation Fees in amounts to be negotiated and agreed upon;

F. conditions upon which a party may terminate the Alternative Project agreement;

G. circumstances under which either Park City Water or Mountain Regional may assume the position of the other with respect to the Alternative Project;

H. Park City Water and Mountain Regional entering into contracts with Weber Basin for the purchase of the right to use the Alternative Project water, on terms and conditions to be negotiated and agreed upon;

I. Park City's and Summit County's commitments to secure the performance by Park City and Mountain Regional, respectively, of their obligations under the Alternative Project agreement and the subject water sales contracts;

J. approval of the Alternative Project and the documents related thereto by BOR; and

K. such other terms and conditions as the Parties may agree upon.

[Signature Pages Follow]