PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
April 28, 2016

PUBLIC NOTICE IS HEREBY GIVEN that the City Council of Park City, Utah will hold its regularly scheduled meeting at the Marsac Municipal Building, City Council Chambers, 445 Marsac Avenue, Park City, Utah for the purposes and at the times as described below on Thursday, April 28, 2016.

CLOSED SESSION

3:15 pm To Discuss Property, Personnel and Litigation

STUDY SESSION

4:00 pm – Housing Resolution Report Update and Policy Discussion: Joint Meeting with the Planning Commission PAGE 3

WORK SESSION

5:10 pm – Council Questions and Comments

5:20 pm – Discussion Regarding Updating Building Permit Fees PAGE 78

5:40 pm – Discussion Regarding the Terms of Boards and Commissions PAGE 95

REGULAR MEETING

6:00 pm

I. ROLL CALL

II. COMMUNICATIONS AND DISCLOSURES FROM COUNCIL AND STAFF

Staff Communications Reports:

1. Update Regarding the Current and Upcoming Large Public and Private Construction Projects in Park City PAGE 108

III. PUBLIC INPUT *(ANY MATTER OF CITY BUSINESS NOT SCHEDULED ON THE AGENDA)*

IV. NEW BUSINESS

1. Consideration of Ordinance 16-18, an Ordinance Approving the 1280 Park Avenue Condominiums Plat Located at 1280 Park Avenue, Park City, Utah Pursuant to Findings of Fact, Conclusions of Law and Conditions of Approval in

a Form Approved by the City Attorney: PAGE 112

(A) Public Hearing

(B) Action

2. Consideration of an Appeal of a Denial of a Business License Application for Firearms Assembly at 2897 American Saddler PAGE 134

3. Authorize the City Manager to Execute the 1St Addendum to the Professional Services Agreement, Brendle Group, for Water and Energy Conservation Program - Phase 2 Engineering Services in an Amount Not to Exceed $188,173 (Increase of $37,175), for a Total Contract Not to Exceed $225,348, in a Form Approved by the City Attorney PAGE 156

4. Consideration of a Request to Authorize the City Manager to Execute a Construction Agreement, in a Form Approved by the City Attorney, with Daley Excavators L.L.C. for the 2016 Water Service Line Improvement Project for an Amount Not to Exceed $220,000.00 PAGE 168

5. Consideration of Approval of Street Dining on Main Leases, in a Form Approved by the City Attorney: PAGE 172

(A) Cisero's Ristorante at 306 Main Street;

(B) Bistro 412 at 412 Main Street;

(C) 501 on Main at 501 Main Street;

(D) Main Street Pizza & Noodle at 530 Main Street;

(E) Bandits Grill & Bar at 440 Main Street;

(F) The Eating Establishment at 317 Main Street;

(G) Shabu at 442 Main Street; and

(H) Flanagan's on Main at 438 Main Street

6. Consideration to Approve Resolution 07-16, a Resolution Proclaiming May 3, 2016, as Travel Rally Day in Park City, Utah PAGE 191

7. Consideration to Approve Resolution 08-16, a Resolution Proclaiming May, 2016, as Building Safety Month in Park City, Utah PAGE 194

8. Consideration to Approve Resolution 09-16, a Resolution Proclaiming May 7, 2016, as Arbor Day and Celebrating Park City's 23rd Anniversary for Recognition as a "Tree City USA Community," in Park City, Utah PAGE 199

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. Pursuant to the Americans with Disabilities Act, individuals needing special accommodations during the meeting should notify the City Recorder at 435-615-5007 at least 24 hours prior to the meeting. Wireless internet service is available in the Marsac Building on Wednesdays and Thursdays from 4:00 p.m. to 9:00 p.m. Posted: See: www.parkcity.org

DATE: April 28, 2016

TO HONORABLE MAYOR AND COUNCIL

Staff recommends that City Council and the Planning Commission jointly review and discuss the findings and recommendations prepared by Economic and Planning Systems (EPS). Specifically, staff is looking for discussion about recommended changes to the Housing Resolution to expand housing requirements beyond MPDs and Annexations and to adjust Land Management Code (LMC) to allow for increased density and height allowances for affordable and attainable housing purposes.

Economic and Planning Systems has provided a full report of their findings and recommendations as follows:

1. *Findings*
    a. The price gap between market rate housing and affordable is increasing.
    b. There is a dwindling inventory of affordable housing.
    c. There is limited applicability of the Housing Resolution to new development.
    d. The City provides limited incentives to promote affordable housing development by the private sector.
    e. There is conflicted community support for increasing building height and density that would gain new affordable housing opportunities.
2. *Recommendations*
    a. Adopt a shared equity program in addition to the deed restriction program.
    b. Modify the in-lieu fee calculation to one based on construction costs.
    c. Establish more specific housing goals in the areas of who should be served (essential employees and/or specific income ranges) and percent of workforce to be housed locally (current goal is 34% of workforce or 10% of all housing units). Staff will return in late Summer/early Fall with recommendations once the updated market study is completed.
    d. Expand affordable housing requirements for private development. Currently housing obligations are only required of MPDs and Annexations, amounting to about 50% of all development.
    e. Provide additional incentives for affordable housing development such as:
        i. Property tax abatement.
        ii. Increase potential for waiving 100% of entitlement, planning and permitting fees.
    f. Increase density and height allowances in the LMC for affordable and attainable housing. Specific code change proposals would be brought back to Council by staff and vetted through the Planning Commission.
    g. Establish City housing program funding priorities.

It is important to note that staff continues to move forward on a number of affordable housing projects and programs concurrent with any changes to the Housing Resolution.

Respectfully:

Rhoda Stauffer, Housing Specialist

City Council/Planning Commission
Staff Report

Subject: Affordable Housing Regulatory Study
Author: Rhoda Stauffer, Housing Program Manager
Department: Community Development
Date: April 28, 2016
Type of Item: Information/Discussion
Joint City Council, Planning Commission session

Summary Recommendation

Staff recommends that City Council and the Planning Commission jointly review and discuss the findings and recommendations prepared by Economic and Planning Systems (EPS). Specifically, staff is looking for discussion about recommended changes to the Housing Resolution to expand housing requirements beyond MPDs and Annexations and to adjust Land Management Code (LMC) to allow for increased density and height allowances for affordable and attainable housing purposes.

Executive Summary

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Acronyms

- BRHC – Blue Ribbon Housing Commission
- EPS – Economic and Planning Systems
- LMC – Land Management Code
- MPD – Master Planned Development
- PCMC – Park City Municipal Corporation

The Problem

As an international resort community with world class recreational, hotel and leisure service amenities, Park City's job market is dominated by the hospitality and leisure sector. More than 40 percent of all jobs within the city limits are in this sector. In 2014, the average annual income earned in all employment sectors was $44,052. Wages earned in the leisure and hospitality sector averaged $27,456 – 38 percent below all jobs.

According to Realtor.com, the median listing price for a home in Park City is currently $1.2 million. For Midway and Heber City, the median listing price is $345,000 and $360,000 respectively. For homes in Park City to be affordable to the majority of those employed within City limits, prices would need to range between $200,000 and $500,000 (this range covers both affordable and attainable). Today, approximately 80% of Park City's workforce lives outside the city limits. High home prices in Park City not only result in the need to import a high percentage of our community's workforce, it causes problems that range from increased traffic to the risk that Park City could lose vibrancy because of lack of full time residents.

Background

In early 2015, Council established "Affordable, Attainable and Middle Income Housing" as one of their critical priorities. At the February 2015 Council retreat, a four- pronged, five year work plan was adopted which included Regulatory Tools as one of the program categories. In July 2015, Council approved a contract with EPS to complete a number of reviews and analysis, including: a thorough regulatory review to identify potential barriers to affordable housing development; comparative analysis of the best approach to mitigating the impact of both new construction as well as redevelopment on affordable housing needs within the community; assessment of the true employee generation formulas for Park City's primary employers; examination of the most effective formula for in-lieu fee calculation; most balanced and equitable trigger mechanism for housing obligations; and assessment of the connection between the impacts generated by development and the housing mitigation required.

EPS began working in September 2015 with a thorough review of the Housing Resolutions beginning in the early 90's to the current 13-15 document (Link). Older Resolutions can be found at the following links for comparison purposes: 1993, 1999, and 2007. In November of 2015, EPS presented their initial thoughts and an outline of their work to the Blue Ribbon Housing Commission. Using the BRHC feedback, EPS completed additional analysis and work returning to the BRHC on February 1, 2016 to review an early draft of the Executive Summary of their report. Again, based on BRHC feedback, recommendations were adjusted and attached is the final draft of the resulting report.

Next Steps

- June 2, 2016 – Based on the outcome of this Study Session, staff will propose adoption of amendments to the Housing Resolution.
- By October 2016 – Complete a housing market study date including a survey of amenities desired by buyers of affordable/attainable housing.
- By late 2016 – draft Five Year Housing Assessment and Plan. The last one was completed in 2012 and the state will require a new one be filed in 2017.

Housing Projects and Programs Currently Underway

Staff will continue to move forward on the housing projects and programs detailed most recently in the March 24, 2016 staff report (page 7). Highlights include:

- 8 units at 1450/1460 Park Avenue; expected move in date, late Fall of 2016
- 6-10 units at the Fire Station property on Park Avenue
- Evaluation of City-owned parcels (other than open space designated parcels) for housing potential
- Confidential negotiations on purchase of property, projects and existing housing units

Discussion

Staff would like City Council and the Planning Commission to focus on the following issues:

- **Expanding affordable housing requirements for private development.** Under the current Housing Resolution 13-15, affordable housing requirements are based only on Master Planned Developments (MPD) and Annexations into Park City. This means that only 50% of all development (since the early 90's) has resulted in a housing obligation. While a more equitable policy would go beyond developments falling into these two categories, requiring a housing obligation of all development is near impossible in Utah (see specific advice from EPS' legal counsel in the report attached). Staff requests that City Council and the Planning Commission discuss with EPS ways to increase the applicability of the Housing Resolution while not triggering legal issues for Park City. An example might be to extend housing requirements to all commercial development over an established square footage. In order to move in this direction, a matrix study will be required to justify the square footage trigger.

- **Increasing density and height allowances** in the LMC. Density and height allowances are an alternative that should be fully explored. The community as a whole has mixed review of allowing for height and density, with a concern that Park City will lose its small town look and feel. Planning staff are exploring opportunities within current code to address this issue, such as: increased density and height where allowed; infill additions such as accessory apartments and living quarters above garages; and areas that are conducive to an affordable housing overlay (Affordable Housing MPDs allow for 20 units per acre as per LMC Title 15, Chapter 6-7).

Department Review
Sustainability, Community Development, City Attorney and Executive

Funding Source
No funding is needed beyond the funding committed to Affordable Housing programs for the next four years.

Summary Recommendation
Staff recommends that City Council and the Planning Commission jointly review and discuss the findings and recommendations prepared by EPS. Specifically staff is looking for discussion about recommended changes to the Housing Resolution to expand housing requirements beyond MPDs and Annexations and to adjust the LMC to allow for increased density and height.

Attachments
Exhibit A: Final Draft Report submitted by Economic & Planning Systems

The Economics of Land Use

Draft Report

Park City UT Housing Review

Prepared for:

City of Park City, Utah

Prepared by:

Economic & Planning Systems, Inc.

March 29, 2016

EPS #153048

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1.0 EXECUTIVE SUMMARY

1.1 Summary of Findings

The following are the major findings from EPS's work. Each frames the context in which the recommendations are structured.

1. ***The gap between market rate housing and prices affordable to the City's workforce continues to widen.***
   - Single-family housing prices have escalated an average of 6.7 percent per year since 2000, even factoring in the recessions. From 2010 to 2015, prices have escalated at 10.7 percent annually from approximately $990,000 to nearly $1.5 million for a single-family home. Furthermore, since 2000 condo prices have increased at 5.5 percent per year from approximately $365,000 to more than $684,000, although most of this increase is attributable to the escalation of prices before the housing market bubble.
   - Median incomes have increased just 1.7 percent annually since 2000, and qualifying income limits have increased 1.9 percent annually since 2000.
   - The "affordability gap" has widened more than two-fold from approximately $375,000 to $949,000. That is, in 2000 a household earning Park City's median household income ($65,800) could afford a house at $180,400 and the average-priced single-family house sold for approximately $555,000. By 2014, a household earning Park City's median household income (according to the U.S. Census' 5-year estimate of $89,886) could afford a house at $365,900 and the average-priced single-family house sold for approximately $1.3 million.

2. ***There is dwindling inventory of housing affordable to the community workforce.***
   - Other studies and needs assessments have also sounded the alarm. There is a dwindling stock of housing affordable to those who work and would live in Park City if they could afford it.
   - In 2000, 26 percent of the City's for-sale inventory was valued at less than $300,000. By 2014, that portion had dropped to 12 percent. Over a shorter period of time, between 2011 and 2014, the portion of for-sale inventory affordable to a household earning median income dropped from 21 percent to 17 percent.

3. ***The existing housing resolution (13-15) applies to less than 50 percent of all residential development activity.***
   - Approximately 78 affordable units were built between 2005 and 2011 under the current housing resolution. As these were the units to meet the 15 percent inclusionary zoning requirement, it is estimated that they were based on projects totaling 520 total units. During those 6 years, however, there were 1,100 residential units permitted, indicating that the inclusionary zoning requirement applied to approximately 50 percent of all residential construction.

4. ***Had the intent of a previous version of the housing resolution (version 6-94) been followed, nearly double the number affordable units might have been built.***
   - Among other things it established, resolution 6-94 expressed the City Council's intent to consider whether the future version of the resolution's housing requirements should apply to residential development of more than two units.

5. ***Moving forward, the development pipeline would suggest that there are fewer applications that will apply to the existing housing resolution.***
   - According to staff, there are few if any opportunities for future annexation, and only three master-planned developments (MPD) are known. Development is increasingly infill and single-site demolition/rebuild.

6. ***Revisions to the housing resolution have focused increasingly on the community's workforce.***
   - In a revision to the housing resolution in 1999, the City Council listed that the beneficiaries of such policy should include police, teachers, firemen, service workers, and longtime community residents. By 2006, that had been expanded to include: those who live and work in Park City, "essential" public and private sector service workers (schools, fire, municipal corporation, sewer district), full-time employees of businesses located within city limits, residents of Park City for the past 24 months, owner or owner's representative of a business within city limits, senior citizens, and the physically or mentally challenged. In a subsequent revision, the word "essential" was removed from the public and private sector service workers category.

7. ***Moreover, while improvements have been made to the housing resolution, these changes have had decreasing returns given the changing market.***
   - Over time, improvements, clarifications, and modifications have been made to the housing resolution, although some of its elements have not; e.g., the per-unit incentive of $5,000 has not been updated since 1991. MPDs and annexations were more common in the early 1990s than they are now, and they do not provide the same vehicle for affordable housing production they once did.

8. ***There are conflicting policy objectives regarding height, view-shed, historic preservation, and open space.***
   - As has been pointed out in previous studies, these desirable planning objectives conflict with the objective of achieving greater housing affordability. They all serve to exacerbate affordability conditions and increase prices by generally decreasing the supply of housing.

9. ***EPS employee generation survey data for Park City are generally in line with the current factors in the existing housing resolution.***
   - The commercial mitigation portion of the current housing resolution bases its mitigation requirement on 20 percent of the 4.4 full-time equivalents (FTEs) generated per 1,000 square feet of commercial space. Based on analysis and vetting of 132 survey responses from Park City employers, the overall rate is currently estimated at 3.9 FTEs per 1,000 square feet for the City.
   - The information collected provides sufficient detail to replace the existing types of rates with City-relevant numbers as well as differentiate between, for example, a full-service

restaurant (8.1 FTEs per 1,000 square feet) and a quick-casual or fast food restaurant (6.9 FTEs per 1,000 square feet).

- Many categories were within approximately 20 percent of the current generation rate, such as lodging (0.5 FTEs per room versus the existing 0.6 FTEs); medical profession/health care (2.7 FTEs per 1,000 square feet versus the existing 2.9); finance/banking (2.8 FTEs per 1,000 square feet versus the existing 3.3); education (2.2 versus the existing 2.3 FTEs); and real estate and property management resulted in the same generation rate (5.9 FTEs).
- One category was different by more than 20 percent of the existing generation rates, such as "other professional services" (2.7 FTEs versus the existing 3.7 FTEs).

1.2 Recommendations

EPS and its legal consultant, White & Smith, LLC, have worked with City staff and the City Attorney in the development of the findings and recommendations presented here. Unfortunately, neither the Utah Statutes nor the Utah courts have provided direct guidance with respect to inclusionary zoning or fee-in-lieu programs for cities in Utah. Please be advised that although other courts around the country have taken up issues related to inclusionary housing programs, and while their holdings are somewhat instructive, the current status of known Utah interpretations and standards reflect a more rigorous judicial review and/or legislative reaction may be expected if the program is expanded to otherwise permitted uses.

In addition, Utah's statutory and case law have been consulted, as well as other state sources, including an important advisory opinion from the state's Office of the Property Rights Ombudsman (Advisory Opinion #96, February 28, 2011) for guidance. These have been used as a general reference, but, of course, how a Utah court would interpret the City's current approach or those recommended here is unknown and the City Attorney's input should inform the City's consideration of the recommendations included in this report.

1. ***From a development-based approach, Park City should consider providing additional financial or economic incentives.***
   - The City should consider deferring, abating, or granting back some portion of local property taxes to property owners/managers for keeping units in long-term affordability. Financial modeling provided in this report illustrates how this tool would provide value to rental developments as a way to "fund" additional housing without committing new public financial resources.
   - The City could decide what level of affordability (e.g., a percent of the affordable workforce wage) and what term (e.g., units remain affordable at specified income level for 15 to 30 years) to require. This technique could be applied to new and rehabilitated rental properties, as well as new developments. (This recommendation needs to be considered within the City's legal authority and Utah statutory limitations..)
   - Analysis described in the report indicates that under some conditions, this incentive could be accretive to a project's return on cost. While it is risky to assume that this would be the case for every project, the reality does remain that decreased expenses means greater debt service coverage ratio for a project and better operating performance. In other words, the impact of a property tax abatement (or a mechanism designed to achieve similar results) could make a development project either more feasible or encourage a project to move forward that otherwise would not have.

- As it concerns for-sale housing, the City should consider whether the per-unit fee waiver, currently a part of the existing housing resolution, is worth maintaining. Because the gap between market rate and affordable units is so great (currently estimated at nearly $950,000), the $5,000 per unit waiver of fees is not enough to motivate a developer; it is therefore, largely symbolic. At a minimum, the City should consider having a discussion about waiving either 100 percent or some substantial portion of permit and impact fees. (In context, the fee waiver was set at $5,000 in 1991. In today's dollars, it would need to be approximately $8,600 to have at least the same value.)
- It should be noted that the Municipal Land Use, Development, and Management Act (Title 10, Chapter 9a, Utah Code Ann.) includes certain requirements related to cities planning for and providing moderate income housing. For example, cities - required to adopt a comprehensive plan - are authorized to address "the protection or promotion of moderate income housing" in their plans (Utah Code Ann. §10-9a-401) and must include a land use element that includes an estimate of its needs with respect to moderate income housing and a plan to reasonably meet those needs (Utah Code Ann. § 10-9a-403(2)). Cities with moderate income housing plan elements must review them biennially to detail actions, efforts, and progress made to meet city's housing objectives (Utah Code Ann. §10-9a-408). Certainly, Park City's longstanding inclusionary housing requirements fall within this planning context, as would reasonable incentives described here and in Recommendation #2.

2. ***The City should expand the applicability of the density bonus for affordable housing and consider raising the density bonus.***

- Applicability: The density bonus is granted only to MPDs in the City's Land Management Code. Using additional entitlements to motivate a developer to provider affordable housing can be a strong incentive in markets where additional density is particularly valuable. As a matter of policy coverage, EPS believes that the density bonus should be made available to any development that would look for ways to include affordable housing, including commercial and infill developments.
- 10 percent density bonus: The density bonus is frequently the strongest incentive an inclusionary zoning ordinance can offer in any setting where development pressures exceed entitlement. In EPS's experience, an increase in density, while greater efficiencies of land are usually realized (lowering the per-unit costs of land), is still associated with more construction costs. There are two challenges for most communities utilizing this incentive.
- On one hand is calibrating the amount of density, recognizing the marginal costs of construction, so that it has sufficient residual value to motivate a developer to pursue it. On the other hand is calibrating the amount of the "requirement" so that it doesn't eliminate the positive residual value of the density bonus itself. That is, there is value in the density bonus that can be leveraged for additional community benefit (i.e., affordable housing), but it needs to be of sufficient scale so as not to make the density bonus worth pursuing at all.
- Currently, Section 15-6-5(A)(1)(b) allows the Planning Commission to grant a maximum of 10 percent density bonus if a developer proposes an MPD where more than 30 percent of the equivalent units are affordable (or employee) housing. Therefore a developer of a residential MPD in Park City would have two basic choices: comply with the standard 15 percent set-aside requirement, or provide an additional 15 percent affordable housing for 10 percent additional density. It is very unlikely that these two elements have been calibrated such that a developer would be economically indifferent to the two choices –

i.e., they would both yield the same financial return, or even ideally that the financial return of the project with the density bonus is actually higher.

- EPS recommends that the City re-evaluate its motivation for the two factors and discuss to what extent they can be brought into closer economic alignment. For example, a density bonus of 20 to 40 percent may be necessary (depending on the scale of the development and its construction type – wood frame, steel, or concrete) to offset the increased requirement for affordable housing.

3. The City should modify the commercial component of the housing resolution.

- Policy Context: From the perspective of a policy modification, it is always possible to convert this commercial mitigation strategy into an actual commercial linkage program—i.e., using a nexus study to establish fees that are assessed to new non-residential developments on a per-square foot basis by land use categories. EPS believes that the current version of a "commercial mitigation strategy" generally achieves the same outcomes as a commercial linkage program might, and that the magnitude of units built or in-lieu fees collected would be roughly equivalent. Like the survey data collected in this study, a nexus study also collects data to identify the number of FTEs generated by different non-residential land uses. It quantifies the distribution of jobs by occupational category and assigns them to wage levels. The workers (and their households) are distributed by median income categories, from which it can be estimated what portion of all jobs created by the new non-residential development require housing assistance. The fee is calculated as the affordability gap, or the difference between the market rate and price of an affordable housing unit to particular households by median income level. The total affordability gap for the lower-income households is estimated and divided by the total square feet of a development to determine a per-square foot fee.

  Generation Rates: The City should discuss the merits of incorporating the new survey-based employment generation rates. It should be acknowledged that this type of basis for calculating employment generation rates is always subject to a margin of error. On one hand, asking employers the number of their full-time and part-time staff relies on the accuracy of the information the person surveyed has available. On the other hand, it relies on the respondent's knowledge of the total floor area of their space, and in the absence of that (which is very common), the accuracy of this part of the information is reliant on either the respondent's or the data-gather's ability to accurately gauge the size of the space. EPS made every attempt to fully vet the numbers given to all data-gathers in the survey work. We cross-checked the square-footage numbers against Summit County Assessor data.

- Mitigation Rate: Aside from the 15 percent residential set-aside requirement, there are a couple other factors that seem to be associated with mitigation of affordable housing need. On one hand is the 20 percent mitigation factor applied to the commercial component; on the other hand is the 34 percent "location substitution" factor identified and both require the mitigation of some portion of the housing demand generated by those uses. In the case of the City's current resolution, 20 percent appears to have been chosen as a number reflective of the portion of FTE-based households in need of housing assistance, though no documentation is available to confirm this.

  In the case of the 34 percent location substitution factor, it appears through research that this number originated from an analysis of 2005 commuting data that identified 34 percent of the City's jobs were held by City residents. It was held that this was an optimal number to maintain and has been applied to estimates of affordable housing demand since then. In the context of other resort communities, this number is often a policy-driven factor. Telluride (CO), for example, chooses to require a 40 percent commercial mitigation rate; San Miguel County (CO) requires 15 percent; Vail (CO) requires 20 percent; Jackson Hole (WY) requires 35 percent; and Aspen (CO) requires 60 percent. These rates are not necessarily based on any specific analysis of in- and out-commuting patterns; they are based on community priorities. As such, Park City should engage in a discussion with elected officials about an appropriate "goal" for housing local workers. By way of comparison, if Park City did embark on a nexus study to quantify the jobs-housing linkage for commercial development, this mitigation rate would be a factor developed in the analysis, which then becomes, for communities with such policy, the subject of policy debate and community goals.

- In the end, no matter which direction the City takes on this issues, it needs to have a discussion about what percent of its workforce it believes should live locally and start to frame the analysis of other production goals around it.
- In 2015, the California Supreme Court decided an important case arising from the City of San Jose's inclusionary zoning ordinance (which is similar to, though not identical to Park City's housing resolution), and held that the San Jose ordinance was a defensible land use regulatory device and was not an exaction. *See California Building Industry Ass'n v. City of San Jose*, 351 P. 3d 974 (2015). It is not clear, of course, whether a Utah court would concur with the California Supreme Court's *San Jose* case in the event of a challenge here (see e.g., Property Rights Ombudsman Advisory Opinion #96, February 28, 2011), but in any case, should the City elect to implement Recommendation #3, appropriate nexus, and potentially developer feasibility/benefit, studies should be considered in consultation with the City Attorney.

4. The City should establish a housing goal.

- At this time, establishing an actual housing goal – i.e. a concrete numeric target, should be the city's highest priority. The evolution of the city's current housing resolution, as outlined in Chapter 2, illustrates clearly the city's intent to prioritize affordable housing, but also illustrates how the City's statements did not identify actual goals. Also outlined in the report, the closest the city has come to identifying a numeric housing target has been the informally-adopted "location substitution" rate of 34 percent. Research into the root of this factor shows that it may have been based unintentionally on the incorrect ratio of "job-holding residents" to total Park City jobs. Historic in- and out-commuting trends indicate that in 2005, when the location substitution factor was developed, that the ratio of Park City residents working in Park City was actually 15 percent (not 34 percent).
- As a point of comparison, both Jackson Hole and Aspen have adopted housing goals. Aspen has a stated target of housing 60 percent of its workforce locally, and as such, holds its commercial mitigation rate at 60 percent. Jackson Hole also has a stated policy target of housing 65 percent of its workforce locally, although it requires just 35 percent commercial mitigation. EPS recommends that Park City not only engage in a discussion of what it would like the target to be, but whether or not it believes that a modified commercial mitigation rate should or needs to be the only manifestation of that policy goal. That is, even if the City chooses to adopt a high locally-housed workforce target, the City will likely never achieve its goals with future commercial development alone. And if Park City did embark on a nexus study to quantify the jobs-housing linkage for commercial development, this mitigation rate would be a factor developed in the analysis, which then becomes, for communities with such policy, the subject of policy debate and community goals.

- But, as a point of departure, EPS recommends that the City entertain two basic possible housing targets: housing 20 or 25 percent of the city's workforce locally. While this proportion seems lower than the unofficial 34 percent location substitution factor, this is a reasonable, if not optimistic goal for the city to set. Based on projections detailed later in the report, EPS estimates that to achieve 20 percent of the city's workforce living locally would require the production of approximately 860 more housing units specifically for the local workforce. Achieving 25 percent of the city's workforce living locally would require the production of approximately 1210 more housing units specifically for the local workforce. These would be double and triple increases, respectively, in the rate of housing production for local residents (i.e. occupied housing units) and would, therefore, challenging from a variety of perspectives, including among other things, the capacity of the development community.
- As discussed previously, the Utah courts have not been presented an opportunity to consider the constitutional or statutory standing of an inclusionary housing ordinance in this state, as the California courts recently have. To the extent the same would be considered an exaction in the Utah context, the goals recommended here should reflect the estimated impact of development subject to an amended Park City housing requirement. Nonetheless, establishing a housing goal is important, at the very least, for purposes of meeting the moderate income housing requirements for cities under the Municipal Land Use, Development, and Management Act.

5. The City should modify its in-lieu fee structure.

- The current housing resolution establishes a structure based on three pieces of information: 1) the median market value per square-foot of 600 to 1,600 square foot units sold in the prior year; 2) multiplied by 900 square feet; and 3) the affordable home sale price for a household earning Park City's workforce wage subtracted from the result. There are a variety of approaches available to governments in structuring an in-lieu fee: 1) the difference between a market rate unit and a deed-restricted affordable unit; 2) a percent of the construction cost; 3) a percent of the maximum affordable sales price; 4) a percent of the land value to construct units elsewhere; and 5) nexus-based fee, which is described in recommendation above.
- Given considerations for complexity versus simplicity of the in-lieu fee's design, considerations for the magnitude of revenues generated, and considerations for the ease in making annual updates, EPS recommends that the City adopt a construction cost methodology for its in-lieu fee structure. This method would rely on only one piece of information for the actual in-lieu fee (construction cost per unit), rather than the current three.
- This per-unit factor could be developed using the City's own development projects of a relevant prototype, such as single-family homes, townhomes, or condos. The methodology would also involve making annual updates, using either the BLS producer price index (PPI) for all residential construction (i.e., for *Material and Supply Inputs to Construction Industries*, which is published annually on a 1½ year lag), or the consumer price index (CPI), which is published by the BLS monthly and without a lag. Either way, the methodology does not rely on collection of magnitudes of MLS or Assessor data each year for updates.
- EPS also recommends that the City consider applying a percentage to this factor, such as 75 percent of the total cost of construction, so as to remove a portion often attributable to land costs.

- As noted previously, consideration of whether or in what manner to restructure the City's in-lieu fee provisions, should include input from the City Attorney and, in particular, the assumed approach being an exaction or land use regulation under the Utah framework.

6. ***The City should consider modifying the residential portion of the housing resolution to apply to all residential development.***

- The City should consider applying this portion of the resolution to all residential development. This is based on the review of the intent of the original housing resolution and the focus of subsequent iterations on annexations and MPDs, as well as analysis of historic building permit data, and an understanding of development in the pipeline. That is, it is unlikely that annexations or MPDs will be a majority or even a substantial component of development moving forward, such that the housing resolution as written will continue to be effective.
- For either of the previous options, EPS would recommend that an exemption be structured for projects that are contributing to the City's affordable housing inventory. As such, the exemption could be drawn at units that are priced below a certain affordability mark. For example, in 2014 the maximum affordable purchase price for a household earning 100 percent of median income ($89,886) was $359,600. Alternatively, the maximum affordable purchase price for a household earning 150 percent of the Park City workforce wage ($73,253 for a household of two persons) was $282,700. Whatever the threshold, EPS recommends that it serve equally as a proxy for the size of units being constructed.
- The implication of this is that all new residential development, large and small-scale projects of all structure sizes would apply. Given that the City has been concerned about recent increases in the number of larger single-family homes (i.e., second homes) that have not been subject to the resolution, it would be in the interest of the City to adopt a mechanism by which these are either subject to a higher mitigation, or that units priced more affordably (or of a smaller size) would be exempt.
- One option available is that the City could consider establishing a residential linkage program, which would establish the nexus between the level of affordable housing demand generated by units at various price points (i.e., proxy for size). There are two methodologies that such an analysis could employ: 1) other resort economies who have traditional residential linkage programs have conducted door-to-door surveys of the actual employment generated by their household (i.e., gardeners, housekeepers, other staff, etc.); and 2) there are a few larger, urban markets that have adopted residential linkage programs that rely on a nexus established on the basis of overall employment (i.e., jobs vis-à-vis household spending patterns). The first method requires primary data collection, and the send relies on input-output modeling factors.
- The other option is that the City keep its existing mitigation structure, but apply it to all new construction or demo-rebuild projects (i.e., no threshold). The fee in-lieu structure would be kept the same, but its outcome would require that smaller projects would be a fraction of a per-unit fee.

- As discussed in Recommendation #3, Recommendation #6 also implicates the City's existing resolution-based approach, which is based on a "Housing Mitigation Plan" proposed by an applicant mostly for annexations and master planned developments. This approach, though untested, generally is regarded as a fair and equitable means of addressing the housing challenges facing Park City. Expanding the inclusionary requirements to all residential development, though clearly advancing the "moderate income housing" directives in the Municipal Land Use, Development, and Management Act, also implicates the questions raised in the advisory opinion and *San Jose* case outlined previously and should be discussed with the City Attorney.

7. The City should pursue a blended approach to structuring deed-restricted ownership units.

- There are two common approaches to deed restrictions – shared equity and limited appreciation model. In general, the shared equity model lowers the initial cost of home-ownership for households and offers them the opportunity to own the property in the long run while not necessarily attempting to manipulate the "value" of the property for the sake of keeping it in the affordable inventory. The limited appreciation model, on the other hand, seeks to manipulate the value by arbitrarily setting a price appreciation limit that is sometimes set to 2 or 3 percent.
- Shared equity works well in an environment where considerable magnitudes of new housing are being built. It would be worthwhile engaging city officials in a discussion of how to establish the program so that it could be utilized where effective. Specifically, the shared equity approach means that a borrower purchases a home by providing a downpayment, typically 5 percent, borrows approximately 75 percent of the value of the property and receives a low-interest equity loan of up to 20 percent (or some limit). At the end of the mortgage term or earlier, the equity loan is paid off in full plus 20 percent of the property's value escalation.
- A lower equity loan means less for a household to pay back over time, the larger the equity loan, the lower the "point of entry" for households in need. As such, the City may want to consider this element as a point of leverage to manipulate given market conditions. That is, the City could establish a policy where equity loans are available up to a maximum amount, and the borrower could choose whether or not to take advantage of the full value.
- The challenge with this technique, however, will be that the City effectively cannot lend its credit or make loans. To take advantage of this option, the City will have to explore what third-party entities would be appropriate for administering such a program, such as Mountainlands Community Housing Trust or the Housing Authority. Perhaps the City could work to organize local and regional banks to establish a shared equity loan pool whereby the banks receive Community Reinvestment Act credits or other tax abatement incentives.
- This model may also be worth exploring in a rental (or leasehold) context. Instead of an equity loan to the homebuyer, the City might explore whether it has the resources (i.e., pass through of capital funds) to grant lower interest equity loans to a new rental development in exchange for a portion of the units to be provided as affordable.

- In general, the advantages of the shared appreciation model are that it lowers the barrier to entry for households and gives them an opportunity to buy into the market and build equity at the same pace as the rest of the market. On the other hand, the shared equity model works well in a market that is constantly producing new units. In theory, after the first round of households has purchased such a deed-restricted home and sold it, there is risk that the housing inventory could enter the market-rate inventory unless a fail-safe mechanism is included, such as a first right of refusal for the city.

8. ***Define the timing of commercial and residential developments in the scheme of a revised and modified housing resolution.***
   - It is important with the modification of existing policy or adoption of new policy that affects land development that a date be selected sometime in the future, at which point all applications received would apply to the revised policies. Depending on the length of time between, for example, permit application and time of construction or site plan and building permit, EPS recommends that, at the time City Council may approve the recommendations governing the housing resolution, a date be chosen that reflects this amount of time and applicable state requirements related to vesting of development rights, as applicable.

9. ***The City should establish priorities for allocating the recent $40 million RDA Fund allocation.***
   - Previous Councils have drawn made important, symbolic, but necessary declarations of need, intent, and priorities in the housing resolution. The recent allocation of $40 million for capital is an important backdrop to such conversations. The City should engage its elected officials, however, in a policy discussion oriented around determining and voicing their concerns, vision, and direction regarding housing priorities.
   - That discussion should utilize major analytical findings from this study as guideposts for policy debate, not necessarily as prioritizations or exact magnitudes of need. The analytical findings of this study, and other studies that have preceded it, can be interpreted as a selection of ways to look at this need. As there are multiple methodologies here and developed throughout the years by PCMC staff, there is a need to view these findings through the lens of political priority, perceived urgency, as well as within the context of other City priorities.
   - EPS recommends that the City consider the various programmatic ways it might utilize the allocated funds. Programmatic considerations include making some portion of the funds available through a Notice of Funding Availability (NOFA), through which the City could create a competitive environment among both housing developers and service providers for use of the funds. Such a process can leverage the private sector for creative and financially efficient uses of funds.
   - Another potential programmatic use of funds could be the acquisition of a strategic parcel of land that the City believes might be valuable in the future as a mixed-use redevelopment, in which the land could be leveraged for a public-private partnership development.
   - In addition, some portion of the funds could be allocated to the purchase of existing units that might be appropriate for a shared equity or shared ownership program.

- While the City is not authorized under its accounting rules to make loans (i.e., for the purpose of establishing a mortgage pool or shared equity program), the City should still engage in discussion around who would be an appropriate entity to carry out such a function, how it would be done, and what variety of programs it would offer. It is valuable to consider that the original resolution (37-91) set forth an objective to establish a mortgage pool, working with lenders. While it is not clear from subsequent versions of the resolution whether this concept was ever piloted, it is clear that there are obvious obstacles to doing it today. Furthermore, it does not appear that the Mountainlands Community Housing Trust offers this type of assistance through its various ownership programs.
- In terms of beneficiaries, the City could utilize analysis of affordability conditions from this and other studies to identify magnitudes of need, looking at income level, community workforce contingent, and the type of development typically associated with that type of need. For example, EPS prepared revisions of previous gap analyses as well as a new methodology to estimate magnitude of housing type need by respective income levels of in-commuters.
- Based on the analysis of trends, the City would see more effective results and higher production if it focused more on community-based solutions, such as use of funding mechanism, than relied solely on its housing resolution, which is a development-based approach.
- Funding allocations and incentive programs advance moderate income housing planning requirements, including those in section 10-9a-403(2)(a) and (b) and -408 of the Municipal Land Use, Development, and Management Act.

2.0 *PROJECT CONTEXT*

2.1 Existing Housing Policy

One of the primary objectives of this study is to evaluate the effectiveness of the existing housing resolution. In an effort to understand its evolution, its intent, and in particular, the motivations behind the policy as it stands today, the following section traces the changes in the city's housing policy from its origination in 1991 through today. To formulate more informed recommendations regarding an update to the policy, EPS has looked into the conditions and motivations that warranted the adoption of the resolution, and what how those conditions may have differed from when the current version was updated, and to what extent the current policy is still responsive to the market.

In general, revisions to the housing resolution have focused increasingly on the community's workforce. While improvements have been made to the housing resolution, these changes have had decreasing returns given the changing market. Over time, improvements, clarifications, and modifications have been made to the housing resolution, although some of its elements have not; e.g., the per-unit incentive of $5,000 has not been updated since 1991. MPDs and annexations were more common in the early 1990s than they are now, and they do not provide the same vehicle for affordable housing production they once did.

2.1.1 Resolution 37-91

In this original version of the resolution, City Council established general policy direction. It established affordable housing as a priority, whereas the Council acknowledged a need to protect and enhance community diversity by encouraging a mix of housing. Specifically, the city noted that it wanted to "assist those members of our community that have demonstrated their commitment to Park City by either their residency and/or work history…" It also acknowledged affordable housing as a housing problem of "national scope." As such, it established a few key components or objectives.

It first of all established a $5,000 per unit subsidy for projects that imposed resale and occupancy restrictions, giving preference to residents that had lived or worked in community for 3 years. The resolution stated that it should ultimately develop "a program similar to the Historic District Grant Program to encourage the rehabilitation of residential structures for long-term rental or primary occupancy by the owner", establish a private mortgage pool working with lenders, etc., and "consider the need for requiring affordable housing sites as part of all annexation agreements."

2.1.2 Resolution 8-93

The update in 1993 made a few changes, not necessarily to the substance of the policy, but to its specifics. Among the changes, City Council established minimum unit sizes, maximum rents, unit equivalents, in-lieu payments, and a 10% set-aside requirement for annexations.

2.1.3 Resolution 6-94

In 1994, City Council updated some of the "whereas" clauses to the resolution and expanded on its policy discussion and motivations for the policy itself. First, the City stated it would establish affordable as a high priority goal and top priority action item, that a survey of the community indicated that 86 percent of residents said City should encourage affordable housing, and that rapidly rising housing costs was exacerbating the lack of moderate and lower income housing.

As such, the revised resolution established a task force, sought to endorse and assist in the development of a model lease to be used as a standard in subsidized units, implement the Accessory Apartments Ordinance 94-4 to encourage the creation of additional rental units throughout city, and it "express[ed] the council's intent to consider new housing requirements that may affect: residential development of more than 2 units; commercial buildings; annexations".

2.1.4 Resolution 7-95

In 1995, the City Council made a few changes to the resolution language, including a reiteration of making affordable housing an "action target" for 1995 and 1996 and noted the dramatic increases in land and housing prices. Among the additions to the policy were the 10 percent set-aside requirement for residential development, a 40-year affordability term for deed-restricted housing, and a covenant in the deed restriction that indicates the City should have the first right of refusal.

2.1.5 Resolution 17-99

The revision in 1999 was the first major and nearly comprehensive expansion to the resolution since its passage in 1991. The City cited numerous studies having been completed annually that have documented the reality that housing prices have consistently outpaced wages of the service sector workers in the resort-based economy. As a result, the task force formed in the 1994 revision and City Council jointly agreed to list the following as targets for the affordable housing policy: police, teachers, firemen, service workers, and longtime community residents. It rationalized the policy changes by indicating that "out-migration of service sector workforce due to these conditions has been detrimental to community character". The revision also stated a priority for the creation of for-sale, not rental units.

Interestingly, the policy stated that "the cost of providing affordable housing should not be disproportionately borne by any single sector of the community and any solutions should equitably apportion the costs based on impact generation, growth inducement and the underlying goal to provide a cross section of units…"

Among the changes to the resolution were an identification of the types of units desired, maximum rent guidelines (reference to Summit County 100 percent AMI) for rental and for-sale. It also "codified" the target populations as: those who live and work in Park City; "essential" public and private sector service workers (schools, fire, municipal corporation, sewer district), full time employees of businesses located within city limits, residents of Park City for the past 24 months, owner or owner's representative of a business within city limits, senior citizens, and the physically or mentally challenged. Language regarding the affordability term also was modified.

The most substantial change, however, was the establishment of the policy as it applies to annexations and master-planned developments (MPD). It established that the policy would apply to MPDs of 50 or more units or mixed-use projects of 5,000 sqft or more. It established a 15 percent set-aside, as well as alternatives to satisfying the policy: i.e. it made provisions for a project to satisfy the policy by building affordable units off-site, donating land, acquiring off-site units, or paying a fee in-lieu.

2.1.6 Resolution 10-06

The next revision also came with some substantial changes. In 2006, the City had just completed its 2005 housing assessment and demand analysis, which had concluded that leisure and hospitality sector would drive demand for affordable housing. The resolution stated that the purpose for the revision was "…to ensure that new development does not adversely affect the supply of affordable housing in the City and to maintain Park City's social, economic, and political fabric…"

Among the changes made to the policy, it was the first to contain the employee generation rate chart, which is still used in the most recent version. It established an option for the reduction of employee generation for institutional/non-profit uses up to 50 percent. It established a provision for additions or changes of use, and a section on applicability of resolution to pending developments. It also reworded the critical whereas statement "the cost of providing affordable housing should not be disproportionately borne by any single sector of the community and any solutions should equitably apportion the costs based on impact generation…" It removed the phrase "the cost of providing affordable housing should not be disproportionately borne by any single sector of the community…"

2.1.7 Resolution 20-07

The following year, a few minor changes were made. These changes added green building requirements to the applicable projects. It added a special needs emergency/transitional housing option as an alternative, and it removed "essential" public and private sector service workers (schools, fire, Municipal Corporation, sewer district) from the list of targeted populations.

2.1.8 Resolution 25-12

The core of today's applicable policy was refined in the revision in 2012. This version expanded the explanation of the fee in-lieu calculation, removed another category from the target population – i.e. "residents of the city for prior 24 months", and added language regarding the Park City workforce wage.

2.1.9 Resolution 02-15/13-15

In early 2015, minor language changes were made related to the conveyance of land and affordability terminology. In a subsequent revision later in the year (13-15), the City added a paragraph concerning the fulfillment of affordable housing construction in advance of the obligation.

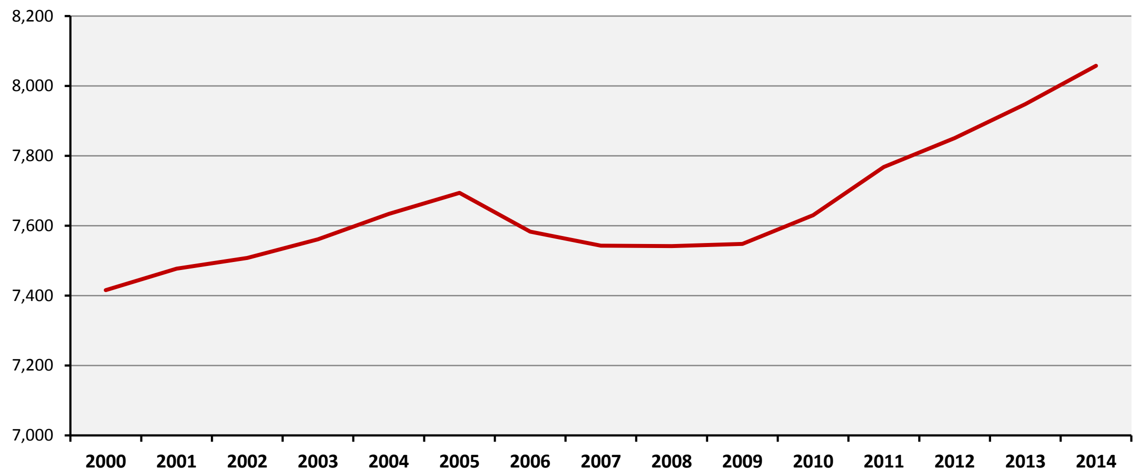
2.2 Economic and Demographic Trends

This section of the chapter details the analysis of market trends relevant to housing policy and feasibility evaluation. Some data contained within may be duplicative of other city study documents, while some may be presented here alone. It is this study's objective, however, to provide findings and conclusions based on analysis of relevant economic and demographic conditions and that those trends be documented here.

2.2.1 Population Trends

According to the U.S. Census, Park City's population has grown by just 642 permanent residents since 2000, fewer than 50 people per year between then and 2014 (illustrated by **Figure 1**). By comparison, Summit County grew by more than 9,100 over the same period, meaning that Park City captured only 7 percent of the county's growth.

Figure 1
Population Growth from 2000, 2000-2014



Source: U.S. Census; Economic & Planning Systems

\\EPSDC02\Proj\153048-Park City UT Housing Review\Data\[153048-Demographics-012716.xlsx]TABLE Population

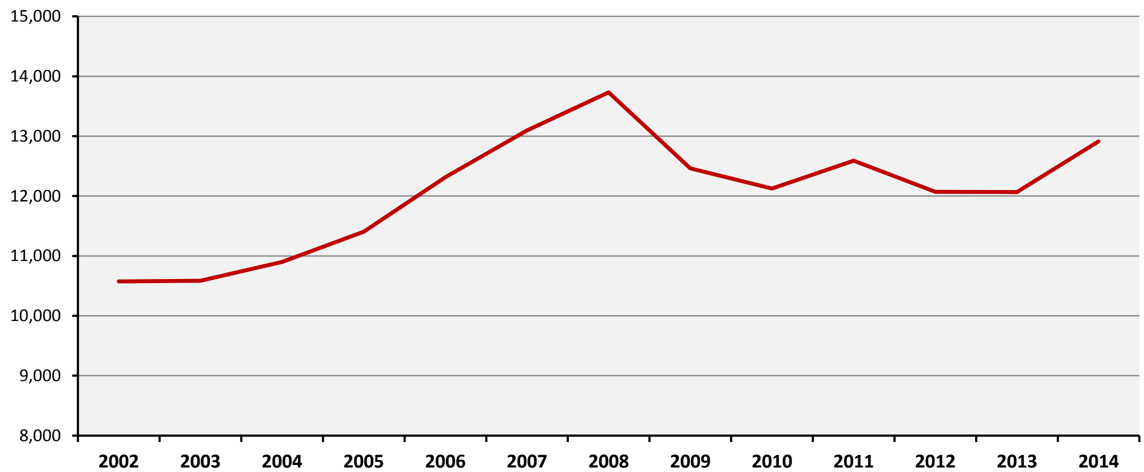
2.2.2 Employment Trends

Park City

Figure 2 illustrates that Park City's total employment increased from approximately 10,600 jobs in 2002 to slightly more than 12,900 in 2014, a total increase of 2,300 jobs or approximately 195 jobs per year. Employment gains between 2002 and 2008 were more considerable, averaging more than 530 jobs per year. During this time, the arts, entertainment, and recreation sector gained approximately 1,700 jobs; and the accommodation and food services sector gained more than 700 jobs. Among the more modest gains, the retail industry added approximately 300 jobs. The real estate industry added than 120 jobs, and the professional services industry gained approximately 140 jobs.

During the height of the recession (between 2008 and 2009), Park City experienced a net loss of 1,300 jobs primarily in four industries – accommodation and food services (470 jobs), retail (440 jobs), construction (210 jobs), and real estate (190 jobs)

Figure 2
Park City Employment, 2002-2014



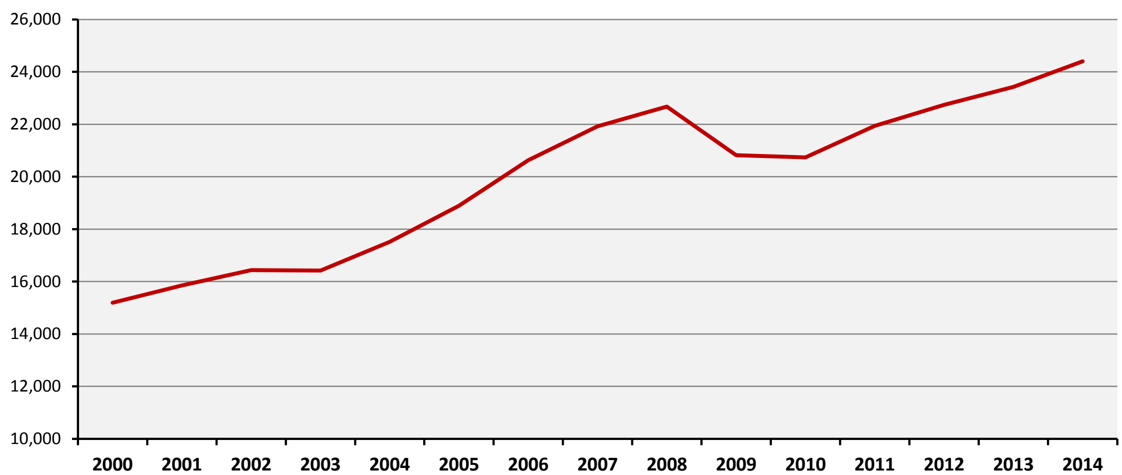
Source: U.S. Census, LEHD; Economic & Planning Systems
\\EPSDC02\Proj\153048-Park City UT Housing Review\Data\[153048-Commuting.xlsx]TABLE In-Commute

Summit County

By comparison, **Figure 3** shows that Summit County's employment increased from 15,200 to approximately 24,400 jobs between 2000 and 2014, a total increase of more than 8,500 jobs or 660 per year. Between 2002 and 2014 (the time period for which Park City's employment data were available), Park City's employment growth accounted for 29 percent of the county's growth. Between 2002 and 2008, Park City's strongest growth years, its share of the county's growth, however, accounted for 51 percent. In the years following the recession, however, the county recovered its employment base more quickly than Park City did. In fact, 68 percent of the jobs losses in the county were from Park City. By 2012, Summit County had regained its pre-recession employment levels.

Overall, between 2009 and 2014, the county gained nearly 3,600 jobs, but Park City's gains only accounted for 13 percent of that. Evidence of that lies in Park City's relative employment levels. In 2002, Park City accounted for 65 percent of the county's total wage and salary employment. And by 2014, Park City's share of employment in the county had dropped to 53 percent.

Figure 3
Summit County Employment, 2000-2014



Source: Bureau of Labor Statistics; Economic & Planning Systems
H:\153048-Park City UT Housing Review\Data\[153048- Employment- Summit County, Utah- 08-26-2015.xlsm]Sheet4

2.2.3 Commuting Patterns

Figure 4 illustrates the 10 communities that account for Park City's primary in-commuting trade area. Of the city's 12,900 jobs in 2014, more than 10,600 (83 percent of all jobs) of them were held by workers who commuted in from surrounding areas. Nearly 5,800 of the in-commuters (53 percent) live in the 10 commute shed communities.

Interestingly, in this analysis of historical data from 2002 through 2014, it was possible to evaluate where the "location substitution" factor may have originated. Although this dataset did not exist until 2009, it does provide researchers with information regarding the number of residents of Park City that were living and working in the City. It is understood that the location substitution factor came from an analysis of 2005 data. In 2005, there were approximately 11,400 jobs in Park City, approximately 1,800 of which were held by locals (15 percent). There were also approximately 3,200 residents in Park City who held jobs either in or outside of Park City (28 percent). It is therefore possible that the 34 percent, within a margin of error, could have been derived from this ratio of "employed residents" to total jobs, rather than "employed residents working in Park City" to total jobs.

Figure 4
Park City Commute Shed

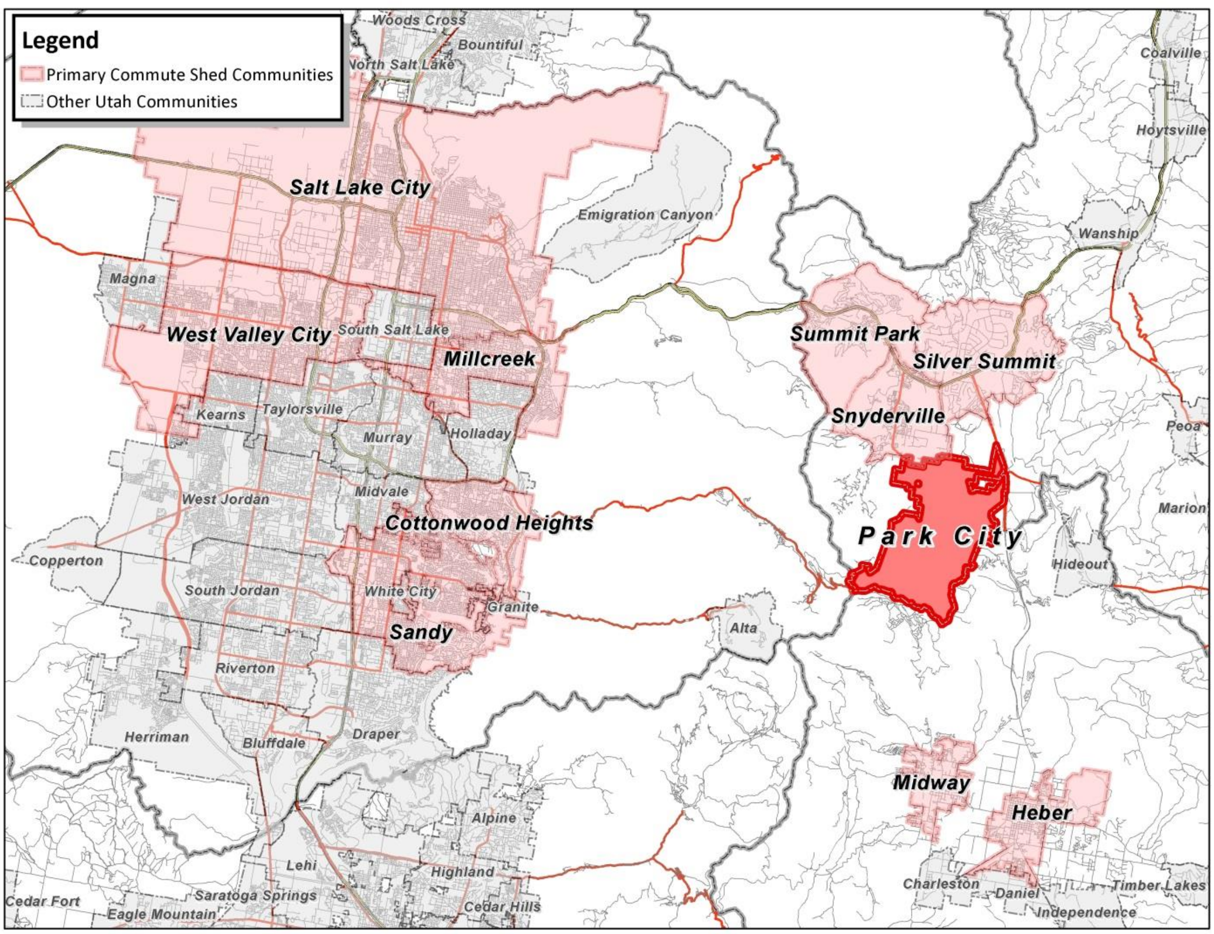
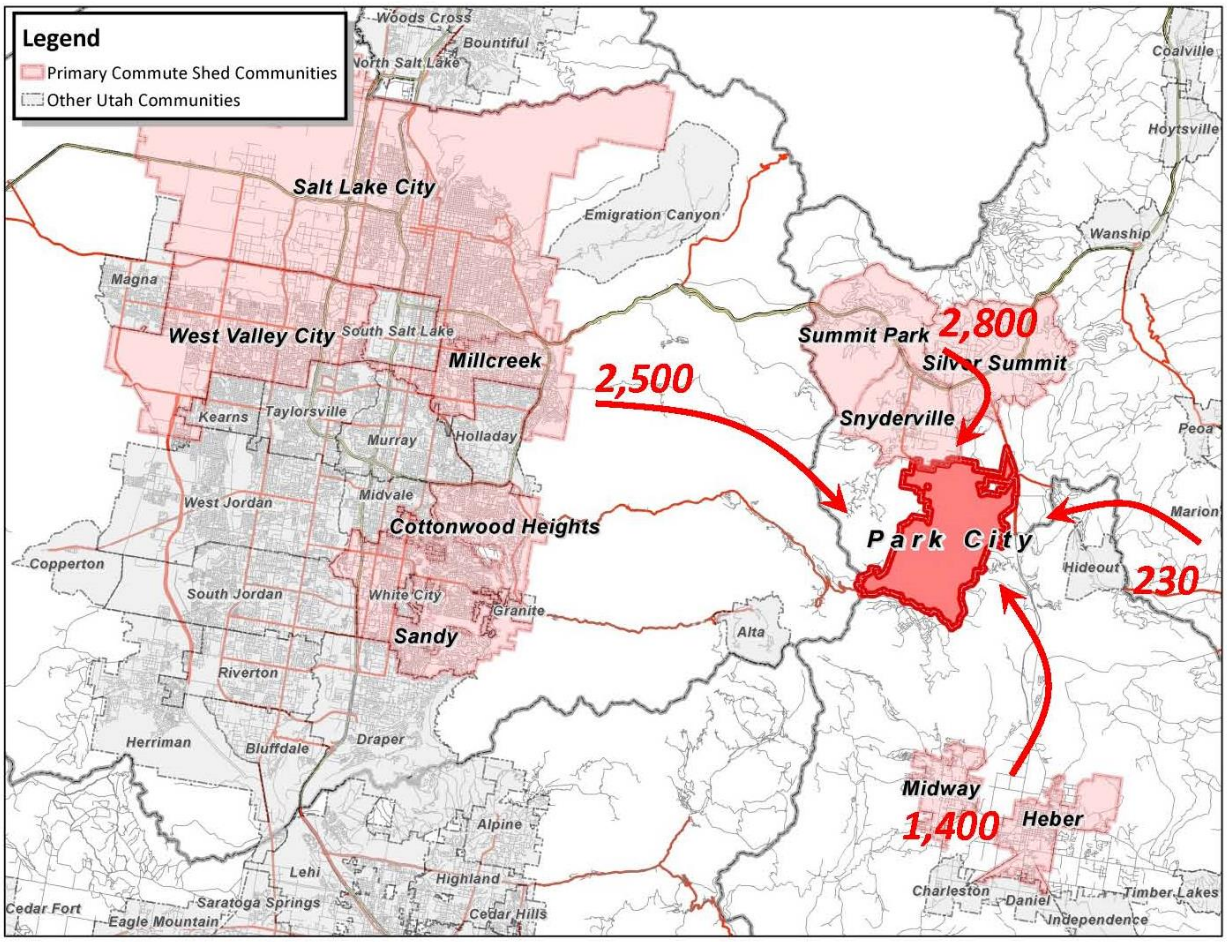


Figure 5 illustrates the magnitude of in-commuting from the 10 primary commute shed community areas. From the north, approximately 2,800 workers are commuting in from Summit Park, Silver Summit, and Snyderville. From the west, approximately 2,500 workers are commuting in from the five primary commute shed communities (Salt Lake City, West Valley City, Millcreek, Cottonwood Heights, and Sandy) as well as other cities in the Salt Lake City metro area. From the east, approximately 230 workers are commuting in from Kamas and Francis. From the south, it is estimated that approximately 1,400 workers are commuting in primarily from Midway and Heber, but also includes Lehi and Orem further south near Provo. According to the analysis of the U.S. Census's LEHD data, there are an additional 3,700 workers commuting in from other cities (not identified in the data) in any direction.

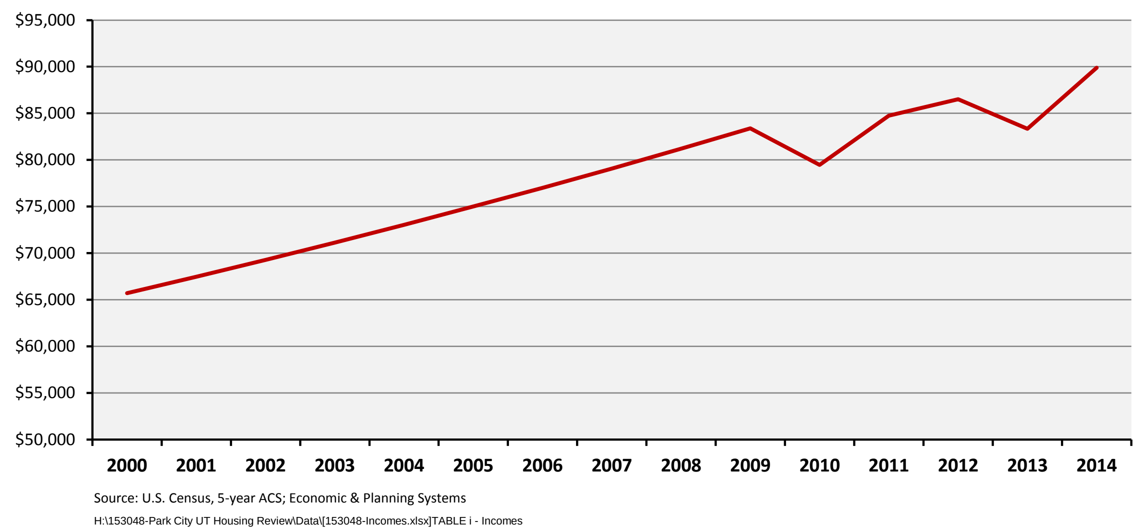
Figure 5
Park City In-Commuting, 2014



2.2.4 Household Incomes

According to data collected from the U.S. Census, the household median income in Summit County, which accurately represents the income levels of Park City, increased from $65,700 in 2000 to approximately $89,900 by 2014, an average 2.3 percent per year. During the same time, the consumer price index (CPI) measured for all western urban consumers, increased also at approximately 2.3 percent per year. As a result, the median income of households actually declined by 0.6 percent per year, adjusted for cost of living increases, implying that household purchasing power actually declined during this time

Figure 6
Summit County Median Household Income, 2000-2014

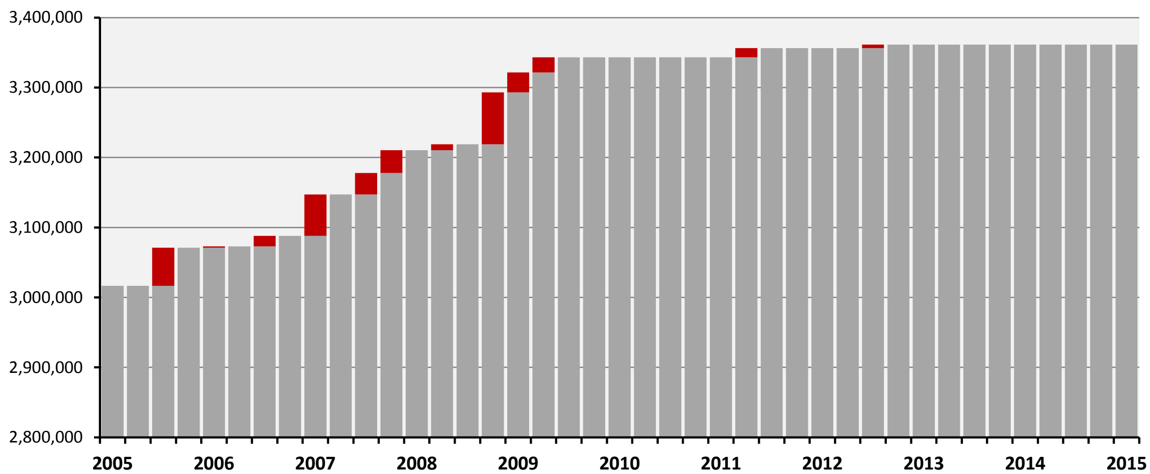


2.2.5 Commercial Growth

Retail

Between 2005 and 2015, approximately 345,000 square feet of new retail space has been added to Park City's inventory, 95 percent of which (326,000 square feet) was added before 2010 –i.e. during the boom years. Following the recession, just 18,000 square feet was added through the 3rd quarter of 2015. According to the data collected from CoStar, vacancy rates fluctuated between four and eight percent during the years of inventory growth, but have stabilized at around four and five percent since then. Currently, the vacancy rate is approximately 4.5 percent. Typically, vacancy rates below five percent (coupled with the recent increase in lease rates from about $23 per square-foot NNN to $26 per square-foot) indicates that demand for new space exists.

Figure 7
Retail Inventory Growth, 2005-2015



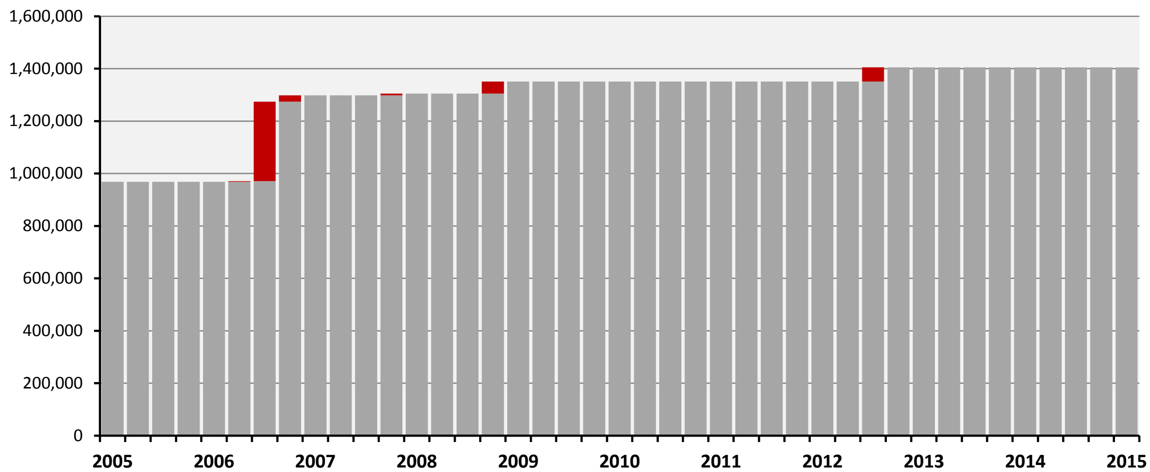
Source: CoStar; Economic & Planning Systems

H:\153048-Park City UT Housing Review\Data\[153058-CoStar-Commercial Trends.xlsx]Retail

Office

Between 2005 and 2015, approximately 345,000 square feet of new retail space has been added to Park City's inventory, 88 percent of which (383,000 square feet) was added before 2010 –i.e. during the boom years. Following the recession, just 54,000 square feet was added through the 3rd quarter of 2015. According to the data collected from CoStar, vacancy rates fluctuated between four and eight percent throughout the data period. Currently, the vacancy rate is approximately 5.6 percent. Based on the analysis of Park City's employment data, the fluctuation in vacancy rate is attributable to the periodic losses of office users

Figure 8
Office Inventory Growth, 2005-2015



Source: CoStar; Economic & Planning Systems

H:\153048-Park City UT Housing Review\Data\[153058-CoStar-Commercial Trends.xlsx]Office

2.3 Housing Market

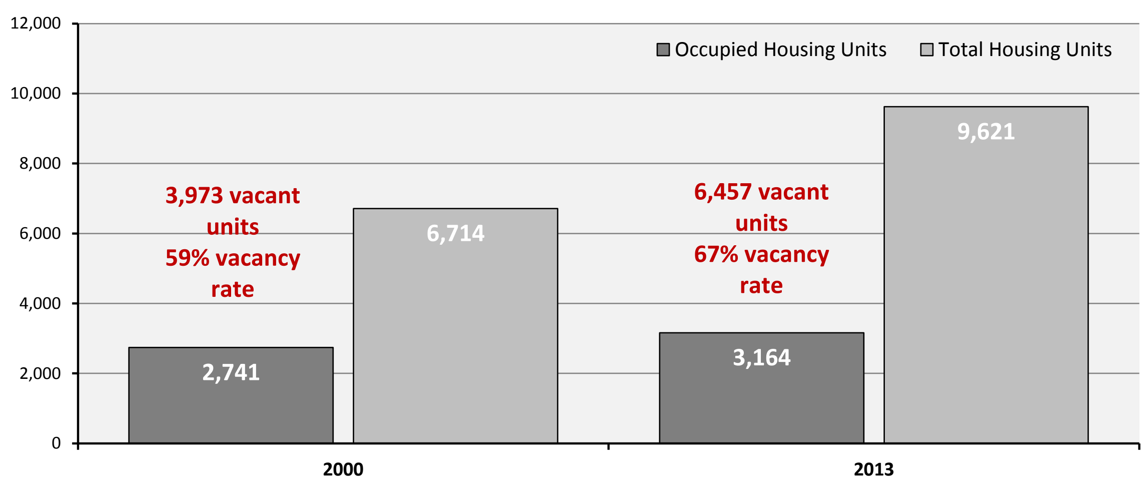
There is dwindling inventory of housing affordable to the community workforce. Other studies and needs assessments have also sounded the alarm. More importantly, there is a dwindling stock of housing affordable to those who work and would live in Park City if they could afford it. This section of the report provides information and grounding in the relevant housing market trends that look at the supply from an affordability perspective.

2.3.1 Housing Inventory

The housing inventory in Park City increased 43 percent between 2000 and 2013, or a total of 2,900 units, from approximately 6,700 to 9,600 units. As mentioned previously, the population of the city grew by just 642 permanent residents between 2000 and 2014, fewer than 50 people per year. **Figure 9** illustrates this juxtaposition. The large growth in vacant housing units and the small growth in permanent resident population indicates that very little of the city's housing inventory expansion benefited anyone wanting to live in the community as a part of the growing local workforce.

Accordingly, the number of vacant, for seasonal use or for rent, however, increased by 63 percent or nearly 2,500 units during the same time. In fact, the net increase in vacant units accounted for 85 percent of the overall net increase in units. The balance of owner and renter households remained relatively unchanged at approximately 60 percent owner households and 40 percent renter households. The only change that did occur within the two types of households, however, was within the distribution of households by income. The number of renter households increased by approximately 190. Among those, there was a decrease of 10 in households earning less than $75,000 and an increase of 200 in households earning more than $75,000.

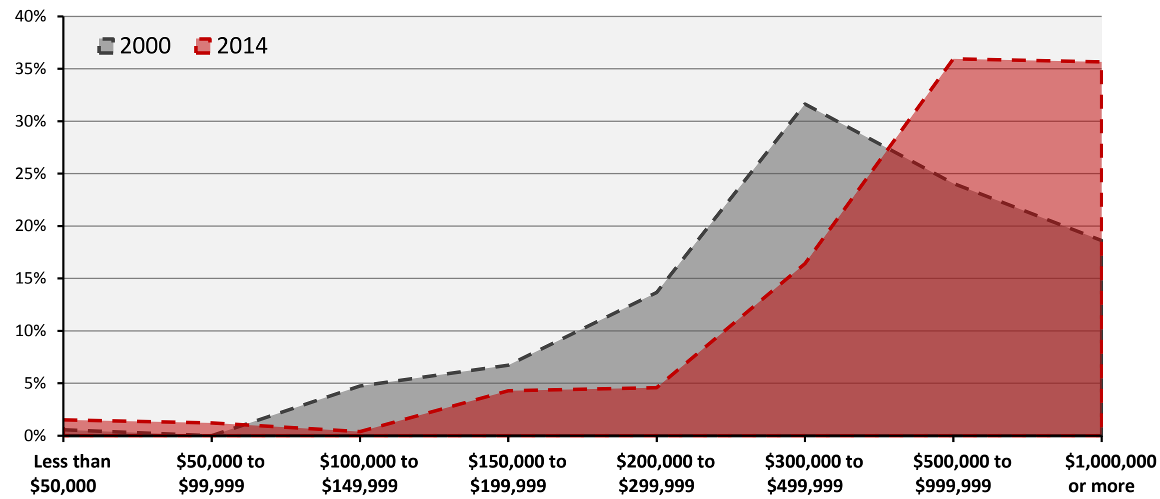
Figure 9
Total and Occupied Housing Units, 2000 and 2013



Source: U.S. Census; Economic & Planning Systems
H:\153048-Park City UT Housing Review\Data\[153048-Demographics-012716.xlsx]TABLE Occupancy

Between 2000 and 2014, **Figure 10** illustrates an aggregate decrease of 31 percent in housing valued between $100,000 and $500,000. It also illustrates that housing valued between $500,000 and more than $1 million increased by 29 percent. In 2000, 26 percent of the City's for-sale inventory was valued at less than $300,000. By 2014, that portion had dropped to 12 percent.

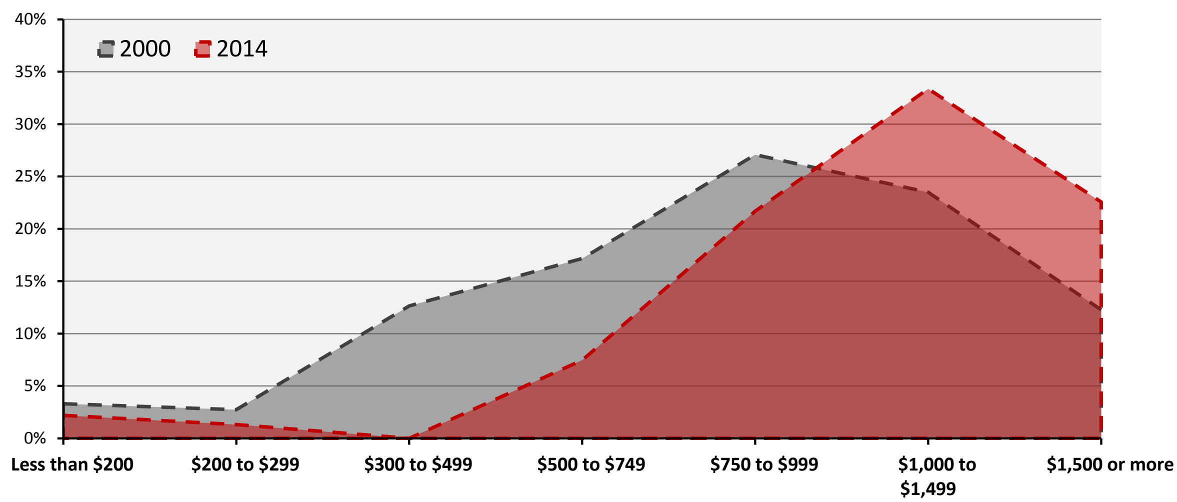
Figure 10
Owner Occupied Housing Units by Value, 2000 and 2014



Source: U.S. Census; Economic & Planning Systems
H:\153048-Park City UT Housing Review\Data\[153048-Demographics-012716.xlsx]TABLE Home Value

Figure 11 illustrates a 30 percent decrease in rental units available at less than $1,000 per month and a 30 percent increase in the portion of rental units priced above $1,000 per month.

Figure 11
Renter Occupied Housing Units by Gross Rent, 2000 and 2014

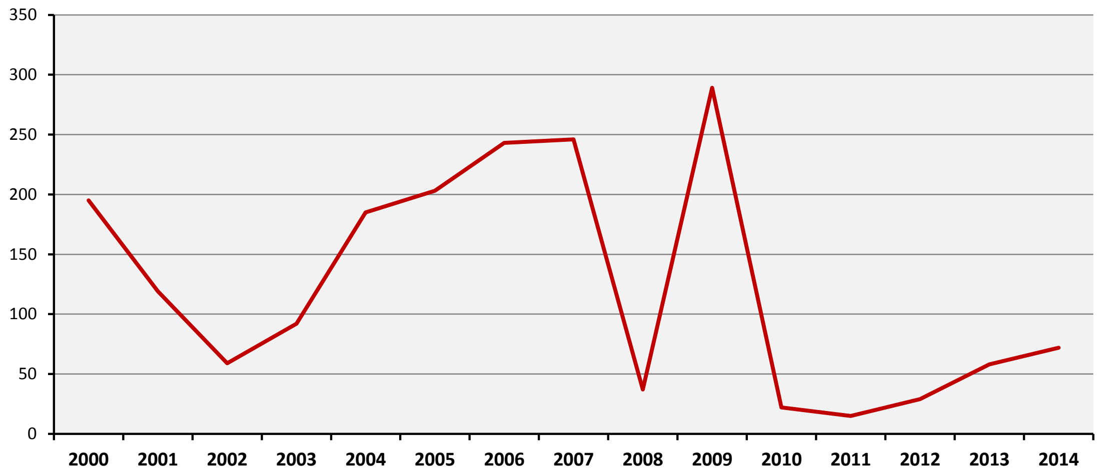


Source: U.S. Census; Economic & Planning Systems
H:\153048-Park City UT Housing Review\Data\[153048-Demographics-012716.xlsx]TABLE Home Value

2.3.2 New Construction

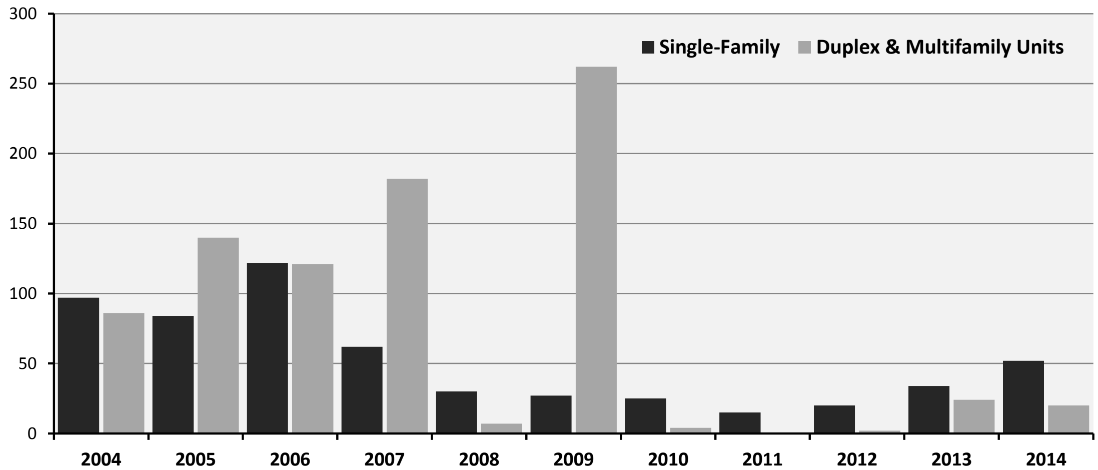
Between 2000 and 2014, nearly 1,900 single-family and multi-family units were permitted, according to data collected from both the U.S. Census and Park City's building department. **Figure 12** illustrates the magnitudes of activity by year. In the recession at the beginning of the past decade, activity dropped from 200 to approximately 50 units by 2002. Indicative of the housing boom, unit construction rose to 2007 and peaked in 2009 with the construction of a large multifamily project. Since 2009, however, construction activity has been below average, climbing only to approximately 70 units in 2014. Moving forward, the development pipeline would suggest that there are fewer applications that will apply to the existing housing resolution. According to staff, there are few if any opportunities for future annexation, and only three master-planned developments (MPD) are known. Development is increasingly infill and single-site demolition/rebuild.

Figure 12
Residential Construction Activity in Units, 2004-2014



Source: U.S. Census C-40; Economic & Planning Systems
H:\153048-Park City UT Housing Review\Data\[153048-Permit Data.xlsx]TABLE 1 - Permit Summary

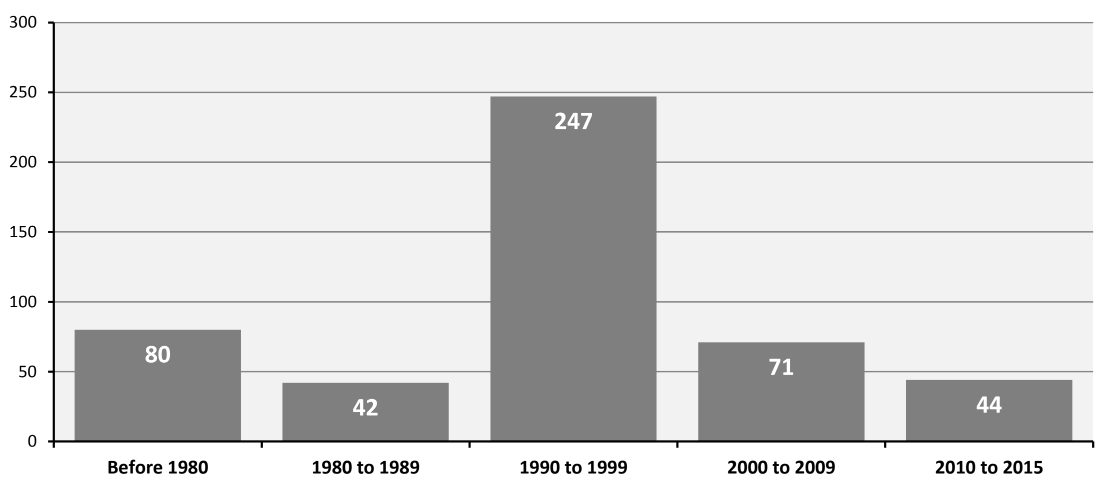
Figure 13
Residential Construction Activity in Units, 2004-2014



Source: U.S. Census C-40 Data; Economic & Planning Systems
H:\153048-Park City UT Housing Review\Data\[153048-Permit Data.xlsx]TABLE 1 - Permit Summary

Figure 14 illustrates historic affordable housing development in Park City since 1978. In total, there have been 484 units of affordable housing built since 1978, averaging approximately 13 units per year. This includes the construction of inclusionary zoning units, which occurred from 1996 onward, totaling 135 units up to 2015 (not including those units that were expected to begin construction during late 2015 or after). This also includes the development of LIHTC units, a total of 312 units built all before 2000. According to city staff, there are an additional 269 affordable units in the development pipeline, a number which has been pulled into the analysis of housing needs in a later section of the report.

Figure 14
Historic Affordable Housing Development



Source: Park City Municipal Corporation; Economic & Planning Systems
H:\153048-Park City UT Housing Review\Data\[153048-City Affordable Housing Total Production.xlsx]TABLE 1 - Affordable Units

An analysis of the city's overall residential construction activity data and affordable housing construction data, it appears that the inclusionary zoning requirement of Resolution 13-15 applied to approximately 50 percent of all residential construction between 2005 and 2011 – years for which complete data in both series were available. Approximately 78 affordable units were built between 2005 and 2011 under the current housing resolution. As these were the units to meet the 15 percent inclusionary zoning requirement, it is estimated that they were based on projects totaling 520 total units. During those 6 years, however, there were 1,100 residential units permitted.

Based on the review of the housing resolution's evolution, had the intent of Resolution 6-94 been followed, it is likely that more than double the number affordable units might have been built. Among other things it established, resolution 6-94 expressed the City Council's intent to consider whether the future version of the resolution's housing requirements should apply to residential development of more than two units. The largest concern, however, is that Resolution 13-15 is projected to apply to a smaller and smaller portion of all residential development in the future. According to staff, there are only three MPDs in the pipeline for which the existing housing resolution would apply. Moreover, it is projected that there will be little to no opportunity for the housing resolution to apply to annexations.

Table 1
Residential Building Permits, 2015

		Average (2015)					Total (2015)		
Permit Type	**No. of Permits**	**No. of Units**	**Built Square Feet [1]**	**Valuation**	**Permit Fees**	**Fee Per Unit**	**No. of Units**	**Square Feet**	**Permit Fees**
Single Family									
Single Development	43	1	4,589	$713,689	$29,599	$27,988	46	197,336	$1,272,744
Master-Planned Development	5	1	1,932	$347,432	$19,897	$19,897	5	9,661	$99,485
Average | Total	**48**	**1**	**3,261**	**$530,561**	**$24,748**	**$23,942**	**51**	**206,997**	**$1,372,230**
Multifamily									
4 Plex	1	4	5,237	$903,879	$65,762	$16,441	4	5,237	$65,762
Affordable Housing	1	9	11,703	$1,658,526	$99,661	$11,073	9	11,703	$99,661
Condominium	3	23	59,146	$9,479,765	$489,347	$21,862	70	177,438	$1,468,040
Duplex	1	2	11,222	$1,781,912	$66,999	$33,499	2	11,222	$66,999
Mixed Use	1	4	3,404	$1,275,123	$67,474	$16,868	4	3,404	$67,474
Average | Total	**7**	**8**	**18,142**	**$3,019,841**	**$157,848**	**$19,949**	**89**	**209,004**	**$1,767,936**
Accessory Structure	1	1	1,320	$196,390	$5,597	$5,597	1	1,320	$5,597
Average | Total	**1**	**1**	**1,320**	**196,390**	**5,597**	**5,597**	**1**	**1,320**	**5,597**
Commercial	2	2	9,714	$1,311,209	$120,329	$118,183	3	19,427	$240,658
Average | Total	**2**	**2**	**9,714**	**1,311,209**	**120,329**	**118,183**	**3**	**19,427**	**240,658**

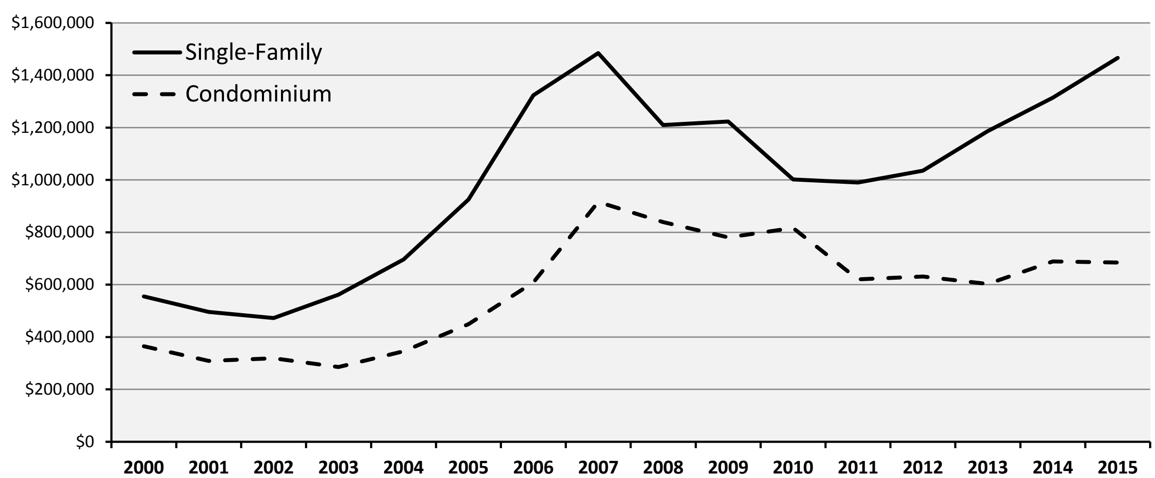
[1] "Built Square Feet" includes residential square feet and finished basement, where applicable
Source: Park City Dept. of Building Safety; Economic & Planning Systems
H:\153048-Park City UT Housing Review\Data\[153048-Building Permits 2015.xlsx]TABLE

2.3.3 Housing Sales Trends

Between 2000 and 2015, the average sales price of a single-family home increased from approximately $555,000 to nearly $1.5 million, an escalation of 6.7 percent per year. During the same period, the average sales price of a condominium increased from $365,000 to $684,000, or 4.3 percent annual average growth. Between 2000 and 2007 alone, single-family home prices escalated at 15.1 percent per year, and condominium prices increased by 14.0 percent per year.

By comparison to other resort markets, average sales prices in Park City did not seem to fall as far. From the sales pricing peak to point of inflection, single-family home prices dropped 33 percent (between 2007 and 2011) before starting to rise again. Based on analysis of comparable resort markets EPS has completed in the past, during the same time period, Aspen's overall market pricing fell by more than 60 percent, Telluride and Mountain Village prices dropped more than 50 percent, Vail's average prices dropped 55 percent, and Northstar/Truckee's average pricing fell also by more than 50 percent.

Figure 15
Average Sales Prices in Park City, 2000-2015

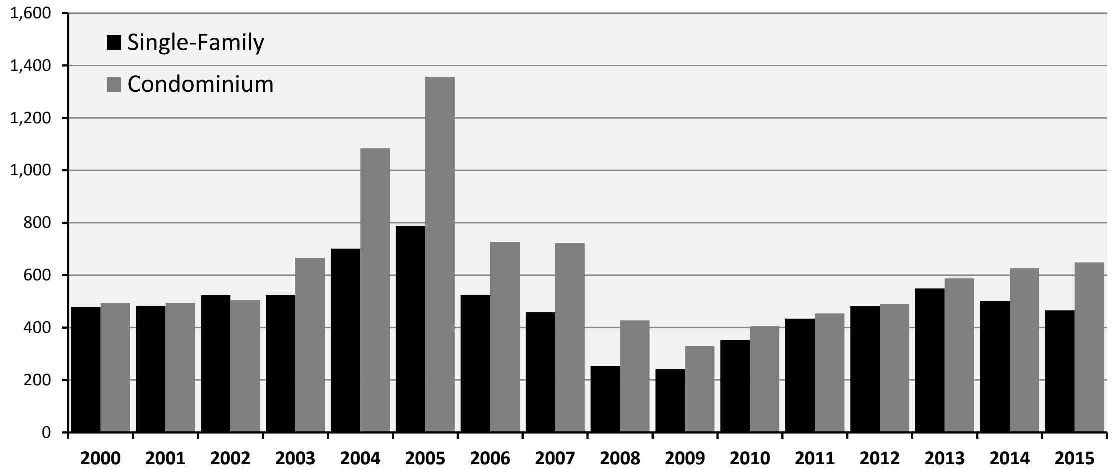


Source: MLS; Economic & Planning Systems

H:\153048-Park City UT Housing Review\Data\[153048-MLS-092315.xlsx]TABLE 1 - General Trends

Figure 16 illustrates the volume of sales for single-family and condominiums between 2000 and 2015. Overall, single-family sales averaged approximately 485 per year during this time, with the highest volumes occurring in 2004 and 2005. Lower volumes occurred during the recession and for several years after, but volumes have only recently returned to their overall averages. In fact, the volume of sales in 2015 is extrapolated from the sales data collected through September 2015 and is estimated to be a lower volume than 2014. On the other hand, the estimated volume of sales for condominiums is slightly higher than the overall average for 2015.

Figure 16
Indexed Average Sales Prices in Park City, 2000-2015



Source: MLS; Economic & Planning Systems
H:\153048-Park City UT Housing Review\Data\[153048-MLS-092315.xlsx]TABLE 1 - General Trends

2.4 Housing Affordability

The definition of housing affordability lies at the intersection of housing costs and household incomes.[1] This section provides a juxtaposition of the housing purchase price that is affordable to a household earning the area median income (AMI) against median housing price levels for Park City and the surrounding communities.

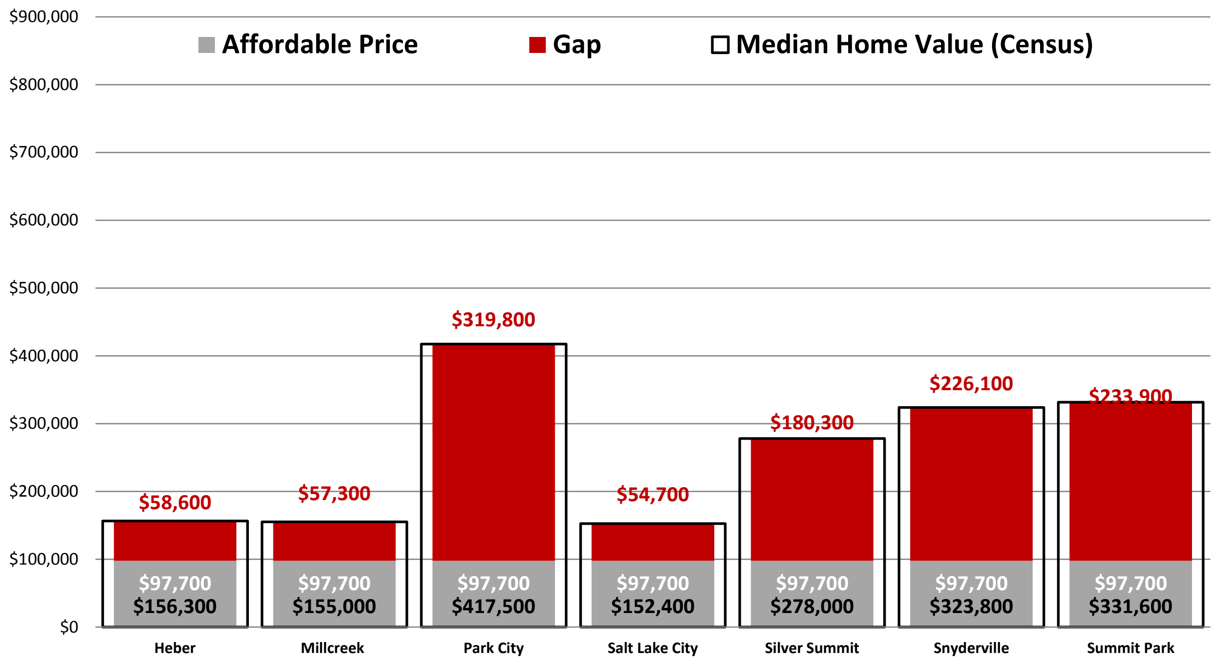
[1] Affordability is defined as a household spending no more than 30 percent of its income on housing, including payments on principal, interest, taxes, and insurance. EPS has calibrated affordability metrics for this project average lending terms and conditions for each time period evaluated, 2000 and 2013. For 2000, the assumptions are: 8 percent mortgage interest rate; 30-year fixed rate mortgage, 5 percent downpayment; property taxes, insurance, and a factor for HOA dues collectively total approximately $330 per month. For 2013, the assumptions are: 5 percent mortgage interest rate; 30-year fixed rate mortgage, 5 percent downpayment; property taxes, insurance, and a factor for HOA dues collectively total approximately $500 per month.

2.4.1 Affordability Gaps

This last section of the chapter deals with the difference between the median home value in Park City and its commute shed and the price of a home that would be considered affordable to a household earning the regional median income. The two graphics below illustrate affordability conditions in 2000 and in 2015. **Figure 17** illustrates the average price of homes sold in Park City and the surrounding commute shed communities in 2000.

In Park City, the median home value was approximately $417,500. Silver Summit, Snyderville, and Summit Park were also relatively more affordable, ranging between $278,000 and $332,000. On the other hand, median home values in Heber, Mill Creek, or Salt Lake City were considerably more affordable. In 2000, a household working regionally and earning the regional median income, estimated at $40,240, could afford a home priced at $97,700. This implied that the gap between the median home value in Park City and what this household could afford was $319,800. In other communities, that gap was not as wide, estimated at around $55,000 to $59,000 in Heber, Millcreek, and Salt Lake City.

Figure 17
Affordability Gap by Regional Standards, 2000

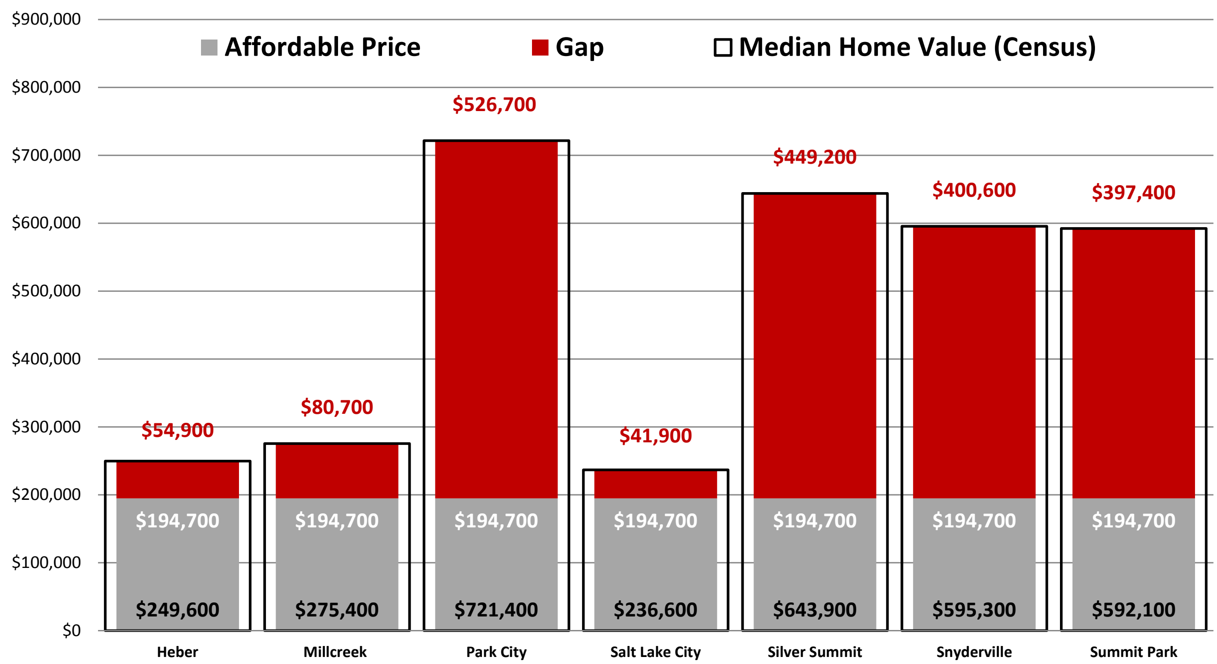


Source: U.S. Census, Economic & Planning Systems
H:\153048-Park City UT Housing Review\Data\[153048-Census-Affordability.xlsx]TABLE 2 - Aff Price in 2000

In 2013, the estimated regional income had increased to approximately $53,700 and the average 30-year fixed mortgage rate had dropped to approximately 4.0 percent, making higher-priced homes relatively more "affordable" than under 8.0 percent average mortgage rates in 2000. A household earning the regional median income in 2013 could afford to purchase a home for $194,700, as shown in **Figure 18**. But because the median value of homes had increased so substantially in Park City, Silver Summit, Snyderville, and Summit Park, the affordability gaps had widened considerably.

In Park City, the affordability gap had increased 65 percent to $526,700. But most striking were the increases in affordability gaps for the city's northern three neighbors. The affordability gap in Silver Summit increased 150 percent from $180,300 to $449,200. The gap in Snyderville increased by 77 percent, and the gap in Summit Park increased by 70 percent. The affordability of houses in Heber remained relatively unchanged, although Millcreek became slightly less affordable, and Salt Lake City's housing became slightly more affordable.

Figure 18
Affordability Gap by Regional Standards, 2013



Source: U.S. Census, Economic & Planning Systems
H:\153048-Park City UT Housing Review\Data\[153048-Census-Affordability.xlsx]TABLE 2 - Aff Price in 2013

2.4.2 Estimates of Housing Need

The following tables detail updates to two of the methods the City has previously used to estimate the magnitude of housing need for the City. In the first table, **Table 2**, one of the critical assumptions used in the calculation involves a factor called the "location substitution" factor of 34 percent.

Location Substitution Method

As mentioned previously, it appears through research that this number originated from an analysis of 2005 commuting data that identified 34 percent of the City's jobs were held by City residents. It was held that this was an optimal number to maintain and has been applied to estimates of affordable housing demand since then. Although there is little documentation on the derivation of this 34 percent factor, EPS has determined that the actual number of residents living and working in Park City at the time was approximately 1,800, which equated to 15 percent of the city's jobs. That portion has remained relatively stable since then, fluctuating only between 15 and 20 percent.

The other factor used in this analysis is 39 percent, which characterizes a portion of all jobs that are deemed to be central or "core" to the local economy. Using this method, it is estimated for 2014 that there is a need for 378 more affordable housing units for households of local job-holders that would be interested in living in Park City, assuming also that the 269 units in the pipeline can meet a portion of this demand.

Table 2
Housing Need, Location Substitution Method

	Factor	2013	2014
Individuals working in Park City		12,079	12,911
Multiply by Location Substitution Rate	34%	4,107	4,390
Subtract persons already living in the City		1,737	1,901
Estimate of those wanting to live in the City		2,370	2,489
Divided by 1.5 jobs per household	1.5	1,580	1,659
Multiply by % of core sector jobs	39%	616	647
Less: Pipeline projects		269	269
Estimate of households needing assistance		**347**	**378**

Source: Park City Municipal Corporation; Economic & Planning Systems

H:\153048-Park City UT Housing Review\Data\[153048-Housing Need Calcs.xlsx]TABLE 1- Location Sub Method

Commuting Method

The second method of estimating housing need is based on the commuter method, which adjusts for several different factors, including an adjustment for the portion of jobs considered primary, an apportionment for households living in 84098, as well as the portion of jobs considered core sector. This analysis estimates that there is a need for 476 housing units to meet the needs of additional commuters that would be interested in living in the city.

Table 3
Housing Need, Commuter Method

	Factor	2013	2014
Individuals working in Park City		12,079	12,911
Less % of those already living in City		1,737	1,901
Workers living outside City limits		10,342	11,010
Multiplied by % of primary jobs	84%	8,687	9,248
Divided by 1.5 jobs per household	1.5	5,792	6,166
Less % for households living in 84098	69%	3,996	4,254
Estimate of those wanting to live in the City		1,795	1,911
Multiply by % of core sector jobs	39%	700	745
Less: Pipeline projects		269	269
Estimate of households needing assistance		**431**	**476**

Source: Park City Municipal Corporation; Economic & Planning Systems

H:\153048-Park City UT Housing Review\Data\[153048-Housing Need Calcs.xlsx]TABLE 2 - Commuter Method

Commuting and Distribution Method

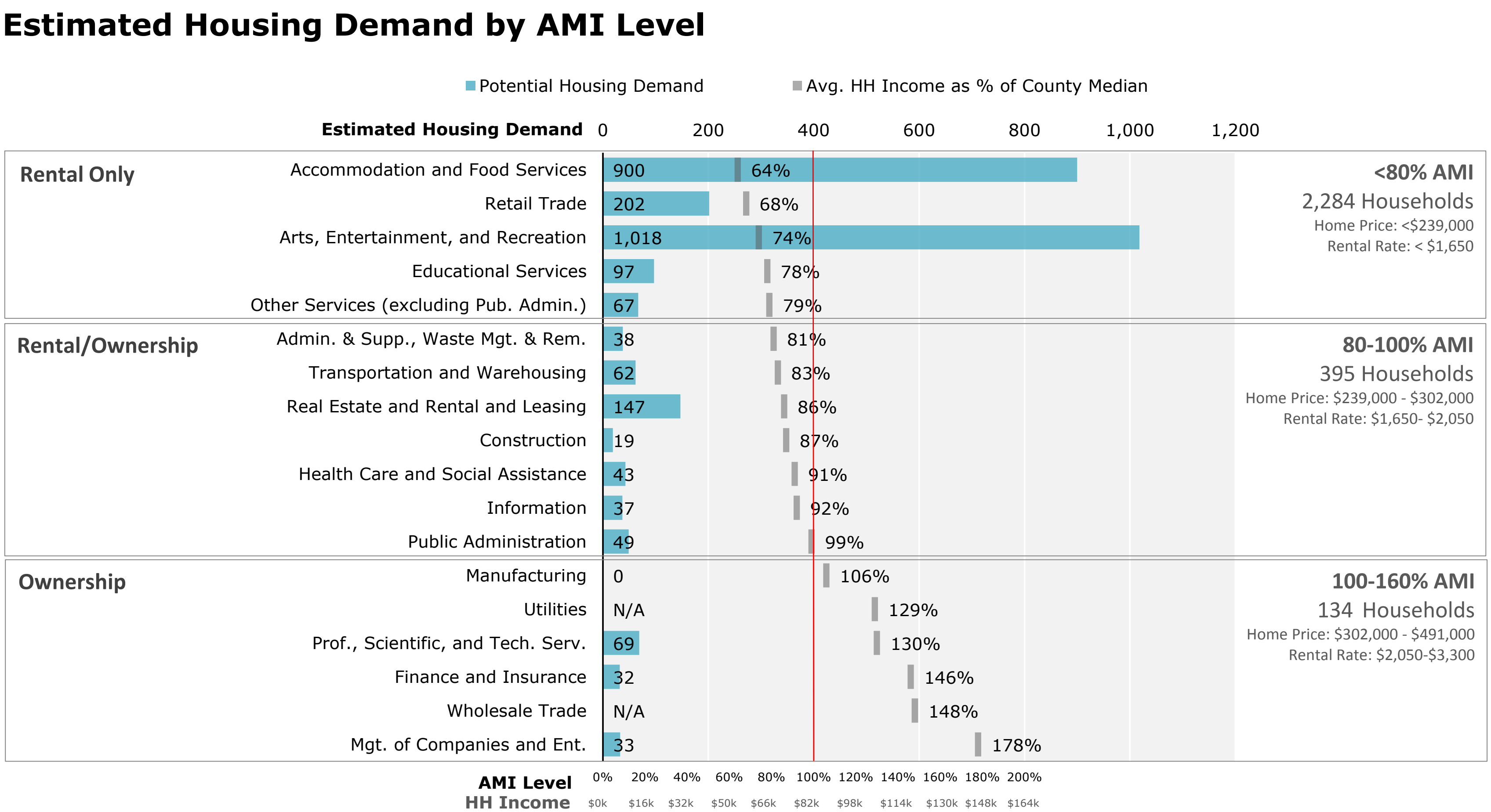
EPS has constructed a third method for estimating the magnitude and type of housing need. This method uses multiple pieces of information from commuting patterns and the distribution of employment by industry, as well as average wages by industry and adjustments for average jobs per household. In 2014, there were 12,900 jobs in Park City, and living in Park City, there were nearly 4,000 workers employed either in Park City or elsewhere. This methodology is most likely a conservative estimate of need, given that the total number of in-commuters was approximately 10,600 in 2014.

While it isn't possible with the available data to document the distribution of employment for only those Park City residents employed in Park City, it is possible to identify the general magnitude of net in-commuting by industry by juxtaposing the distribution of Park City jobs with the distribution of employed Park City residents. The following chart illustrates the distribution of estimated households for those remaining (net in-commuting) workers that would be interested in living and working in Park City. The distribution is sorted by AMI level and categorized according to which income levels are appropriate for different housing types. For example, it is estimated that there are a total of 2,284 households at income levels below 80 percent AMI, a majority of which are in the accommodations and food services or arts, entertainment, and recreation sectors.

These households fall within the category of rental housing only, though. Their affordable purchase price would be in the range of $239,000 or less, a category of housing affordability that is generally not available in Park City. There are an estimated 395 households, however, in the range of 80 to 100 percent AMI, where the target affordability range falls between $239,000 and $302,000. This is classed as the rental or ownership housing category (e.g. townhomes or condos). At the higher end of the spectrum are an estimated 195 households in sectors that support generally ownership housing and represent also more stable year-round employment categories, such as finance and insurance, professional and technical services, wholesale trade, and management. At this income level, household would be targeting affordable purchase prices of $302,000 to $491,000. Combined, the top two categories (from 80 to 160 percent AMI) represent a total possible housing demand of 529 housing units.

EPS does not believe that the magnitude of need estimated with this methodology is any more accurate than the City's other two methodologies. After all, this method assumes that 50 percent of the in-commuting workforce would be interested in living in Park City. It is possible that a smaller portion of the in-commuting workforce would prefer to live in Park City if given the chance. The value in this method, however, is the distribution of housing need by AMI level. As such, these estimates imply that 81 percent of the need is for housing at or below 80 percent AMI. Only 14 percent of the housing need falls in the 80 to 100 percent AMI category, and 5 percent of housing need is estimated to fall into the 100 to 160 percent AMI category.

Figure 19
Estimated Housing Demand in Park City by AMI Level, 2014



Source: U.S. Census Bureau, U.S. Department of Housing and Urban Development; Bureau of Labor Statistics; Economic & Planning Systems

3.0 *Policy Considerations*

This chapter details research completed for the sake of understanding how Park City's existing housing policy might evolve further to address its growing affordable housing needs. This section provides a discussion of the most common elements of development-based approaches to affordable housing policy:

- Employment generation
- Mitigation rates
- Inclusionary zoning requirements and set-asides
- Density bonuses

While additional discussion of some of these policy considerations follows in the recommendations chapter, this chapter also contains a discussion on establishing a housing goal of target and the benefits to the local community of achieving the goals. In general, this discussion is intended to facilitate the public dialogue on setting a housing target for the community and identifying which mechanisms are appropriate to achieve it.

3.1 Commercial Linkage

3.1.1 Employment Generation Rates

The affordable housing requirements for commercial development in Park City's existing housing resolution are based on general average employment generation rates from a variety of mountain resort communities. A primary objective of this study was to collect primary data from the city's employers and provide locally-relevant generation rates that could be incorporated into a modified form of the housing resolution.

A survey for the city's businesses was designed and fielded via email through three of the city's primary business community contacts, including the Park City Area Lodging Association (with 137 members), the Park City Area Restaurant Association (190 members), and all of Park City's Historic Main Street members. It was estimated that in total, surveys were sent to more than 500 establishments.[2] In addition to collecting responses electronically, survey information was collected door-to-door during December 2015.

[2] As a point of comparison, there are approximately 2,580 establishments in Summit County. It was not possible to identify the number of establishments for Park City alone with data available from the BLS.

Figure 20 illustrates the location and magnitude of employment (in terms of full-time equivalents) represented by the survey information. In total, 138 surveys were tabulated, representing a response rate of approximately 28 percent and representing business employment during the low-season of 3,021 FTEs and 5,126 FTEs during the high-season. Additionally, 11 lodging establishments were tallied in the responses, accounting for 3,581 rooms in the city.

Figure 20
Indexed Average Sales Prices in Park City, 2000-2015

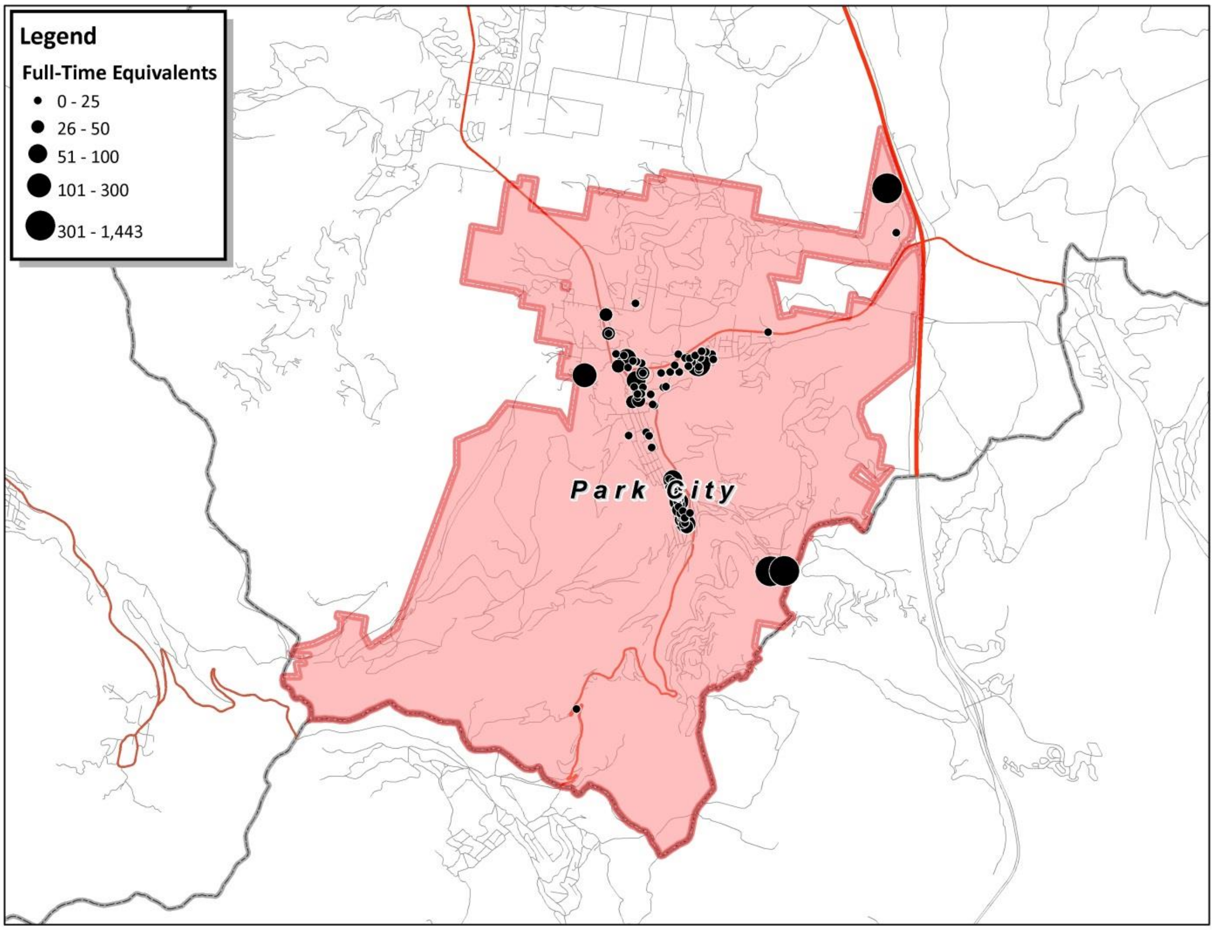
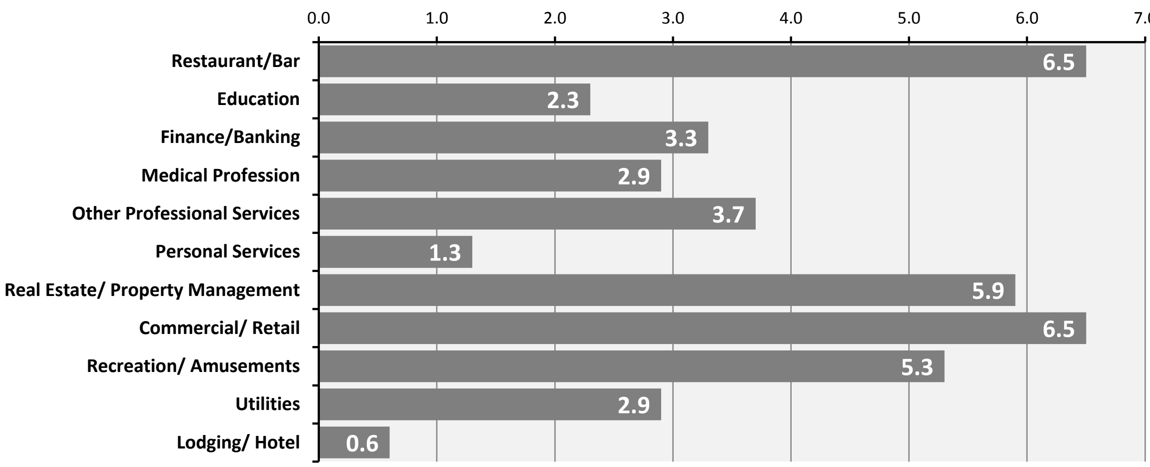


Figure 21 illustrates the current FTE rates in Resolution 13-15. These rates have been used for estimating the employment generation rates for new non-residential development since they were first incorporated into Resolution 10-06. According to staff, they reflect overall average FTE generation rates among other resort economies in the Rocky Mountain West and are credited to research from RRC Associates.

Figure 21
Existing FTE Generation Rates



Source: Park City Municipal Corporation; Economic & Planning Systems
H:\153048-Park City UT Housing Review\Data\[153048-SurveySummary_3.14.16.xls]TABLE 1 - Existing Rates

EPS employee generation survey data for Park City are generally in line with the current factors in the existing housing resolution. In fact, for a majority of the existing categories, the FTE generation rates have decreased: education, finance/banking, medical profession, other professional services, real estate/property management; general commercial/retail. **Figure 22** illustrates the employee generation rates based on information collected through the survey.

The commercial mitigation portion of the current housing resolution bases its mitigation requirement on 20 percent of the 4.4 full-time equivalents (FTEs) generated per 1,000 square feet of commercial space. Based on analysis and vetting of the survey responses from Park City employers, the overall rate is currently estimated at 4.1 FTEs per 1,000 square feet for the City.

The information collected provides sufficient detail to replace the existing types of rates with City-relevant numbers as well as differentiate between, for example, a full-service restaurant (8.1 FTEs per 1,000 square feet) and a quick-casual or fast food restaurant (6.9 FTEs per 1,000 square feet). These generation rates are based on 14 and 10 businesses, respectively.

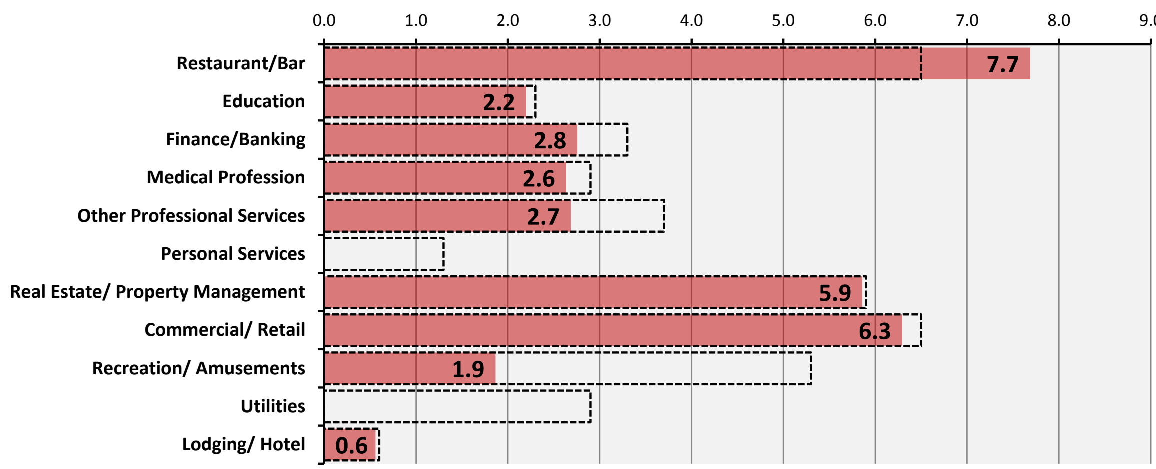
All categories except one ("other professional services") were within 20 percent of the current generation rate. The current employment generation rate is 3.7 FTEs per 1,000 square feet, and the survey data, which include most likely a different sampling of land uses (i.e. business types), indicate an average of 2.7 FTEs per 1,000 square feet.

Another business category for which its original definition is unclear is the category for recreation and amusement. It is unclear what the composition of recreation and amusements was in the original data. The new category accounts for an average generation rate for: art galleries, other galleries, movie theaters, museums, visitor centers, and theaters.

The restaurant/bar generation rate was 6.5 FTEs per 1,000 square feet and is estimated at 7.7 FTEs in the survey data. Jobs classified as education were at 2.3 FTEs, and the survey data show a factor of 2.2 FTEs per 1,000 square feet. The category of finance and insurance is currently 3.3 FTEs, but the survey data indicate the 2.8 FTEs. Medical profession businesses have an average of 2.9 FTEs, and the survey data have an average of 2.6 FTEs for that land use. Real estate and property management were at 5.9 FTEs per 1,000 square feet and did not change in the survey data.

The restaurant and bar category is the only category to have increased over the existing rates. This generation rate is based on a wide selection of 25 full service and quick casual restaurants and averages 7.7 FTEs per 1,000 square feet of space. Lodging and hotels were at 0.6 FTEs per room, and the survey data indicate that this factor also did not change. The generation rate for lodging establishments, which includes hotels, motels, resort areas, and condo-hotels, is based on 13 responses representing 3,581 rooms in Park City.

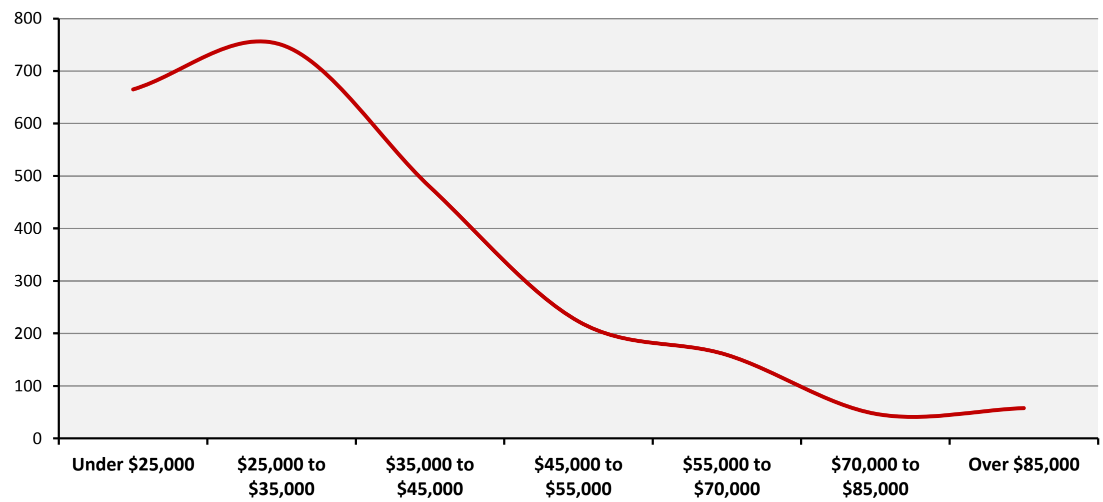
Figure 22
Survey-Based FTE Generation Rates



Source: Park City Municipal Corporation; Economic & Planning Systems
H:\153048-Park City UT Housing Review\Data\[153048-SurveySummary_3.14.16.xls]TABLE 1 - Existing Rates

Figure 23 illustrates the distribution of jobs (both part-time and full-time) by salary levels. The purpose for reporting and illustrating this distribution is to provide evidence of the representativeness of the survey sample, while also illustrating the magnitude of relatively low-paying jobs in Park City's economy. While not all businesses provided this level of information, the following distribution is based on the responses of 44 businesses, representing 2,381 part- or full-time positions. In 2014, the average annual wage for Summit County was approximately $38,400. Using salary midpoints for each category, the average annual wage for positions represented in the survey data is $35,900, indicating that the distribution of employment and businesses sampled in the employer survey reflects a representative sample of Park City's employers.

Figure 23
Distribution of Employee Salaries



Source: Economic & Planning Systems
H:\153048-Park City UT Housing Review\Data\[153048-SurveySummary_3.14.16.xls]DATA

It should be noted that this basis of calculating employment generation rates is always subject to a margin of error. On one hand, asking employers the number of their full-time and part-time staff relies on the accuracy of the information the person surveyed has available. On the other hand, it relies on the respondent's knowledge of the total floor area of their space, and in the absence of that (which is very common), the accuracy of this part of the information is reliant on either the respondent's or the data-gather's ability to accurately gauge the size of the space. EPS made every attempt to fully vet the numbers given to all data-gathers in the survey work. We cross-checked the square-footage numbers against Summit County Assessor data.

3.1.2 Commercial Mitigation Requirements

The city's commercial development employment mitigation requirements are related to commercial linkage programs. Commercial linkage programs are a form of impact fee assessed on new commercial developments or major employers. They are designed to mitigate the need for workforce housing generated by new or expanding commercial business or development. In some cases, commercial linkage programs require the construction of employee housing (as is commonly the case in resort settings), but typically in-lieu fee revenues are collected to fund the development of affordable or workforce housing.

Because linkage fees are a type of impact fee, they require a nexus study. Such a study provides a quantitative basis for the connection (i.e. the nexus) between the affordable or workforce housing demand generated and the amount of space being developed or redeveloped. Fees are often calculated on a per-1,000 square-foot basis of commercial space and based on the number of employees generated by a particular type of land use. Because employee generation rates differ widely among land uses, communities with a commercial linkage program (or similar) distinguish between retail, restaurant, office, hotel, and industrial space, or sometimes with greater distinction of land use as in Park City. It is important to note that commercial linkage fees, like development impact fees and as they are a variation on exactions, can only be used to pay for the impact of the new development and may not be used to address existing deficiencies.

As is the case in many other communities, commercial linkage programs are often just one component of the community's housing strategy. In conjunction with an inclusionary zoning ordinance, for example, a community is able to address the demands for affordable or workforce housing generated by both new residential and commercial development. Such policies have been adopted in Boston (fees are approximately $8 per 1,000 square feet), Boulder (adopted fees will range from approximately $1 to $8), Cambridge (recommended increase of fees from $4 to $12), San Francisco (fees range from $16 to $24 per square foot), and Seattle (fees range from $5 to $17 per square foot). Currently, a few other cities have been evaluating how to structure a commercial linkage program including Denver and Portland.

In addition to these urban markets, the following section provides an overview of several comparable mountain communities' commercial linkage programs.

- Telluride, CO: Telluride's general employee generation rate is 4.5 FTEs per 1,000 square feet, nearly identical to Park City's current overall rate. The Town currently mitigates commercial and hotel uses consistently at 40 percent of the employee generation rate. Research indicates that the program is fairly successful in getting units built on-site, attributable to a land use code that makes it much more complicated to build such units off-site. In addition, commercial developers can only "buy out" of 10 percent of their total mitigation requirements or when the mitigation calls for less than the required minimum 500 square feet per employee unit, further encouraging the building of on-site units. Each mitigation requirement is multiplied by 350 square-feet to establish the total floor area to be provided.

- San Miguel County, CO: San Miguel County's commercial linkage program was last updated in 2012 and requires a 15 percent mitigation of employees generated across all use categories. In addition to its lower mitigation rate, the county's generation rates are also lower than Park City's. Office, restaurant, and general retail uses are all classified as generating 3 FTEs per 1,000 square feet of use, but hotels/lodging are classified as having a rate twice as high as Park City's, i.e. at 1.5 FTEs per room.
- Vail, CO: The Town of Vail's employee housing mitigation program, established in 2007, requires developers to mitigate 20 percent of employees generated by different commercial uses, and that at least 50 percent of those affordable units be built onsite. The town distinguishes between a set of business types slightly different from Park City's current types. Lodging uses are estimated to generate 0.7 FTEs per room; professional office users are estimated to generate 3.2 FTEs per 1,000 square feet (compared to Park City's current 3.7 and survey-based 2.7 FTEs). The Town makes no distinction between types of restaurants, however, and estimates they generate 6.75 FTEs per 1,00 square feet (compared to Park City's current 6.5 FTEs and the survey-based 7.7 FTEs). Real estate offices are estimated to generate 5.1 FTEs versus Park City's current and survey-based 5.9 FTEs. The Town also includes a few other specialty categories, such as conference facilities, health clubs, and spas.
- Steamboat Springs, CO: The Town of Steamboat Springs is illustrative of the challenges faced by mountain communities when balancing the needs of affordable housing options with economic vitality. The town implemented its first commercial linkage program in the mid-2000s, only to remove the program in the face of the economic crisis in 2008. The town council and planning leadership decided that the additional burdens such a program placed on developers and businesses impeded growth and negatively impacted the business climate. Due to the limited duration of the program's existence, town planners say it is difficult to ascertain whether the program would have successfully generated the levels of affordable housing needed in Steamboat. Given the still struggling economy and changes in the town council, there are no immediate plans to revive the program.
- Aspen/Pitkin County, CO: Aspen has broader categories of land uses in its Growth Management Quota System (GMQS), which was updated last in 2012. In general, businesses in Aspen are estimated to generate 4.7 FTEs per 1,000 square feet, which includes its commercial core designations, neighborhood commercial, commercial lodges, and ski base areas. Within its mixed-use zone districts, the city estimates there are 3.6 FTEs per 1,000 square feet, and within its service commercial/industrial zone districts 3.9 FTEs per 1,000. For lodging (specifically, for accommodations located in commercial lodge, lodge, and ski base zone districts), it is estimated that there are also 0.6 FTEs per room. The city's current mitigation rate is 60 percent and has produced approximately 2,800 residential units, 1,500 of which have been for-sale units and 1,300 rental units. And consistent with its commercial mitigation rate, Aspen's community goal is to house 60 percent of its workers locally.

- Jackson/Teton County, WY: The commercial linkage programs of Jackson and Teton County are similar, in that they identify non-residential land uses to be mitigated at 35 percent of employees generated. The difference in their land use codes, however, is that Jackson identifies the floor area of space required per land use category, whereas Teton County identifies the number of employees and thus units that must be mitigated per land use category. Interestingly, Jackson/Teton County's community housing goal (i.e. related to the commercial mitigation rate) is 65 percent, a number they have justified because they believe the loss of a local workforce and associated diversity also reflects the loss of a sense of community. This development-based policy, however, does not seem to be at risk of inapplicability given the coordinated effort between the town and county, as well as the land availability for offsite affordable housing construction in unincorporated Teton County.

3.2 Inclusionary Zoning

3.2.1 Set-Aside Requirements

Inclusionary zoning (IZ) requires developers to "set aside" a portion of new housing construction as affordable to households at specified income levels. IZ set-aside requirements generally range from 10 to 30 percent, and the affordability level generally ranges from 60 to 100 percent of area median income (AMI), based on family size defined by HUD. In most versions of IZ, a developer can comply with its requirements by building the units on site as a part of the overall project master plan and/or by building them in an off-site location. Alternatively, many IZ programs allow for all or a portion of the housing requirement to be met by cash-in-lieu (CIL) payments – i.e. the payment of a fee in-lieu of building units, as with Park City's policy.

Nationally, according to recent research by the Lincoln Land Institute (Jacobus, 2015) more than 500 communities have adopted some form of inclusionary zoning. Montgomery County, Maryland was one of the earliest to adopt IZ and has built over 14,000 affordable or workforce housing units, although a majority of these units' deed restrictions have since expired and are no longer in the affordable housing inventory. All cities and towns in Massachusetts, for example, are subject to General Law Chapter 40B which requires communities with less than 10 percent affordable housing to require new developments to provide 20 percent affordable housing and redevelopments to provide 15 percent affordable units.

In general, most policies in the U.S. apply only to new residential construction, and there is generally a threshold of applicability. Most programs set a threshold where the policy applies only to projects at a scale of 5 to 10 or more units. There are a few outlier policies, though. On one end of the spectrum, there are a small handful of policies that have no threshold, i.e. that apply to all projects and thus assess a fraction of an affordable housing requirement. On the other hand, there are programs with much larger thresholds, e.g. 30 units, where the intent is to apply the policy only to mid- to larger-scale projects.

The selection of cities chosen for research here fall in the middle of the range with thresholds of 5 to 30 units and with set-aside requirements of generally 10 percent. Based on EPS's recent research, the following is a summary of set-aside requirements from more urban markets around the country:

- Arlington County, VA: 5 percent
- Austin, TX: 20 percent (of bonus floor area)
- Boston, MA: 13 percent
- Boulder, CO: 20 percent
- Burlington, VT: 15 to 25 percent
- Cambridge, MA: 15 percent
- Chapel Hill, NC: 15 percent
- Chicago, IL: 10 percent
- Denver, CO: 10 percent
- Irvine, CA: 15 percent
- Montgomery Co., MD: 15 percent
- Redmond, WA: 10 percent
- San Francisco: 12 percent
- Santa Fe, NM: 15 percent
- Santa Monica, CA: 20 percent
- Washington, D.C.: 8 to 10 percent

This section provides an overview of the inclusionary zoning requirements of the same mountain resort communities.

- Jackson/Teton County, WY: This policy sets a residential inclusionary zoning policy set-aside at 25 percent workforce housing on-site. As in other communities, alternative compliance may be satisfied through the provision of off-site units, dormitory style units, the conveyance of land, or deed-restricting existing housing. There are, however, multiple clauses in the land development regulations that state on-site construction is not required if "impractical or inequitable", for example, allowing for the possibility of off-site pooling of workforce housing unit requirements from one or more projects. Off-site locations are evaluated by the Jackson Town Council based on land use criteria such as: proximity to employment centers, commercial services, and infrastructure; compliance with Jackson/Teton County Comprehensive Plan; compatibility with surroundings; compliance with maximum gross densities of surroundings; size and materials for the selection of an appropriate location.

  Interestingly, there is also a residential linkage requirement for large single-family dwellings of 2,500 square feet or greater to mitigate the additional service workers generated by these types of housing units. These fees are estimated via a highly-complicated formula that differentiates between construction on lots platted before or after 1995. Fees per square foot range from $1.98 per square foot to $14.39 per square foot.

  Similar to Aspen, a weakness of the program is there is no provision for the development of units for the gap between workforce and market rate housing. With average prices in excess of $1.0 million in the county, workforce households in the $65,000 to $100,000 income range are still largely priced out of area housing and are commuting from over one hour away in the Victor and Driggs communities of Teton County, Idaho.

- Telluride, CO: The Town of Telluride and its housing authority adopted comprehensive workforce housing guidelines in 1994 (and subsequently amended over the years). The general goal of Telluride's workforce housing programs is to provide workforce housing for persons who make a living from employment within the boundaries of the Telluride R-1 School District and their families.

  Telluride requires that all new residential (i.e. single-family, duplex, and multifamily) development provide workforce housing for 60 percent of new employees generated. For new commercial development, housing units must be provided for 40 percent of employees generated. The workforce housing requirements can be met by cash payments, construction of new deed-restricted housing, or deed-restriction of existing housing. Incentives to create new housing also exist, such as a density bonus granted within residential zones intended to establish more secondary dwelling units.

  To incentivize the provision of housing under these land use requirements, Telluride grants several types of incentives. The first, and most common among all communities is a density bonus, where a residential development, for example, is allowed to construct secondary dwelling units. There is also a green building incentive, where if a development exceeds minimum green building requirements, an incentive is granted. Some typical incentives are the waiver of water/sewer tap fees for the employee dwelling units or the building and development application fees are credited toward building permit fees.

- Vail, CO: The Town of Vail started a workforce housing program in 1996. At that time, Vail created a housing team responsible for policy direction, project definition, developer and consultant selection, and asset management. Vail has helped more than 175 local employees purchase housing units (through a lottery system) within its boundaries. There are currently 727 deed-restricted rental and for-sale employee housing units within Vail.

  In addition to its non-residential development policy, the employee housing program requires that new residential development and redevelopment provide 10 percent deed-restricted employee housing units (EHUs) where the 10 percent results in a mitigation requirement of 438 square feet or greater. The housing requirement is actually measured in gross residential floor area (GRFA) which is then converted to housing units.

  As with the town's commercial mitigation strategy, the employee housing program requires that at least 50 percent of employee housing mitigation be provided on-site unless the developer provides sufficient evidence that such units are not possible. Because Vail is almost completely built out, there are limited available sites for building off-site units. Instead, developers typically purchase individual existing condominium units that are then designated as deed-restricted employee housing. These units tend to be concentrated in several condominium projects in West Vail. This concentration is generally not viewed as a "problem" by the community, as West Vail is predominately occupied by permanent residents and many of these buildings have long been employee housing. Thus, new workforce units represent a continuation of current use rather than a noticeable change in use.

- Aspen/Pitkin County, CO: The City of Aspen and Pitkin County both created their workforce housing programs in 1974. In 1982, both entities were combined into the Aspen/Pitkin County Housing Authority (APCHA). There are two main funding sources for the housing program, a 1.0 percent RETT (City of Aspen only) and a portion of the City/County sales tax. The purpose of the housing program is "to create a balanced community representative of the various types of people that live, work and retire in the area and to assure the existence of a supply of desirable and workforce housing for persons currently employed in Pitkin County, persons who were employed in Pitkin County prior to retirement, the disabled who have worked or are working in Pitkin County, and other qualified persons of Pitkin County as stated in the Aspen/Pitkin County Workforce Housing Guidelines." As indicated previously, the city maintains an overall goal to house 60 percent of the area workforce locally.

  The city Growth Management Quota System (GMQS) affects any new residential and commercial construction in Aspen. Though Aspen characterizes its workforce housing requirements as more general employee housing requirements, Aspen has each of the major workforce housing tools: an IHO for multifamily residential construction, residential linkage program for single-family and duplex construction, and a commercial linkage program for non-residential development. For example, in addition to the commercial mitigation rate, the GMQS requires residential development provide a total of 30 percent of total floor area as affordable.

  As with most IHOs or linkage programs, a developer may construct units off-site or pay a fee in-lieu of the construction requirement. Each year the CIL is increased by 3 percent or the Consumer Price Index (CPI), whichever is greater.

  Aspen has also recently adopted another alternative to the on-site, off-site, and payment of a CIL option: a housing certificate program. This program, established in 2010, created an open market solution, much like a "cap and trade" program functions to benefit the environment by incentivizing the reduction of emissions. A developer who provides workforce housing units beyond the required amount by zoning receives housing certificates that another development may purchase in lieu of building units. Aspen does not place value on these certificates, so their value is determined in the free market by the two developers. If there are no or insufficient certificates to purchase, the developer must return to the Aspen Planning Board and/or City Council to amend the final approval and satisfy the workforce housing requirement either through the construction of units or payment of a CIL.

3.2.2 Density Bonuses

Use of the density bonus as a development incentive is generally the most economically valuable incentive governments have to leverage. They are widely used around the country in the context of other common development incentives, but their effectiveness varies as widely as the variety of communities who use them. In some communities, density bonuses have little to no value because either the market wants low-density development or development pressures have simply never reached or exceeded base entitlements. In other communities, density bonuses have measurable economic value that can be leveraged for the provision of community needs, such as affordable housing.

Based on EPS's experience with the financial and economic modeling of density bonuses within the context of development-based policies such as mandatory and voluntary inclusionary zoning, or simply in the context of incentives, the following is a general overview of findings that occur consistently among our projects in both rural and urban settings. That is, the economics, and thus value, of density bonuses are reflective of construction and building types, and less dependent on the regional variations in construction labor or materials costs.

In areas where demand for density or development exceeds the base entitlement level, a density bonus can create positive additional value (i.e. profit) for a development. Using a financial modeling tool to estimate residual value under multiple development prototypes, EPS has consistently found that positive economic value can be leveraged to feasibly provide community benefits. Residual value refers to an additional profit value, netting all development costs and profit factors.

There are multiple trigger points as a project increases in scale, however, where greater density does not result in positive economic value to the project. Specifically, when a project exceeds 6 floors (usually constructed as one floor or concrete with 5 floors of wood frame above), significant additional costs were incurred for different construction materials, fire suppression systems, and general building core if a density bonus was offered that required a development to shift into a higher cost construction type. Trigger points also occur at 10 floors and again at 20 floors.

Strong markets like Park City, however, can support an increase in market rate rents, sales prices, or lease rates in proportion to the higher construction costs. If a market is strong enough to support revenue increases in proportion to the increased construction costs, then the density bonus maintains a positive residual value.

Supportable Set-Asides

The following two figures illustrate the results of economic and financial modeling for single-family and townhome developments, two of the more common prototypical residential development types for Park City. The modeling is based on typical relationships between construction costs, land values, and supportable market-rate for-sale pricing. The model used determines the internal rate of return (IRR) for various project prototypes with different set-aside requirements for each level of density bonus assigned.

Figure 24 illustrates the magnitudes of supportable affordable housing set asides within the context of typical single-family developments. Each colored line series represents a different level of density bonus granted to the project, and the intersection between those lines and the perpendicular dotted black line (the IRR for a project with no affordable housing requirement) reflects. The point of intersection indicates the optimal affordable housing set-aside for a project granted respective levels of density bonus. The purpose of identifying the point of intersection in a development-based policy analysis is to identify a point at which the decision to take advantage of a certain development option is optimal by comparison to alternatives.

For example, a project receiving a 10 percent density bonus could not support more than a 5 percent affordable housing set-aside without pushing the IRR below the base entitlement level. A project receiving a 20 percent density bonus could support nearly a 12 percent affordable housing set-aside. A project receiving 90 percent density bonus could support up to 13 percent affordable housing, but a 100 percent density bonus seems to begin affecting the IRR negatively.

Figure 24
Supportable Set-Aside with Variable Density Bonuses in Single-Family

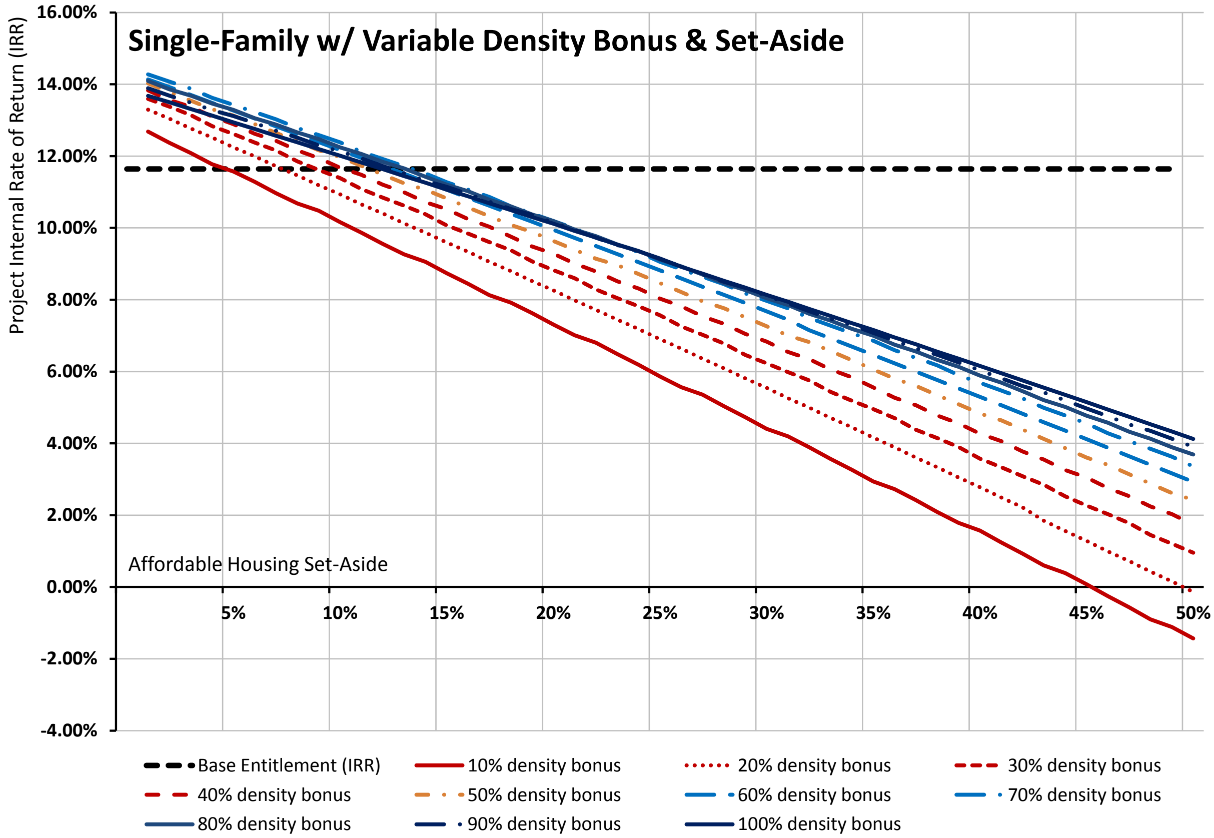
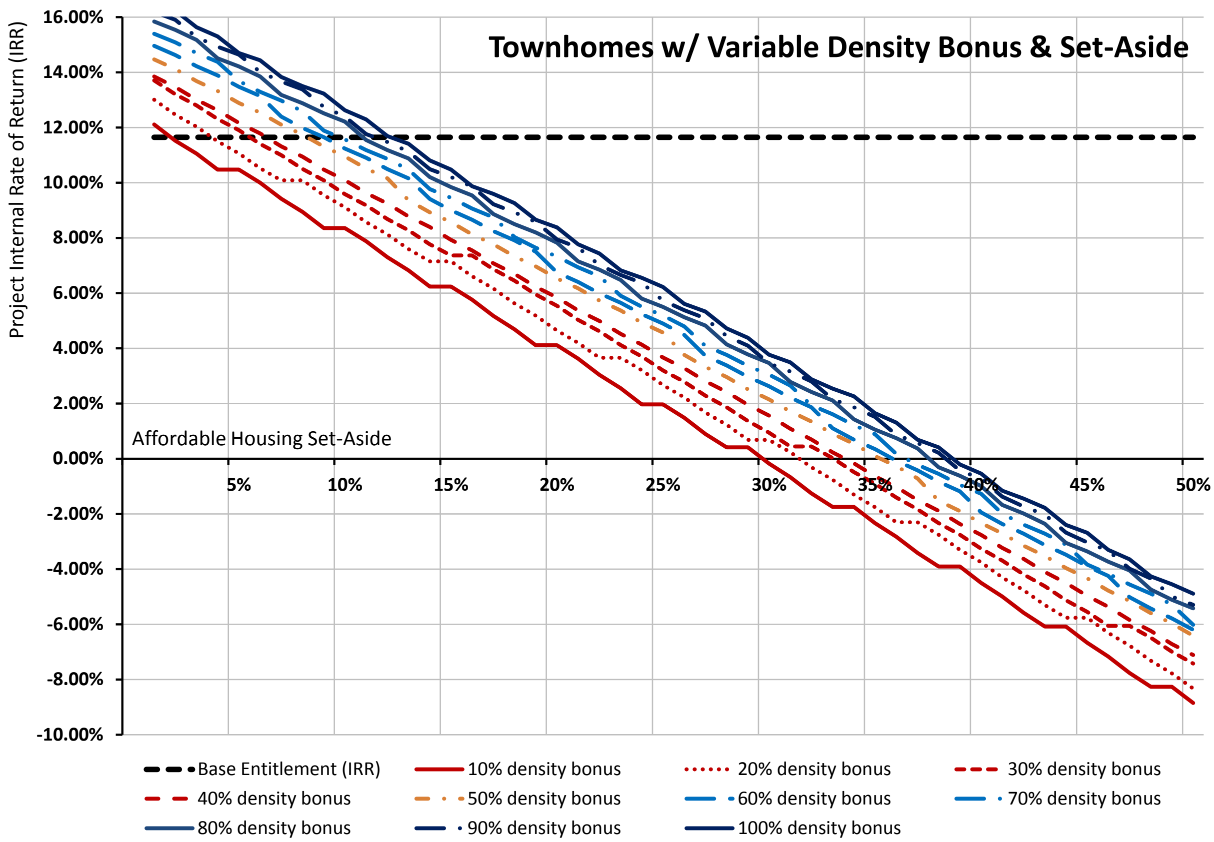


Figure 25 illustrates the magnitudes of supportable affordable housing set asides within the context of typical townhome developments. Again, each colored line series represents a different level of density bonus granted to the project, and the intersection between those lines and the perpendicular dotted black line (the IRR for a project with no affordable housing requirement) reflects. The point of intersection indicates the optimal affordable housing set-aside for a project granted respective levels of density bonus.

The findings here illustrate that a project receiving a 10 percent density bonus could not support more than a 2 percent affordable housing set-aside without pushing the IRR below the base entitlement level. A project receiving a 20 percent density bonus could support nearly a 5 percent affordable housing set-aside. A project receiving 70 percent density bonus could support up to 10 percent affordable housing, and a 100 percent density bonus could support up to 13 percent affordable housing.

Figure 25
Supportable Set-Aside with Variable Density Bonuses in Townhomes



3.3 Housing Goal

A target of 60 or 65 percent of its workforce living locally, as in the case of Aspen or Jackson Hole, may be a long term goal, if not unfortunately out of reach for Park City right now. EPS recommends that Park City set a more realistic target, reflecting on where it is today (i.e. 15 percent of the city's jobs live locally), of what can be achieved in the next 10 years.

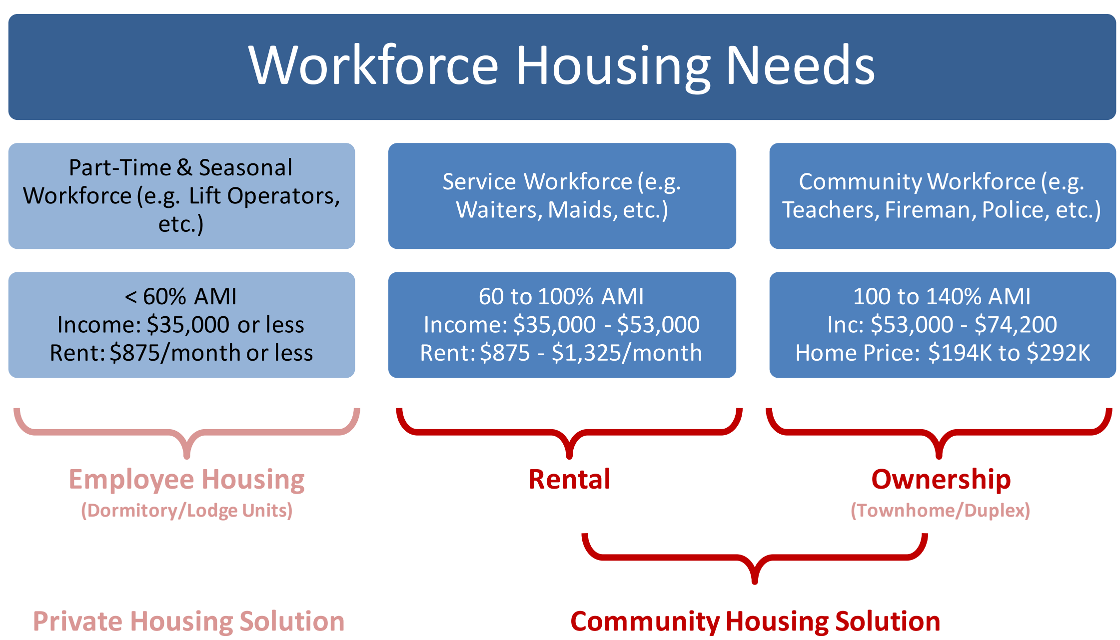
3.3.1 Spectrum of Need

Among the first considerations, as illustrated previously under the estimates of housing need, is a spectrum of housing need (**Figure 26**) that identifies two types of need to be provided by the community: those of the service workforce, such as retail and service sector jobs; and those of the community workforce, such as teachers, fireman, police, etc.

- Rental Housing: Given the distribution of wages from the employer survey, a majority (80 percent) of housing needs would fall under the category of the part-time and seasonal workforce housing (less than 60 percent of the region's median income – approximately $53,000). As such, most of the housing need would be most appropriately met with either dormitory-style employer-built rental housing or market-rate/affordable rental housing.

- Ownership Housing: Approximately 10 percent of the workforce falls into the category of community workforce, or between 100 and 140 percent of the region's median household income. This need would be met by for-sale units (townhomes and condominiums, with some portion of single-family), and to the extent possible, the greater the variety of product developed to meet these needs, the more the housing may be able to accommodate longer-term stability and upward mobility possibilities.

Figure 26
Workforce Housing Spectrum



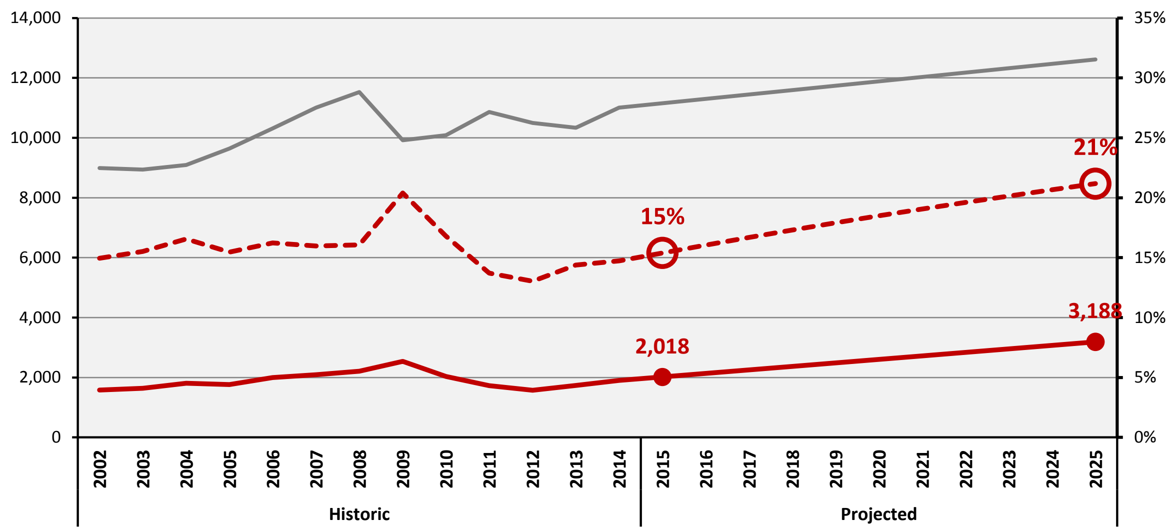
3.3.2 Community Target

Figure 27 illustrates a projection of the number and portion of Park City's workforce that live and work locally, given an increased commercial mitigation rate. This projection assumes that Park City adopts a much higher commercial mitigation rate, in line with the highest among comparable communities, at 60 percent. The analysis assumes that the City's employment level continues to grow at the annual rate of 195 jobs per year for the past 13 years, which averages out the effects of the recession.

The solid grey line illustrates both the historic and projected in-commuters. The solid red line illustrates both the historic and projected jobs held by the city's residents, and the dotted red line illustrates the portion of all jobs held by city residents. (The portion of the city's total jobs is currently 15 percent, roughly the same as in 2002.) The projection assumes that 60 percent of each year's new 195 jobs, equating to 117 jobs, is housed locally. By 2025, this would imply that an additional 1,170 jobs would be held by local residents, lifting the ratio of locally-employed residents to 21 percent.

If it is assumed that there are 1.5 jobs per household and that households form exclusively from the new 117 locally-employed residents, a demand for 78 housing units would result from this policy, translating to a total demand for new housing (independent of housing that is also built for the second homeowner market) of 858 units over 10 years. This magnitude of affordable housing development would be equivalent to more than two times the magnitude of affordable housing developed in the city (including inclusionary zoning and LIHTC projects) since 1980.

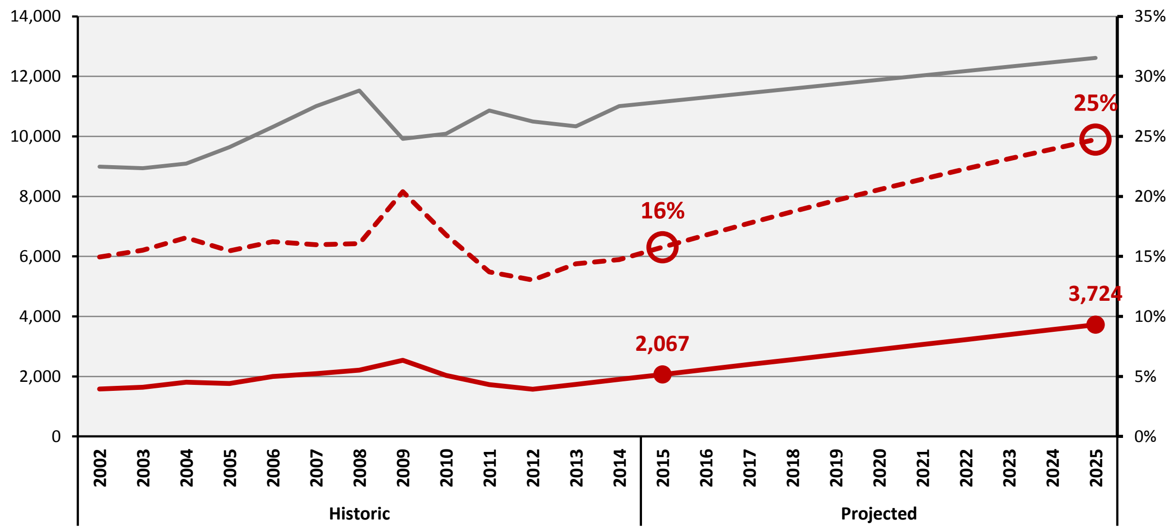
Figure 27
60 Percent Mitigation Rate, Projection of Locally-Employed Residents



Source: U.S. Census LEHD, On the Map; Economic & Planning Systems
H:\153048-Park City UT Housing Review\Data\[153048-Projection of Housing Need.xlsx]TABLE 1 - Projection

Alternatively, **Figure 28** illustrates how a very aggressive mitigation rate of 85 percent might impact the portion of the city's workforce living locally. This projection assumes that 85 percent of new workers are housed locally, requiring the production of 111 new housing units per year to meet this demand. In total, this goal would require more than 1,200 new housing units over the next 10 years.

Figure 28
85 Percent Mitigation Rate, Projection of Locally-Employed Residents



Source: U.S. Census LEHD, On the Map; Economic & Planning Systems
H:\153048-Park City UT Housing Review\Data\[153048-Projection of Housing Need.xlsx]TABLE 1 - Projection

3.3.3 Benefits of Local Resident Workforce

Housing a larger portion of Park City's workforce locally has broader community, social, and economic benefits. The more households that live locally, the better for developing the sense of community on which households place increasing value. Among the economic benefits, the more households that live locally, the more local business is supported.

Illustrated in **Table 4** below are estimates of the impact that the workforce housing goal would have on local retail spending. Assuming that new households had similar incomes to a recent regional income estimate ($53,700), total personal income (TPI) estimated between $46.1 million and $65.3 million annually. Of that total, households typically spend approximately 35 percent of their income on retail goods and services, of which a portion comes from daytime expenditure, such as meals or small errands during the workday.

Retail expenditure includes a wide spectrum of purchases, including convenience goods, clothing, electronics, sporting and entertainment, building materials and gardening supplies, eating out, and groceries. Based on EPS's experience evaluating these conditions for other mountain resort communities, we believe it is reasonable to assume that approximately 50 percent of working households' expenditure could occur within Park City, or approximately $16.1 million to $22.9 million in additional local spending. This additional spending would support the equivalent of an additional 26,900 to 38,100 square feet of local retail space at an average of $300 per square foot per year.

Table 4
Estimated Impact of New Household Retail Spending

		Household Income		Estimated Income Spent on Retail		
	Households	Average	Total	Annual	Local Capture	Supportable Floor Area
				35%	50%	$300
New Resident Households						
Target 20% of Workforce Living Locally	858	$53,703	$46,080,000	$16,130,000	$8,065,000	26,900
Target 25% of Workforce Living Locally	1,216	$53,703	$65,280,000	$22,850,000	$11,425,000	38,100

Source: Economic & Planning Systems

H:\153048-Park City UT Housing Review\Data\[153048-Retail Capture of New HHs.xlsx]Calculation

4.0 *RECOMMENDED POLICIES AND IMPACTS*

4.1 Recommendations

The following recommendations are intended to directly address the city's interest in updating and modifying the residential and non-residential applications of the existing housing resolution. They are also intended to serve as a basis for:

- Continuing city-led discussions and efforts regarding the prioritization of affordable housing policy;
- Identification, by the city's leadership, of affordable and workforce housing production targets; and
- Identification of who is or should be the beneficiaries of such policy

Most of the recommendations concern the existing housing resolution, which can be classified as a development-based approach to addressing affordable housing problems. In this category, a community often needs an increase to the supply of housing. Such approaches stem from the view that because the development community builds housing (and thus, whose housing prices are a part of the problem), they are equipped and should be responsible. This is the case with inclusionary zoning and linkage programs, the two development-based approaches that are at the root of the city's housing resolution.

A few of the recommendations, on the other hand, can be classified as community-based approaches. For a growing number of communities, strong leadership and political will are translating into the recognition that a policy that broadens the responsibility of addressing complicated challenges across the community not only lowers the financial burden placed on any one portion of the community, but, because it is locally generated, results in greater flexibility of its use.

4.1.1 Development Incentives

From a development-based approach, Park City should consider providing additional development incentives. A first consideration concerns the development of rental units. To address this need, the City could consider deferring, abating, or granting back some portion of local property taxes to property owners/managers for keeping units in long-term affordability.

From one perspective, and because 9 percent low-income housing tax credit (LIHTC) allocations are so limited, it might be worthwhile to explore this tool as a way to "fund" additional housing without necessarily having to generate funds. In such a case, there are a number of communities that have established such a mechanism to very effectively incent the development of affordable rental units.

The City could decide what level of affordability (e.g., a percent of the affordable workforce wage) and what term (e.g., units remain affordable at specified income level for 15 to 30 years) to require. This technique could be applied to new and rehabilitated rental properties, as well as new developments. (This recommendation needs to be considered within the City's legal authority.)

To illustrate the potential impact on a new development, Table X below shows the impact that a full (100 percent) property tax abatement could have on the return on cost (ROC) metric. The calculations are shown for a LIHTC project as well as a market-rate rental project. The general assumptions made are based on either information available from the Summit County Assessor's website or common practice regarding development costs. As such, a few of the assumptions made in this analysis are:

- LIHTC development costs are $200,000 per unit
- Market-rate rental development costs are $240,000 per unit
- Both projects have 80 units
- LIHTC rents are estimated at 60 percent AMI or $1,050 per month (2015)
- Market-rate rents are estimated at $1,650 per month
- Average annual O&M expenses are $4,800 per unit

LIHTC Projects

Although Summit County property tax records for five past LIHTC projects (which were all developed before 2000), average property taxes per unit are approximately $230 per year. This is based on tax records for Holiday Village, Parkside Apartments, Washington Mill, Aspen Villas, and Iron Horse Apartments. The assumptions outlined above indicate that a new LIHTC project might have property taxes as high as approximately $900 per month.

Under these assumptions, the base ROC for a project not receiving a property tax abatement is estimated to be 3.43 percent. By abating property taxes for this project, the ROC is estimated to increase to 3.90 percent, reflecting an increase in NOI of nearly $75,000 per year. While it is difficult to presume that this would be accretive to every project ROC, the fact remains that decreased expenses means a greater debt service coverage ratio for a project.

Market-Rate Projects

The use of a property tax abatement in the context of a market-rate rental development, however, could have a substantial impact on the ROC metric in a development consideration. Assessors often appraise rental properties by either the replacement or income methodologies. As mentioned above, it is assumed that the development cost for such a project would be slightly higher at $300,000 per unit. It is also estimated, that because of it, property taxes are estimated to be higher as well.

The base ROC is estimated to be approximately 5.78 percent with all expense and 6.25 percent with the property tax abatement. It is fairly common that a rental project development will seek a base ROC of 6.00 percent. While these numbers are not based on any specific project, the impact of the property tax abatement could, assuming the magnitude of these assumptions is correct, make a project either more feasible or encourage a project to move forward that otherwise would not have.

Table 5
Estimated Impact of a Property Tax Abatement

				Expenses		NOI		ROC	
	Units	Total Dev. Cost	Gross Income	O&M	Property Taxes	Base	Excl. Prop. Taxes	Base	Excl. Prop. Taxes
LIHTC Project	80	$16,000,000	$1,008,000	$384,000	$74,624	$549,376	$624,000	3.43%	3.90%
Market-Rate Rental Project	80	$19,200,000	$1,584,000	$384,000	$89,549	$1,110,451	$1,200,000	5.78%	6.25%

Source: Economic & Planning Systems
H:\153048-Park City UT Housing Review\Data\[153048-Development Incentive Values.xlsx]TABLE 2 - Impacts

As it concerns for-sale housing, the City should consider whether the per-unit fee waiver, currently a part of the existing housing resolution, is worth maintaining. Because the gap between market rate and affordable units is so great (currently estimated at nearly $950,000), the $5,000 per unit waiver of fees is not enough to motivate a developer; it is therefore, largely symbolic. At a minimum, the City should consider having a discussion about waiving either 100 percent or some substantial portion of permit and impact fees. (In context, the fee waiver was set at $5,000 in 1991. In today's dollars, it would need to be approximately $8,600 to have at least the same value.)

4.1.2 Density Bonus

Applicability

The City should expand the applicability of the density bonus for affordable housing and consider raising the density bonus. The density bonus is granted only to MPDs in the City's Land Management Code. Using additional entitlements to motivate a developer to provider affordable housing can be a strong incentive in markets where additional density is particularly valuable. As a matter of policy coverage, EPS believes that the density bonus should be made available to any development that would look for ways to include affordable housing, including commercial and infill developments.

Current 10 Percent

The density bonus is frequently the strongest incentive an inclusionary zoning ordinance can offer in any setting where development pressures exceed entitlement. In EPS's experience, an increase in density, while greater efficiencies of land are usually realized (lowering the per-unit costs of land), is still associated with more construction costs. There are two challenges for most communities utilizing this incentive.

On one hand is calibrating the amount of density, recognizing the marginal costs of construction, so that it has sufficient residual value to motivate a developer to pursue it. On the other hand is calibrating the amount of the "requirement" so that it doesn't eliminate the positive residual value of the density bonus itself. That is, there is value in the density bonus that can be leveraged for additional community benefit (i.e., affordable housing), but it needs to be of sufficient scale so as not to make the density bonus worth pursuing at all.

Currently, Section 15-6-5(A)(1)(b) allows the Planning Commission to grant a maximum of 10 percent density bonus if a developer proposes an MPD where more than 30 percent of the equivalent units are affordable (or employee) housing. Therefore a developer of a residential MPD in Park City would have two basic choices: comply with the standard 15 percent set-aside requirement, or provide an additional 15 percent affordable housing for 10 percent additional density. It is very unlikely that these two elements have been calibrated such that a developer would be economically indifferent to the two choices – i.e., they would both yield the same financial return, or even ideally that the financial return of the project with the density bonus is actually higher.

Recommendation

EPS recommends that the City re-evaluate its motivation for the two factors and discuss to what extent they can be brought into closer economic alignment. For example, the findings of the economic modeling detailed in the previous chapter indicate that density bonuses of various higher magnitudes may more economically support certain set-aside requirements.

For example, a single-family project receiving a 10 percent density bonus could not support more than a 5 percent affordable housing set-aside without pushing the IRR below the base entitlement level. A project receiving a 20 percent density bonus could support nearly a 12 percent affordable housing set-aside. A project receiving 90 percent density bonus could support up to 13 percent affordable housing, but a 100 percent density bonus seems to begin affecting the IRR negatively.

In the townhome example, the findings illustrate that a project receiving a 10 percent density bonus could not support more than a 2 percent affordable housing set-aside without pushing the IRR below the base entitlement level. A project receiving a 20 percent density bonus could support nearly a 5 percent affordable housing set-aside. A project receiving 70 percent density bonus could support up to 10 percent affordable housing, and a 100 percent density bonus could support up to 13 percent affordable housing.

4.1.3 Commercial Mitigation

The City should modify the commercial component of the housing resolution. From the perspective of a policy modification, it is always possible to convert this commercial mitigation strategy into an actual commercial linkage program— i.e., using a nexus study to establish fees that are assessed to new non-residential developments on a per-square foot basis by land use categories.

EPS believes that the current version of a "commercial mitigation strategy" generally achieves the same outcomes as a commercial linkage program might, and that the magnitude of units built or in-lieu fees collected would be roughly equivalent. Like the survey data collected in this study, a nexus study also collects data to identify the number of FTEs generated by different non-residential land uses. It quantifies the distribution of jobs by occupational category and assigns them to wage levels. The workers (and their households) are distributed by median income categories, from which it can be estimated what portion of all jobs created by the new non-residential development require housing assistance. The fee is calculated as the affordability gap, or the difference between the market rate and price of an affordable housing unit to particular households by median income level. The total affordability gap for the lower-income households is estimated and divided by the total square feet of a development to determine a per-square foot fee.

Generation Rate

The City should discuss the merits of incorporating the new survey-based employment generation rates. It should be acknowledged that this type of basis for calculating employment generation rates is always subject to a margin of error. On one hand, asking employers the number of their full-time and part-time staff relies on the accuracy of the information the person surveyed has available. On the other hand, it relies on the respondent's knowledge of the total floor area of their space, and in the absence of that (which is very common), the accuracy of this part of the information is reliant on either the respondent's or the data-gather's ability to accurately gauge the size of the space. EPS made every attempt to fully vet the numbers given to all data-gathers in the survey work. We cross-checked the square-footage numbers against Summit County Assessor data.

Mitigation Rate

Aside from the 15 percent residential set-aside requirement, there are a couple other factors that seem to be associated with mitigation of affordable housing need. On one hand is the 20 percent mitigation factor applied to the commercial component; on the other hand is the 34 percent "location substitution" factor identified and both require the mitigation of some portion of the housing demand generated by those uses. In the case of the City's current resolution, 20 percent appears to have been chosen as a number reflective of the portion of FTE-based households in need of housing assistance, though no documentation is available to confirm this. EPS recommends that the City evaluate whether or not to pursue a substantially higher mitigation rate, as via by the establishment of a housing goals, discussed in the following recommendation.

4.1.4 Establish a Housing Goal

The evolution of the city's current housing resolution, as outlined in Chapter 2, illustrates clearly the city's intent to prioritize affordable housing, but also illustrates how the City's statements did not identify actual goals. In the original ordinance, 37-91, City Council states if feels a need to protect and enhance the community's diversity by encouraging a mix of housing, and to "assist those members of our community that have demonstrated their commitment to Park City by either their residency and/or their work history…" A few years later, in 6-94, the City Council established affordable housing as a high priority goal and top priority action item, but did not identify what that goal should be. In the revised 7-95, City Council indicated that affordable housing should be an "action target" for the years 1995 and 1996, but did not identify what that target would be. In one of the more substantial characterizations of the City's goals, 17-99 listed out seven categories of target populations, such as those who live in Park City, the "essential" public and private sector service workforce, full-time employees of businesses within city limits, residents of the city for the past 24 months, business owners or their representatives, senior citizens, and the physically or mentally challenged.

At this time, establishing an actual housing goal – i.e. a concrete numeric target, should be the city's highest priority.

As indicated earlier in the report, the closest the city has come to identifying a numeric target has been the informally-adopted "location substitution" rate of 34 percent. Research into the root of this factor shows that it may have been based unintentionally on the incorrect ratio of "job-holding residents" to total Park City jobs. Historic in- and out-commuting trends indicate that in 2005, when the location substitution factor was developed, that the ratio of Park City residents working in Park City was actually 15 percent (not 34 percent).

As outlined in the previous chapter, a number of other mountain resort communities who deal with the same problem of an in-commuting workforce have either a higher mitigation rate or have codified a housing goal based on City Council direction. Both Jackson Hole and Aspen have adopted housing goals. Aspen has a stated target of housing 60 percent of its workforce locally, and as such, holds its commercial mitigation rate at 60 percent. Jackson Hole also has a stated policy target of housing 65 percent of its workforce locally, although it requires just 35 percent commercial mitigation.

EPS recommends that Park City not only engage in a discussion of what it would like the target to be, but whether or not it believes that a modified commercial mitigation rate should or needs to be the only manifestation of that policy goal. That is, even if the City chooses to adopt a high locally-housed workforce target, the City will likely never achieve its goals with future commercial development alone. And if Park City did embark on a nexus study to quantify the jobs-housing linkage for commercial development, this mitigation rate would be a factor developed in the analysis, which then becomes, for communities with such policy, the subject of policy debate and community goals.

Target #1: 20 Percent Workforce Living Locally

Based on the projection of future employment levels with a modified commercial mitigation requirement of 60 percent, it is optimistic but attainable to achieve a level of 20 percent of the workforce living locally within the next 10 years. This would mean, however, that the rate of housing production for the local population would have to more than double from its current rate of 33 new occupied housing units per year to nearly 80 occupied housing units per year.

Target #2: 25 Percent Workforce Living Locally

Based on the projection of future employment levels with a modified commercial mitigation requirement of 85 percent, it is optimistic but attainable to achieve a level of 25 percent of the workforce living locally within the next 10 years. This would mean, however, that the rate of housing production for the local population would have to more than triple its current rate of 33 new occupied housing units per year to nearly 110 occupied housing units per year.

4.1.5 Fee In-Lieu Structure

The City should modify its in-lieu fee structure. The current housing resolution establishes a structure based on three pieces of information: 1) the median market value per square-foot of 600 to 1,600 square foot units sold in the prior year; 2) multiplied by 900 square feet; and 3) the affordable home sale price for a household earning Park City's workforce wage subtracted from the result. Questions that the city should answer in this process include:

- Is the City receiving adequate revenues from these fees such that the same number of units as the 15 percent residential or 20 percent commercial mitigation rate requirements could build?
- Has the City been able to use those funds to build the same number of units?
- Or is the in-lieu fee inadequate to build units in appropriate locations?
- Should it be based on assumptions that more accurately reflect the market?
- Looking ahead, are there even development opportunities for which the fees based on the same calculation will be useful?

As a point of consideration, if land is becoming scarcer and its value continues to escalate, there may be a good justification for changing the fee methodology such that it results in a higher fee per unit.

Approaches

There are a variety of approaches to structuring an in-lieu fee: 1) the difference between a market rate unit and a deed-restricted affordable unit; 2) a percent of the construction cost; 3) a percent of the maximum affordable sales price; 4) a percent of the land value to construct units elsewhere; and 5) nexus-based fee, which is described in recommendation above.

For example, the current methodology (#1 above) relies on one piece of outside information: the market rate price per square-foot from the Summit County Assessor. In #2 above, no outside information is needed for calculating a percent of the affordable sales price. In #3, outside information is required for two components: one for establishing a base construction cost per square foot that developers can agree is accurate, and another for escalating the value annually with the Bureau of Labor Statistics Producer Price Index (PPI), for example. In #4, outside data would need to be collected as well to document the value of land with comparable sales. In #5, the methodology would use outside data for the fee calculation, but because of its complexity of inputs, an annual escalation with the PPI, for example, might be too simplistic, while a full recalculation of the fee might be unnecessarily time-consuming.

Construction Cost Method

Given considerations for complexity versus simplicity of the in-lieu fee's design, considerations for the magnitude of revenues generated, and considerations for the ease in making annual updates, EPS recommends that the City adopt a construction cost methodology for its in-lieu fee structure. This method would rely on only one piece of information for the actual in-lieu fee (construction cost per unit), rather than the current three.

This per-unit factor could be developed using the City's own development projects of a relevant prototype, such as single-family homes, townhomes, or condos. The methodology would also involve making annual updates, using either the BLS producer price index (PPI) for all residential construction (i.e., for Material and Supply Inputs to Construction Industries, which is published annually on a 1½ year lag), or the consumer price index (CPI), which is published by the BLS monthly and without a lag. Either way, the methodology does not rely on collection of magnitudes of MLS or Assessor data each year for updates.

EPS also recommends that the City consider applying a percentage to this factor, such as 75 percent of the total cost of construction, so as to remove a portion often attributable to land costs.

To illustrate the potential revenues that might have been generated with this methodology, **Table 6** shows the overall number of units permitted between 2004 and 2014 along with the number of units permitted that yielded inclusionary zoning units. In total, there were 1,416 units permitted between 2004 and 2014, 520 of which are estimated to be in MPDs and annexations for which there were inclusionary zoning units produced.

Had the housing resolution been applied to all residential development, as recommended, and assuming these remaining residential developments paid a fee in-lieu of constructing affordable units, it is estimated that the city would have generated approximately $19 million in in-lieu fees.

This calculation is based on the average cost of construction of $240,000 for 2014, which has been de-escalated for the previous years using the Bureau of Labor Statistics' producer price index. The calculation also assumes that the fee in-lieu is 75 percent of the cost of construction. The rationale for such a factor is that land costs are often approximately 25 percent of the total development cost. As such, the city would want to structure its fee in-lieu to compensate at least for the cost of construction.

Table 6
Estimated Hypothetical Fees In-Lieu, 2004-2014

	Units Permitted				Fee In-Lieu		
	Overall	Less: MPDs / Annex.	Other	IZ Applied to Other	Const. Cost [1]	Fee / Unit	Revenue ($ million)
Factor				15%		75%	
2000 to 2014							
Overall Total	1,416	520	896	134	---	---	$19,132,538
Annual Average	129	47	81	12	$240,000	$180,000	$1,739,322

[**Note 1**]: The cost of construction is assumed to be $240,000 in 2014. It is de-escalated by the producer price index from the Bureau of Labor Statistics. In 2004, it is estimated that the cost of construction per unit was $171,000.

Source: U.S. Census; Park City Municipal Corporation; Economic & Planning Systems

H:\153048-Park City UT Housing Review\Data\[153048-Fee in-lieu estimates.xlsx]TABLE 2 - Estimates

4.1.6 Housing Resolution Applies to All New Residential Development

The City should consider modifying the residential portion of the housing resolution to apply to all residential development.

The City should consider applying this portion of the resolution to all residential development. This is based on the review of the intent of the original housing resolution and the focus of subsequent iterations on annexations and MPDs, as well as analysis of historic building permit data, and an understanding of development in the pipeline. That is, it is unlikely that annexations or MPDs will be a majority or even a substantial component of development moving forward, such that the housing resolution as written will continue to be effective.

For either of the previous options, EPS would recommend that an exemption be structured for projects that are contributing to the City's affordable housing inventory. As such, the exemption could be drawn at units that are priced below a certain affordability mark. For example, in 2014 the maximum affordable purchase price for a household earning 100 percent of median income ($89,886) was $359,600. Alternatively, the maximum affordable purchase price for a household earning 150 percent of the Park City workforce wage ($73,253 for a household of two persons) was $282,700. Whatever the threshold, EPS recommends that it serve equally as a proxy for the size of units being constructed.

The implication of this is that all new residential development, large and small-scale projects of all structure sizes would apply. Given that the City has been concerned about recent increases in the number of larger single-family homes (i.e., second homes) that have not been subject to the resolution, it would be in the interest of the City to adopt a mechanism by which these are either subject to a higher mitigation, or that units priced more affordably (or of a smaller size) would be exempt.

One option available is that the City could consider establishing a residential linkage program, which would establish the nexus between the level of affordable housing demand generated by units at various price points (i.e., proxy for size). There are two methodologies that such an analysis could employ: 1) other resort economies who have traditional residential linkage programs have conducted door-to-door surveys of the actual employment generated by their household (i.e., gardeners, housekeepers, other staff, etc.); and 2) there are a few larger, urban markets that have adopted residential linkage programs that rely on a nexus established on the basis of overall employment (i.e., jobs vis-à-vis household spending patterns). The first method requires primary data collection, and the send relies on input-output modeling factors.

The other option is that the City keep its existing mitigation structure, but apply it to all new construction or demo-rebuild projects (i.e., no threshold). The fee in-lieu structure would be kept the same, but its outcome would require that smaller projects would be a fraction of a per-unit fee.

4.1.7 Deed Restrictions

The City should pursue a blended approach to structuring deed-restricted ownership units. There are two common approaches to deed restrictions – shared equity and value appreciation limits. In general, the shared equity model lowers the initial cost of home-ownership for households and offers them the opportunity to own the property in the long run while not necessarily attempting to manipulate the "value" of the property for the sake of keeping it in the affordable inventory.

The limited appreciation model, on the other hand, seeks to manipulate the value by arbitrarily setting a price appreciation limit that is sometimes set to 2 or 3 percent. During high appreciation times, this is a frustrating element for buyers because they don't benefit from equity gains. Both of these approaches may offer the development community more flexibility in the product it builds, and may open up a slightly wider inventory of housing to households in need of affordable housing.

Shared Equity

This tool works well in an environment where considerable magnitudes of new housing are being built. Although it might have been very effective for Park City to have had this in place when a vast majority of new development was occurring in annexations and MPDs, there still are opportunities to use it moving forward. It would be worthwhile engaging city officials in a discussion of how to establish the program so that it could be utilized where effective.

Specifically, the shared equity approach means that a borrower purchases a home by providing a downpayment, typically 5 percent, borrows approximately 75 percent of the value of the property and receives a low-interest equity loan of up to 20 percent (or some limit). At the end of the mortgage term or earlier, the equity loan is paid off in full plus 20 percent of the property's value escalation.

In a housing market where construction costs are high, this may be an effective way to leverage the construction of units that would otherwise enter the market at slightly higher price points than the typical affordable unit. Because the mortgaged value of the property to the homeowner is actually 75 percent of its face value at the time of sale, it may also be a valuable technique to address the burgeoning need for middle-income housing, an issue that has been raised with increasing frequency.

While a lower equity loan means less for a household to pay back over time, the larger the equity loan, the lower the "point of entry" for households in need. As such, the City may want to consider this element as a point of leverage to manipulate given market conditions. That is, the City could establish a policy where equity loans are available up to a maximum amount, and the borrower could choose whether or not to take advantage of the full value.

The challenge with this technique, however, will be that the City effectively cannot lend its credit or make loans. To take advantage of this option, the City will have to explore what third-party entities would be appropriate for administering such a program, such as Mountainlands Community Housing Trust or the Housing Authority. Perhaps the City could work to organize local and regional banks to establish a shared equity loan pool whereby the banks receive Community Reinvestment Act credits or other tax abatement incentives.

Beyond the obvious application for this structure on ownership condominiums, townhomes, and single-family homes, this may be a model worth exploring in a rental (or leasehold) context. Instead of an equity loan to the homebuyer, the City might explore whether it has the resources (i.e., pass through of capital funds) to grant lower interest equity loans to a new rental development in exchange for a portion of the units to be provided as affordable.

While the specific terms of the stipulations would have to be worked out, this might be a second policy option to use for new rental developments (versus the option to utilize property tax abatements for new or rehabilitated rental properties). In such an example, instead of a 20 percent equity loan being paid off at the end of the mortgage term, the City receives a 20 percent share of the rents.

In general, the advantages of the shared appreciation model are that it lowers the barrier to entry for households and gives them an opportunity to buy into the market and build equity at the same pace as the rest of the market. On the other hand, the shared equity model works well in a market that is constantly producing new units. In theory, after the first round of households has purchased such a deed-restricted home and sold it, there is risk that the housing inventory could enter the market-rate inventory unless a fail-safe mechanism is included, such as a first right of refusal for the city.

The advantages of the limited appreciation model are generally that once the unit enters the deed-restricted inventory, and assuming that covenants are written appropriately, the unit will remain in the affordable inventory, benefiting households for as long as the deed restriction lasts.

On the other hand, in a market like Park City's, where the average sales price of units continues to escalate at more than 6 percent per year, maintaining an affordable inventory that is limited to 2 or 3 percent appreciation means that households who buy these units do not have an opportunity to build equity alongside the market. Beyond this equity concern, the affordable inventory is likely to be a more limited inventory of housing types, meaning that if a household living and working in Park City wanted to move into a different home, they would be limited to the overall variety of available affordable inventory.

4.1.8 Timing of the Policy Change

It is important with the modification of existing policy or adoption of new policy that affects land development that a date be selected sometime in the future, at which point all applications received would apply to the revised policies. Depending on the length of time between, for example, permit application and time of construction or site plan and building permit, EPS recommends that, at the time City Council may approve the recommendations governing the housing resolution, a date be chosen that reflects this amount of time.

4.1.9 Funding Priorities

The City should establish priorities for allocating the recent $40 million RDA Fund allocation. Previous Councils have drawn made important, symbolic, but necessary declarations of need, intent, and priorities in the housing resolution. The recent allocation of $40 million for capital is an important backdrop to such conversations. The City should engage its elected officials, however, in a policy discussion oriented around determining and voicing their concerns, vision, and direction regarding housing priorities.

That discussion should utilize major analytical findings from this study as guideposts for policy debate, not necessarily as prioritizations or exact magnitudes of need. The analytical findings of this study, and other studies that have preceded it, can be interpreted as a selection of ways to look at this need. As there are multiple methodologies here and developed throughout the years by PCMC staff, there is a need to view these findings through the lens of political priority, perceived urgency, as well as within the context of other City priorities.

EPS recommends that the City consider the various programmatic ways it might utilize the allocated funds. Programmatic considerations include making some portion of the funds available through a Notice of Funding Availability (NOFA), through which the City could create a competitive environment among both housing developers and service providers for use of the funds. Such a process can leverage the private sector for creative and financially efficient uses of funds.

Another potential programmatic use of funds could be the acquisition of a strategic parcel of land that the City believes might be valuable in the future as a mixed-use redevelopment, in which the land could be leveraged for a public-private partnership development.

In addition, some portion of the funds could be allocated to the purchase of existing units that might be appropriate for a shared equity or shared ownership program.

While the City is not authorized under its accounting rules to make loans (i.e., for the purpose of establishing a mortgage pool or shared equity program), the City should still engage in discussion around who would be an appropriate entity to carry out such a function, how it would be done, and what variety of programs it would offer. It is valuable to consider that the original resolution (37-91) set forth an objective to establish a mortgage pool, working with lenders. While it is not clear from subsequent versions of the resolution whether this concept was ever piloted, it is clear that there are obvious obstacles to doing it today. Furthermore, it does not appear that the Mountainlands Community Housing Trust offers this type of assistance through its various ownership programs.

In terms of beneficiaries, the City could utilize analysis of affordability conditions from this and other studies to identify magnitudes of need, looking at income level, community workforce contingent, and the type of development typically associated with that type of need. For example, EPS prepared revisions of previous gap analyses as well as a new methodology to estimate magnitude of housing type need by respective income levels of in-commuters.

Based on the analysis of trends, the City would see more effective results and higher production if it focused more on community-based solutions, such as use of funding mechanism, than relied solely on its housing resolution, which is a development-based approach.

DATE: April 28, 2016

TO HONORABLE MAYOR AND COUNCIL

Staff requests that Council review and discuss staff's recommendations to revise two components of the building permit fee calculations: (1) Revise the valuation component to be based on actual construction valuations rather than a set cost per square foot; and (2) adjust the multiplier applied to actual valuation to set the fee amount. Additionally, staff recommends increasing and adding some miscellaneous set fee amounts to closer represent the actual City costs and staff time, as well as support the Council's Energy critical goal.

Respectfully:

Anne Laurent,

City Council
Staff Report

Subject:	Building Permit Calculations and Fees
Author:	Anne Laurent, Community Development Director Michelle Downard, Deputy Building Official
Department:	Community Development, Building Department
Date:	April 28, 2016
Type of Item:	Work session

Summary Recommendation

Staff requests that Council review and discuss staff's recommendations to revise two components of the building permit fee calculations: (1) Revise the valuation component to be based on actual construction valuations rather than a set cost per square foot; and (2) adjust the multiplier applied to actual valuation from 0.75% to 0.8% to set the fee amount. Additionally, staff recommends increasing and adding some miscellaneous set fee amounts to closer represent the actual City costs and staff time as well as support the Council's Energy critical goal.

Executive Summary

Due to increased building permit volume demonstrated in Exhibit A, project complexity, and high expectations of service responsiveness to customers, adjusting the building permit multiplier and fees will serve to offset costs of staff time and expenses for additional plan review and inspection overtime work during high demand times, and increased code enforcement efforts and expenses associated with construction activities and new MS4 mandates.

Adopted Ordinance No. 11-27, municipal code section 11-12-1. Building Permit Fees, sets fees based on the ICC BVD table, which is an average cost per square foot of construction and adjusted annually administratively for cost inflation. Although this fee structure is a reasonable and acceptable practice, the building permit fees in Park City vary greatly in their costs and complexities. The time involved for plan reviewers and inspectors to adequately evaluate and inspect complex building systems associated with higher cost per square foot projects is not equitably captured in the collected fees using the current fee structure. Contrarily, low cost per square foot and simpler construction types may be paying higher fees than they would if utilizing the proposed actual valuation. The complexity or simplicity of the building structures and systems is more accurately reflected in the fee amounts if the actual valuations of the work were utilized in the fee calculations in lieu of the fee table. Staff recommends amending the Building Permit Fees section of the code to reference the Building Official's authority to set the valuations in accordance with the International Building Code.

In an effort to support construction of alternative energy generation systems such as solar voltaic systems, ground source heat pumps and solar hot water, staff is recommending waiving fees associated with these systems by deleting their actual valuation from the building permit fee calculation.

The fee multiplier is a factor that is intended to be adjusted as fee revenues ebb and flow. Per state case law, local municipalities cannot generate surplus revenues from building permit fees. Building fees must be tied to the cost of administering the building permits program. Although the Building Department is not an enterprise fund, nor is it recommended to be so because of the fee revenue volatility associated with changing market conditions, it is important the Council consider maintaining a balance between building permit activity demands on the staff and associated revenues. The Budget Department is in the process of evaluating all City fees and will confirm their recommendation on adjusting the building permit fee multiplier at a later Council meeting prior to the new fiscal year. The preliminary recommendation is to increase the multiplier for 0.75% to 0.8%.

Some permit fees are a set amount. These fees should be reviewed by staff periodically to asses if the fee reasonably represents the monetary costs to the City in staff time and associated resource needs. Specific fee changes are outlined in Exhibit B.

Acronyms

- ICC – International Code Council
- BVD – Building Valuation Data
- MS4 – municipal separate storm sewer systems

The Problem

- Building permit activity has been increasing over the last few years – an additional 1,000 permits in 2015 over 2014 and 2013 volumes.
- Building permit activity is inconsistent and directly reactive to the building market ups and down.
- Building market is anticipated to remain strong in the near future.
- Building department resources are stretched thin and additional revenues are needed to reasonably keep up with market demand, the new MS4 requirements, and not unduly burden the general fund with new development costs.
- Building projects in Park City are complex and require plan review, inspection, and code enforcement efforts.
- Utilizing a set (per square foot) value amount benefits the highest cost projects the most.

Background

The last time the building permit fees were updated/reviewed beyond the annual adjustments to the fee table was March 2013. Fee changes included changing the grading plan review and permits to be based on the valuation of the work rather than a flat fee, added a new fee for a flatwork permit based on valuation of the work, increased flammable or combustible liquid tanks permit from $15 to $130, a couple more minor clarifications, and restructured the Administrative Code Enforcement program fees.

Staff recommended building fee changes are redlined in Exhibit B. The amount of additional building fee revenues generated due to the valuation recommendations in this report is only an estimated based on anticipated volume of construction activity. The difference between the valuation the of construction activity per the BVD fee table versus actual was: $14.8MM in 2013; $19.1MM in 2014; and $46.4MM in 2015. For 2013 and 2014, using the actual construction cost valuations would have resulted in between $110K and $140K additional revenues each year. Due to the high volume of construction activity in 2015, the additional revenues are estimated at almost $350K for that year. Staff does not anticipate 2016 new construction values will be as high as 2015, but likely similar to 2013 and 2014 levels.

The estimated building permit fees for 2016 are $121.5MM. This volume of building permit activity is estimated below 2014 and 2015 levels of $144MM and $135MM respectively, but higher than 2012 and 2013 levels of $63MM and $75MM. Adjusting the multiplier fine tunes the building permit revenues to meet the projected fiscal year 2017 costs of the building permit operations so not to further stress the general fund. The projected revenue value of raising the multiplier from 0.75% to 0.8% is approximately $60K.

Currently, the minimum set fee required for a sub permit (electrical, mechanical or plumbing) is $23.74. The total cost incurred by the city to provide the service related to these permits types is $64.78. The costs are calculated as follows.

- $8.53 Administration*
- $56.25 Inspections*

  *This cost shall include hourly wages and fringe benefits of the employees involved. Administrative Cost for Permit Tech is $34.12 per hour, 12 min per permit to issue and close. Cost for Inspectors is $75.00 per hour, 45 min per inspection to pull files, travel time, complete inspection and input results.

This cost assumes that staff provides only 1 inspection per permit. If additional inspections are required, the cost of providing services is even greater.

Staff is recommending the new fee is amended to reflect a new minimum fee of $50.00 for sub permits. Had this fee been put into place in 2013, 2014 and 2015, the City would have collected additional revenue as follows:

Year	# of Permits with minimum fee	Increased Revenue per Permit	Total Increase in Revenue
2013	85	$26.26	**$2,232.10**
2014	99	$26.26	**$2,599.74**
2015	42	$26.26	**$1,102.92**

Staff recognizes that this fee amendment would not result in a significant increase in fee revenue. The purpose of the fee amendment recommendation is to be more reflective of the cost of providing the services associate with the permits.

Staff recommends increasing the Re-inspection fee from $75.00 to $150.00. This is to discourage contractors from calling for continual re-inspections without completing their due diligence to repair a non-compliant issue. Staff rarely utilizes this fee and assesses it only as appropriate for extreme circumstances. Since 2013, Park City has assessed this fee on 145 occasions and collected a total of $10,875.00 in Re-Inspection Fees. This increase in the Re-inspection Fee would not significantly increase revenue, but would provide a tool for staff to hold the contractor accountable for their work.

Staff recommends increasing the fire fees as following:

- Increasing Open Burning fee from $15.00 to $50.00. Open burning requires a site plan submitted to understand the location of the device used on the property, meet planning requirements, and meet the separations required by the fire code. This process takes approximately one half hour of office time processing the submittal and about one half hour to do the inspection.

- Increasing Candles and Open Flames in Assembly Areas fee from $10.00 to $50.00. Candles and open flame process takes approximately one half hour of office time processing the submittal and about one half hour to do the inspection.

- Increasing Compressed Gas fee from $15.00 to $30.00. Compressed gas approval requires a floor plan submitted showing location of the containers in the structure and a method of securing the containers to the structure. This effort takes 15 minutes review and 30 minutes to do the inspection.

- Deleting Excavations Near Flammable or Combustible Liquid Pipelines fee as this practice is not exercised and this type of permit is not actively applied for or issued.

- Increasing the Fireworks (Displays) fee from $120.00 to $150.00. Fireworks displays take approximately an hour office time to review the site plan and issue the permit. The inspection is always done after hours at night, and overtime is paid to the inspector for a total of three to four hours of staff time.

- Increasing the operational Places of Assembly fee from $15.00 to $50.00. Maintaining proper occupancy loads in assembly locations either permanent or associated with special events takes approximately one half hour of office time processing the submittal and about one half hour to do the inspection.

Staff has reached out to the Home Builders Association. The HBA is supportive of fee increases as long as the fees are utilized to support building permit activities and responsiveness of the department. Staff has also discussed the intent of the proposed fee changes on the radio. To date staff has received minimal but supportive feedback, and the customer's stated priority remains to maintain reasonable turnaround time for plan reviews and inspections. If approved, staff intends to circulate a notice through the quarterly building newsletter email recipient list and provide fliers at the building counter.

If Council is supportive of adjusting the building permit fees, staff will return to Council requesting approval of an amendment to the Muni Code 11-12-2 for the valuation and an amendment to the Fee Resolution for the building fees changes in May or June, and the revised fees will be implemented July 1, 2016 with the start of the new fiscal year.

Department Review
Building, Budget, City Attorney and Executive

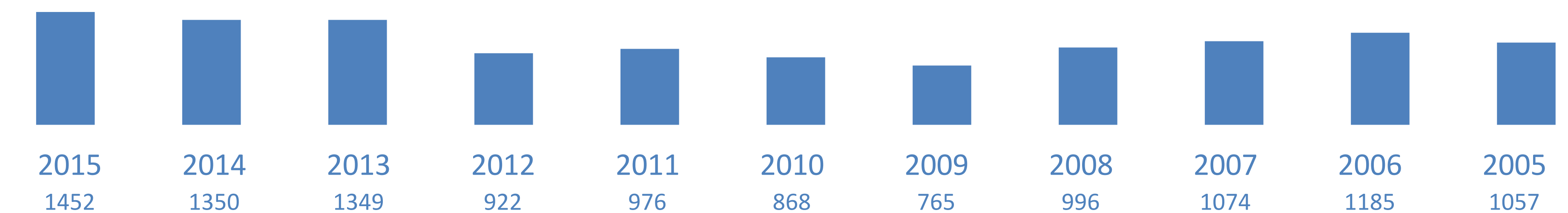
Funding Source
No funding is needed.

Attachments
Exhibit A: Past Building Fee Revenues and Volume
Exhibit B: Proposed Fee Increases

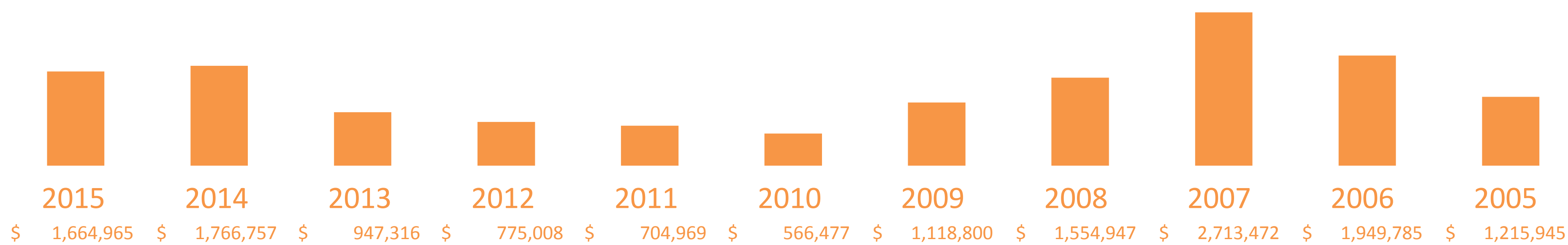
EXHIBIT A

PARK CITY BUILDING DEPARTMENT
YEAR END SUMMARY and COMPARISON

BUILDING PERMITS ISSUED



PLAN CHECK & PERMIT FEES



IMPACT FEES COLLECTED

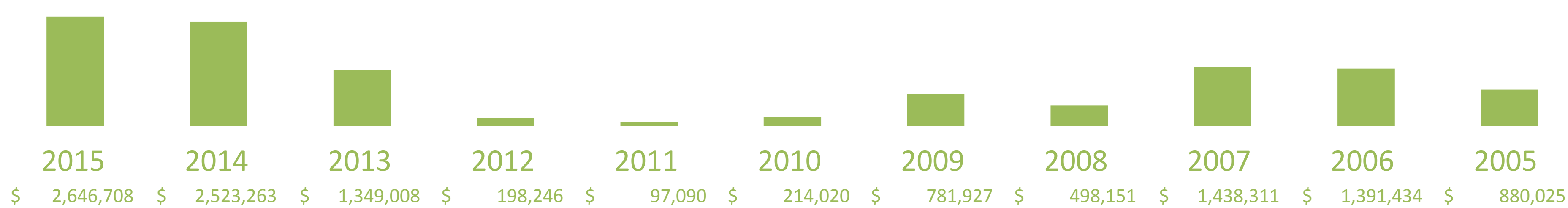


EXHIBIT A

PARK CITY BUILDING DEPARTMENT
YEAR END SUMMARY and COMPARISON

TOTAL FEES COLLECTED

2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
$ 4,374,294	$ 3,616,704	$ 2,480,254	$ 1,599,713	$ 1,153,788	$ 1,354,150	$ 4,602,770	$ 2,944,853	$ 6,020,261	$ 5,643,402	$ 3,600,100

TOTAL VALUATION

2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
$ 138,355,022	$ 144,904,377	$ 75,453,052	$ 63,420,146	$ 40,942,801	$ 57,174,850	$ 68,474,533	$ 148,708,696	$ 239,707,119	$ 173,295,583	$ 115,543,426

WATER IMPACT FEES

2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
$ 1,412,032	$ 1,850,066	$ 1,075,196	$ 625,459	$ 351,729	$ 573,653	$ 2,702,043	$ 891,754	$ 1,867,478	$ 2,302,184	$ 1,504,130

EXHIBIT A

PARK CITY BUILDING DEPARTMENT
YEAR END SUMMARY and COMPARISON

SUB-PERMIT FEES

2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
$ 318,188	$ 237,356	$ 151,681	$ 86,529	$ 75,185	$ 70,710	$ 44,723	$ 103,909	$ 106,394	$ 101,434	$ 76,024

FIRE PERMIT FEES

2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
$ 43,557.00	$ 33,601	$ 151,681	$ 34,783	$ 15,594	$ 16,262	$ 13,094	$ 13,490	$ 13,235	$ 13,330	$ 14,184

SINGLE FAMILY CONSTRUCTION

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Permits	51	52	34	20	15	25	27	30	62	122	84
Valuation	$ 34,428,480	$ 34,570,497	$ 26,806,431	$ 17,056,674	$ 8,451,599	$ 13,927,038	$ 11,960,305	$ 16,865,723	$ 32,275,927	$ 59,091,034	$ 39,889,819

EXHIBIT A

PARK CITY BUILDING DEPARTMENT
YEAR END SUMMARY and COMPARISON

DUPLEX CONSTRUCTION

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Permits	2	2	4	1	-	2	-	2	9	11	5
Valuation	$ 3,562,961	$ 2,809,236	$ 6,037,341	$ 2,267,733	$ -	$ 582,374	$ -	$ 1,507,709	$ 8,426,064	$ 6,928,294	$ 2,712,241

MULTI-FAMILY CONSTRUCTION

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Units	5	2	2	-	-	-	1	1	13	13	16
Permits	49	16	16	-	-	-	262	3	164	99	130
Valuation	$ 16,882,940	$ 9,212,347	$ 1,602,134	$ -	$ -	$ -	$ 26,885,258	$ 1,506,465	$ 43,457,989	$ 18,548,700	$ 31,063,465

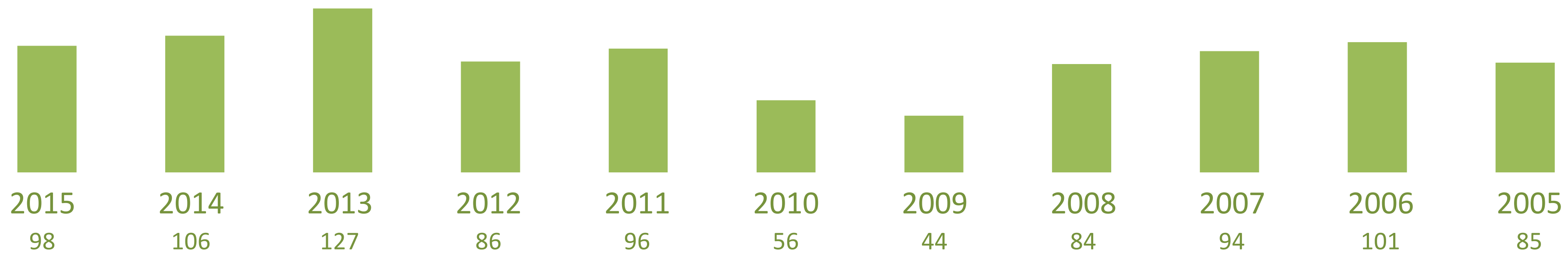
COMMERCIAL CONSTRUCTION

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Permits	3	2	1	3	3	3	1	8	6	5	3
Valuation	$ 18,170,047	$ 14,284,864	$ 150,000	$ 223,000	$ 106,320	$ 8,910,877	$ 2,684,056	$ 6,922,438	$ 20,457,642	$ 18,548,700	$ 6,614,484

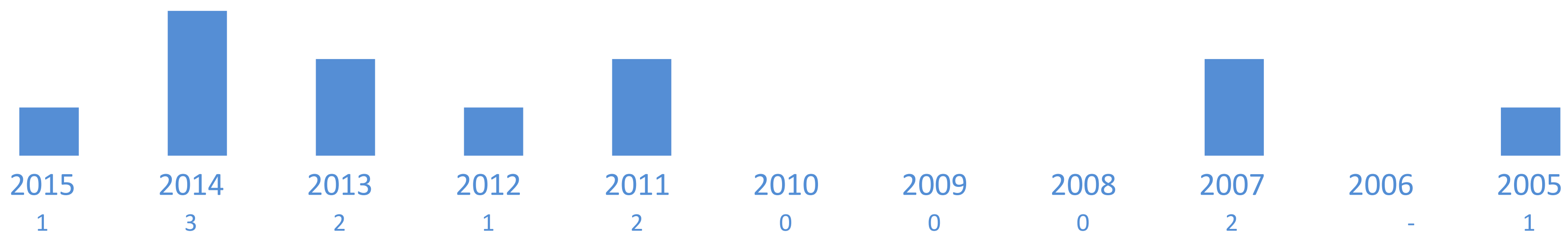
EXHIBIT A

PARK CITY BUILDING DEPARTMENT
YEAR END SUMMARY and COMPARISON

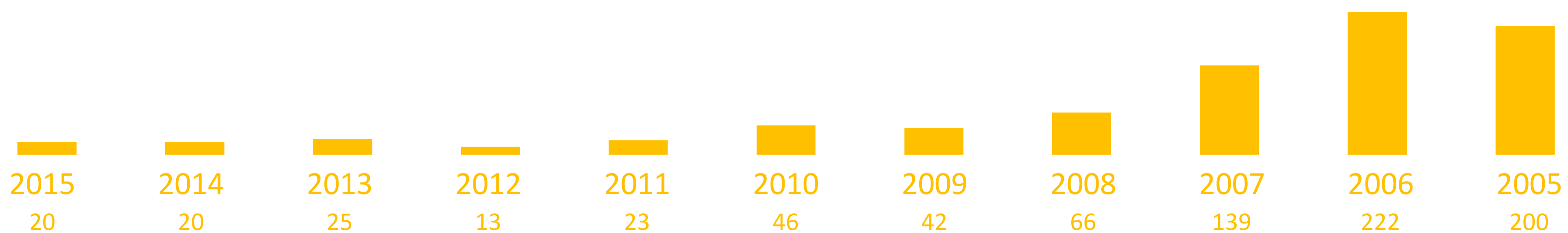
RELOCATION & DEMOLITION CONSTRUCTION



SWIMMING POOL CONSTRUCTION



*OTHER CONSTRUCTION



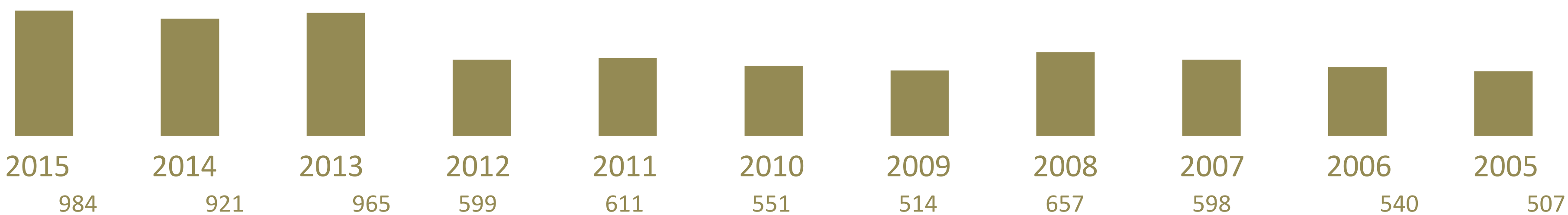
ther Construction = Excavations, footings and foundations, retaining walls, renewal of building permits, ski lifts, and all other construction that does not apply to one of the above egories.

EXHIBIT A

PARK CITY BUILDING DEPARTMENT
YEAR END SUMMARY and COMPARISON

SIGNS

ALTERATIONS / ADDITIONS TO DWELLINGS

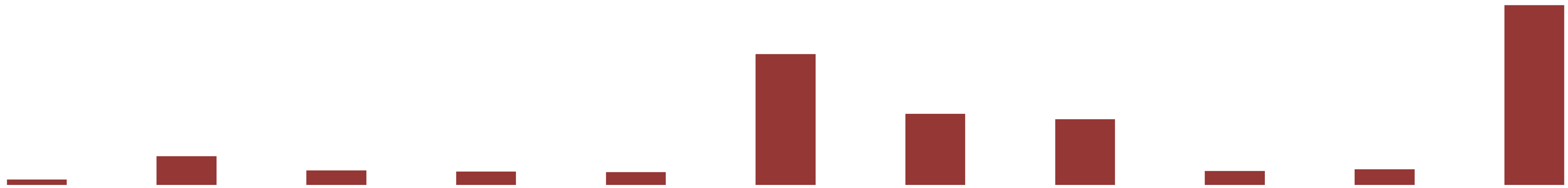


ALTERATIONS / ADDITIONS TO COMMERCIAL

EXHIBIT A

PARK CITY BUILDING DEPARTMENT
YEAR END SUMMARY and COMPARISON

TOTAL FEES WAIVED



2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
$ 16,501	$ 87,877	$ 44,532	$ 40,943	$ 39,783	$ 400,263	$ 217,782	$ 200,871	$ 42,759	$ 47,884	$ 549,879

EXHIBIT B

1.2 BUILDING FEES

1.2.1 Impact Fee Schedule Impact fees are now located in the Park City Municipal Code, Title 11, Chapter 13.

1.2.2 Building Permit

Total Valuation	Actual Value of Construction -Excluding the value of on-site renewable energy systems (including solar voltaic systems, ground source heat pumps and solar hot water)
$1.00 and up	3/4 of 1% (.~~75~~8%) of the total valuation of construction as herein above described with a minimum fee of $15.00.

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1.2.3 Plan Check Fees

a. Deposit. On buildings requiring plan checks at the time of building permit application, the applicant shall pay a deposit of $500.00 for residential buildings; and $2,000.00 for commercial buildings. The deposit shall be credited against the plan check fee when the permit is issued. This deposit is non-refundable in the event permits are not issued.

b. Fee. Except as otherwise provided herein, the plan check fee shall be equal to sixty-five percent (65.0%) of the building permit fee for that building. The plan check fee for identical plans shall be charged at a rate of $54.26 per hour of total Community Development staff time. As used herein, ~~A~~identical plans~~@~~ means building plans submitted to Park City that: (1) are substantially identical to building plans that were previously submitted to and reviewed and approved by Park City; and (2) describe a building that is: (A) located on land zoned the same as the land on which the building described in the previously approved plans is located; and (B) subject to the same geological and meteorological conditions and the same law as the building described in the previously approved plans.

1.2.4 Mechanical Permit
Plus 1% State Surcharge

See fee table below. Building Department enters the total valuation for materials and labor for each sub-permit into the Fee Table to determine the permit fee.

Total Valuation	Fee
$1.00 to $1,300.00	$50.00
$1,301.00 to $2000.00	$50.00 for the first $1,300.00 plus $3.05 for each additional $100.00, or fraction thereof, to and including $2,000.00
$2,001.00 to $25,000.00	$69.25 for the first $2,000.00 plus $14.00 for each additional $1,000.00, or fraction thereof, to and including $25,000.00
$25,001.00 to $50,000.00	$391.75 for the first $25,000.00 plus $10.10 for each additional $1,000.00, or fraction thereof, to and including $50,000.00
$50,001.0 to $100,000.00	$643.75 for the first $50,000.00 plus $7.00 for each additional $1,000.00, or fraction thereof, to and including $100,000.00
$100,001.00 to $500,000.00	$993.75 for the first $100,000.00 plus $5.60 for each additional $1,000.00, or fraction thereof, to and including $500,000.00

EXHIBIT B

$500,001.00 to$1,000,000.00	$3,233.75 for the first $500,000.00 plus $4.75 for each additional $1,000.00, or fraction thereof, to and including $1,000,000.00
$1,000,001.00 and up	$5,608.75 for the first $1,000,000.00 plus $3.65 for each additional $1,000.00, or fraction thereof

1.2.5 Electrical Permit

See fee table below.

Total Valuation	Fee
$1.00 to $1,300.00	$50.00
$1,301.00 to $2000.00	$50.00 for the first $1,300.00 plus $3.05 for each additional $100.00, or fraction thereof, to and including $2,000.00
$2,001.00 to $25,000.00	$69.25 for the first $2,000.00 plus $14.00 for each additional $1,000.00, or fraction thereof, to and including $25,000.00
$25,001.00 to $50,000.00	$391.75 for the first $25,000.00 plus $10.10 for each additional $1,000.00, or fraction thereof, to and including $50,000.00
$50,001.0 to $100,000.00	$643.75 for the first $50,000.00 plus $7.00 for each additional $1,000.00, or fraction thereof, to and including $100,000.00
$100,001.00 to $500,000.00	$993.75 for the first $100,000.00 plus $5.60 for each additional $1,000.00, or fraction thereof, to and including $500,000.00
$500,001.00 to$1,000,000.00	$3,233.75 for the first $500,000.00 plus $4.75 for each additional $1,000.00, or fraction thereof, to and including $1,000,000.00
$1,000,001.00 and up	$5,608.75 for the first $1,000,000.00 plus $3.65 for each additional $1,000.00, or fraction thereof

1.2.6 Plumbing Permit

See fee table below.

Total Valuation	Fee
$1.00 to $1,300.00	$50.00
$1,301.00 to $2000.00	$50.00 for the first $1,300.00 plus $3.05 for each additional $100.00, or fraction thereof, to and including $2,000.00
$2,001.00 to $25,000.00	$69.25 for the first $2,000.00 plus $14.00 for each additional $1,000.00, or fraction thereof, to and including $25,000.00
$25,001.00 to $50,000.00	$391.75 for the first $25,000.00 plus $10.10 for each additional $1,000.00, or fraction thereof, to and including $50,000.00
$50,001.0 to $100,000.00	$643.75 for the first $50,000.00 plus $7.00 for each additional $1,000.00, or fraction thereof, to and including $100,000.00
$100,001.00 to $500,000.00	$993.75 for the first $100,000.00 plus $5.60 for each additional $1,000.00, or fraction thereof, to and including $500,000.00
$500,001.00 to$1,000,000.00	$3,233.75 for the first $500,000.00 plus $4.75 for each additional $1,000.00, or fraction thereof, to and including $1,000,000.00
$1,000,001.00 and up	$5,608.75 for the first $1,000,000.00 plus $3.65 for each additional $1,000.00, or fraction thereof

EXHIBIT B

1.2.7	International Fire Code Fee Issuance Fee	$20.00

In Addition:

Aircraft Refueling Vehicles	$30.00
Open Burning	$50.00
Candles and Open Flames in Assembly Area	$50.00
Compressed Gas	$30.00
Explosives or Blasting Agents	$150.00
Fireworks (Displays)	$150.00
Firework (Sales)	$75.00
Flammable Liquids	$15.00
Flammable or Combustible Liquid Tanks	$130.00
Hot Work (welding)	$15.00
Liquefied Petroleum Gases (heaters and devices up to 5 units)	$55.00
Liquefied Petroleum Gases (heaters and devices) each additional unit	$11.00
Liquefied Petroleum Gases on an active construction site (125+ gal)	$130.00
Places of Assembly	$50.00
Vehicles (liquid or gas fueled) within a building	$130.00
Others not listed	$15.00

Tents, air-supported structures and trailers $.20 per square foot
Temporary structures built to permanent standards
will be subject to fees set forth in Section 1.2.2.
For plans already on file and approved, the fee will be
reduced to $.13 per square foot

1.2.8 Grading Plan Review and Permit Fees

See fee table below.

Total Valuation	Fee
$1.00 to $1,300.00	$50.00
$1,301.00 to $2000.00	$50.00 for the first $1,300.00 plus $3.05 for each additional $100.00, or fraction thereof, to and including $2,000.00
$2,001.00 to $25,000.00	$69.25 for the first $2,000.00 plus $14.00 for each additional $1,000.00, or fraction thereof, to and including $25,000.00
$25,001.00 to $50,000.00	$391.75 for the first $25,000.00 plus $10.10 for each additional $1,000.00, or fraction thereof, to and including $50,000.00
$50,001.0 to $100,000.00	$643.75 for the first $50,000.00 plus $7.00 for each additional $1,000.00, or fraction thereof, to and including $100,000.00
$100,001.00 to $500,000.00	$993.75 for the first $100,000.00 plus $5.60 for each additional $1,000.00, or fraction thereof, to and including $500,000.00
$500,001.00 to$1,000,000.00	$3,233.75 for the first $500,000.00 plus $4.75 for each additional $1,000.00, or fraction thereof, to and including $1,000,000.00
$1,000,001.00 and up	$5,608.75 for the first $1,000,000.00 plus $3.65 for each additional $1,000.00, or fraction thereof

1.2.9	Soil Sample Fee	$100.00

EXHIBIT B

1.2.10 Demolition Permit Fee

Total Valuation	Fee
$1.00 to $1,300.00	$50.00
$1,301.00 to $2000.00	$50.00 for the first $1,300.00 plus $3.05 for each additional $100.00, or fraction thereof, to and including $2,000.00
$2,001.00 to $25,000.00	$69.25 for the first $2,000.00 plus $14.00 for each additional $1,000.00, or fraction thereof, to and including $25,000.00
$25,001.00 to $50,000.00	$391.75 for the first $25,000.00 plus $10.10 for each additional $1,000.00, or fraction thereof, to and including $50,000.00
$50,001.0 to $100,000.00	$643.75 for the first $50,000.00 plus $7.00 for each additional $1,000.00, or fraction thereof, to and including $100,000.00
$100,001.00 to $500,000.00	$993.75 for the first $100,000.00 plus $5.60 for each additional $1,000.00, or fraction thereof, to and including $500,000.00
$500,001.00 to$1,000,000.00	$3,233.75 for the first $500,000.00 plus $4.75 for each additional $1,000.00, or fraction thereof, to and including $1,000,000.00
$1,000,001.00 and up	$5,608.75 for the first $1,000,000.00 plus $3.65 for each additional $1,000.00, or fraction thereof

1.2.11 Flatwork Permit

Total valuation.

$1.00 and up ¾ of 1% (.75%) of the total valuation of construction as herein above described with a minimum fee of $15.00. Flatwork permits are subject to Plan Check fees as described above.

1.2.12 Other Inspections and Fees

Inspections outside normal business hours*	$150.00 per hour (minimum charge 2 hours)
Re-inspection fee	$150.00 per hour (minimum charge 1 hour)
Additional inspection services*	$75.00 per hour (minimum charge 1 hour)
Starting work without a permit (first offense)	Double (x2) the building permit fee
Continuing work without a permit (second offense)	Quadruple (x4) the building permit fee
For use of outside consultants for plan reviews, inspections or both	Actual cost**

* Or the total hourly cost to the City, whichever is greatest. This cost shall include supervision, overhead, equipment, hourly wages and fringe benefits of the employee involved. These services will be offered based on inspector availability.

** Actual Cost includes administrative and overhead costs.

PARK CITY 1884

DATE: April 28, 2016

TO HONORABLE MAYOR AND COUNCIL

Staff is following up on an earlier Council discussion (Fall 2014 – Attachment A) regarding a concern with the policies that govern the beginning and end dates of the terms of Boards and Commissions. No changes are recommended at this time.

Respectfully:

Matt Dias, Asst City Manager

City Council
Staff Report

Subject: Boards and Commissions Terms
Author: Matthew Dias & Diane Foster
Department: Executive
Date: April 28, 2016
Type of Item: Legislative

Summary Recommendation

Staff is following up on an earlier Council discussion (Fall 2014 – Attachment A) regarding concerns with the policies that govern the beginning and end dates of the terms of the City's Boards and Commissions. No changes recommended at this time.

Executive Summary

- At times, board/commission terms that begin/end in June or July has, intermittently, created excess workloads for both elected officials and staff during an already busy time of year – budget approval season.
- Though staff believes the large number of interviews conducted in 2014 was an anomaly and compounded by several factors, this action item remains unresolved.
- This summer, staff anticipates eleven boards/commissions openings will occur, though not at the levels of 2014, nor dissimilar to previous years.
- In recent years and on a positive note, the number of applications received for most boards and commissions has been quite large.
- Though changes can be made relatively easily to some of the start/end dates of terms for boards and commissions, some terms are prescribed by our Municipal Code and will require amendments by way of an act of Council.
- There are various pros and cons to amending the condensed calendar of beginning/end dates of the terms of our boards and commissions.
- Recently, the Mayor and Council have utilized a pre-screening methodology of candidates, which appears to have increased the efficiency of the appointment process.
- Given the above information, the existing Council and staff workloads, and the length of recent Council meetings, staff recommends no action at this time and the issue be revisited in the future if a year like 2014 arises again.

Acronyms

BOA – Board of Adjustment

The Problem

When all of the boards and commissions have expiration of terms in June and July, it results in an anticipated yet larger than normal workload for Council and staff. More specifically, this can result in multiple meetings that would otherwise be shorter and have, at times, exceed six hours in length.

Background

- One result of so much turnover during an already otherwise busy time of year, was a Council request to consider the implications and history of further staggering the terms of boards/commissions. The most commonly held alternative was that, perhaps, staggering the beginning and end dates of terms even further than they are today would better balance the appointment process workloads throughout the year.

- As a result, staff held a work session (Attachment A) and generally recommended no significant changes for the following reasons:
  1. The difficulties of 2014 were a relative anomaly and not experienced in 2015;
  2. Terms of service are already staggered by year and, somewhat, by month, to ensure that boards/commissions maintain continuity and institutional knowledge, and that the appointment process workload is spread across two months;
  3. Staff interviewed PCMC employees involved in previous Council attempts to reduce the condensed workload of the appointment process and found that, several years prior, a previous Council had chosen to staggered terms together and near the beginning of the Fiscal Year;
     a. At that time, Council and staff desired to move away from a process whereby the entire year was intermittently interrupted by the appointment process (advertisements, application review and interviews, and appointments);
     b. In other words, though the decision to better align dates created a more condensed workload, yet it created more continuity throughout other parts of the year, such as allowing the public to anticipate and generally review advertisements at the same of the year, each year and thereafter; and
  4. Unintended consequences – after considering the above, staff generally felt that there was no silver bullet – any changes, while improving some aspects of the appointment process, would inevitably create other challenges and frustrations, some of which previous Council's had already attempted to resolve.

- The work session included a robust yet indecisive discussion regarding the pros and cons of further staggering term dates. It did result, however, in a few other formal recommendations that were immediately implemented by staff, such as:
  1. Standardization of the questions Council uses to interview candidates;
  2. Staff commitment to provide more time (get ahead) to fill vacancies on boards/commissions; and
  3. A Council preference to prevent phone interviews, when possible.

- The 21 work session resulted in one additional recommendation, which we have yet to implement – to consider reducing the length of the term for the Board of Adjustment (BOA). The current term is five years. Several members of the BOA suggested that the length of the term might prevent a sitting member from committing to a second term.

  - At the next BOA meeting, Planning staff will raise the topic and provide Council with a BOA recommendation for Council consideration.

- Since 2014, one additional improvement worth mentioning has added increased efficiency to the appointment process – Council and the Mayor began pre-screening applicants in order to ensure a prerequisite amount of professional expertise (trade and or skill) and/or community/neighborhood representation (composition and balance). The result of this action has reduced workloads associated with the time it takes to execute the appointment process
- See Attachment B for 2016 anticipated openings in June and July. In many cases, staff is beginning the advertisement process in order to meet the commitment to better spread the workload.

Alternatives for City Council to Consider

1. **Recommended Alternative:** No changes recommended at this time. Continue with the practice of allowing the Mayor and a Council member to prescreen applications.
   <u>Pros</u>
   a. Status quo has worked relatively low over the past two years
   b. Allowing the Mayor and a member of Council to pre-screen applicants has also added efficiency to the process
   c. Despite the condensed workload, having a predictable schedule of vacancies is effective and efficient for staff
   d. The impacts of status quo, given a worst case scenario like 2014, are known and predictable
   <u>Cons</u>
   a. A year like 2014 may happen again, negatively impacting Council's workload and could result in multiple Council meetings that exceed six hours in length
   b. Council may be frustrated with the forecasted workload during June & July

2. **Null Alternative:** Same outcomes as the recommendation.

3. **Alternative 1:** Council could recommend further staggering the beginning and end dates of board/commission terms. Staff would return with recommendations.
   <u>Pros</u>
   a. This would prevent condensed workload during an otherwise busy time of year for Council
   b. This would likely prevent unanticipated vacancies from exacerbating an already busy time of year
   <u>Cons</u>
   a. Further staggering terms could result in the same frustrations of past Councils who expressed frustration with a yearlong appointment process
   b. Advertising at the same time each year for various boards/commission likely creates a more informed public than at various times throughout the year

4. **Alternative 2:** Keep the current term expirations in the June/July timeframe and select alternate dates to conduct interviews (non-Council days)
   <u>Pros</u>
   a. This could minimize the number of meeting days that exceed 6 hours in length

b. Maintains the current term expiration schedule

Cons

c. Creates an additional work day for elected officials and staff

Department Review

This report has been reviewed by Executive and Legal

Attachments

A Attachment A

B Attachment B

City Council
Staff Report

Subject: Boards and Commissions
Author: Matthew Dias
Department: Executive
Date: November 20, 2014
Type of Item: Administrative

Topic/Description:
Recommendation to make minor adjustments to the guidelines that govern board/commission protocols.

Summary:
On several recent occasions, Council expressed minor concerns with a few of the policies governing boards and commissions, such as when the term(s) of board/commission members begin and expire, the interview and application processes, and the existing practice on the Historic Preservation Board (HPB) that provides an opportunity for at least one individual to come from outside of Park City.

Because of this, Council directed staff to review the current policies in place and, if warranted, provide recommendations to enable more efficient and effective processes.

Recommendations:
In order to better manage workloads and marginally increase efficiency, staff recommends minor updates to the current policies:

1. Direct staff to begin the interview process earlier;
2. Require the Executive Department to maintain an active roster of individuals previously interested in serving on a board/commission:
    a. In the event of unplanned openings or a partially filled term, Council may favor an immediate replacement from a roster of former applicants to serve out an existing term;
3. Per previous Council direction, no longer allow for phone interviews for applicants, when possible;
4. Continue to allow at least one member of the HPB to reside outside of city limits; and
5. Work with the BOA to provide a recommendation to Council regarding the length of their term.

Background:
The City's original policy governing board/commissioner terms had prescribed that terms would expire at different times and on an overlapping basis. In other words, terms began and ended on different dates within the same board/commission, ,as well as on other boards/commissions. We are told that this created some challenges and

confusion for both Council and staff as the City has many different boards/commissions to support.

As a result, in 2003, a staff-led committee recommended, and Council supported, a more centralized approach that moved most expiring terms to June 30 (beginning July 1). The primary motivation was to avoid the past practice of allowing a series of interviews to take place throughout the year, as well as the confusion that followed about whose term was expiring, on what board/commission, and when. In short, the new policy aimed to ensure a minimal level of continuity across all boards/commissions.

Analysis:
Overall, staff believes the City's current policies are efficient and effective, while at the same time honoring State statutes that regulate some board/commission policies. The current policy of July 1 is still mostly in place today. Despite this, Council recently engaged in a rather extensive period of applicant interviews for both the Planning Commission and the Historic Preservation Board, at the same time. This was the result of a variety of factors, but particularly due to the extension of several planning commissioner terms in order to finish the General Plan. At that time, it was evident that interviewing so many applicants has inherent disadvantages, both for the applicants and Council. Staff does not believe this outcome was avoidable, given the strategy to finalize the General Plan.

Below is a summary of our most active boards/commissions. As you can see, there is a basic level of consistency with term start/end dates.

Most Active Boards & Commissions

Name	Seats	Term	Term Specifics
Board of Adjustments	5	5 yrs	begins July 1st
Historic Preservation Board	7	3 yrs	expires May 1
Library Board	5 to 9	3 yrs	begins July 1st
Planning Commission	7	4 yrs	begins 2nd Wed in July
Public Art Advisory Board	7	2 yrs	begins July 1st
Recreation Advisory Board	up to 7	3 yrs	begins July 1st

While staff believes that the vast majority of our policies are still the most effective approach, some modest improvements could be achieved by making a few updates:

- **Beginning the Interview Process Earlier:**
  Due to a large number of terms expiring at the same time this past summer, some board/committee appointments lapsed into the new fiscal year, and even began impacting the placement of items on Council Work Sessions. Though manageable, if Council continues to desire uniformity, which staff supports, it

would be beneficial to begin the interview process earlier; April, for example, instead of May/June, would help eliminate the potential for another last-minute flurry of applicant interviews.

- **Maintaining an Active Roster of Individuals/Applicants:**
  Another area to consider is directing staff to maintain an active roster of individuals who previously expressed a desire to serve. By doing so, Council would have the prerogative to select a quick replacement to carry out the remainder of a soon-to-expire term without conducting a full interview process. For example, Council recently filled the remainder of an expiring planning commissioner's term by going through a full applicant interview process, despite the fact that only a few months remained in the term.

  An "Active Roster" may have provided Council with a more efficient process to ensure continuity on the Commission while still allowing Council more time to focus on the permanent replacement. In addition, Council could direct staff to include primary and secondary interests, similar to college class selection, whereby applicants could express interest in more than one board/commission.

- **Prohibiting Phone Interviews:**
  Per previous Council direction, staff will prevent, to the extent possible, phone interviews.

- **HPB – Continue to Allow HPB Membership Outside of City limits:**
  For many years now, the HPB has allowed one member to reside outside of city limits. We are told this was done to ensure someone from the construction, building, design, or engineering trades could participate with minimal levels of conflicts of interest and yet still retain much needed technical expertise. Staff believes there are reasonable justifications to continue to allow this strategy as an option.

- **Shortening the Board of Adjustment (BOA) Term:**
  On November 13, 2014, Council held a discussion with members of the BOA who expressed an interest in considering a shortened term or perhaps an initial term of five years with subsequent terms of two, or three years; the current term is five years. The most prominent reason cited was the length of the commitment, particularly for those seeking a second term (another 5 years).

  Staff supports a variety of options; shortening the length of the initial BOA term, shortening the second consecutive term, etc. As discussed, staff supports the notion that the BOA will discuss at their next meeting and, perhaps, provide a recommendation to Council.

Department Review:
This report has been reviewed by Legal and Executive Departments.

Alternatives:

A. Approve:

Direct staff to:

1. Direct staff to begin the interview process earlier;
2. Require the Executive Department to maintain an active roster of individuals previously interested in serving on a board/commission:
    a. In the event of unplanned openings or a partially filled term, Council may favor an immediate replacement from a roster of former applicants to serve out an existing term;
3. Per previous Council direction, no longer allow for phone interviews for applicants, when possible;
4. Continue to allow at least one member of the HPB to reside outside of city limits; and
5. Work with the BOA to provide a recommendation to Council regarding the length of their term.

B. Deny:

Council could choose not to amend the current policies.

C. Modify:

Council could choose to modify the recommendation, including only one or any combination of the four items discussed in the staff report.

D. Continue the Item:

Continue the item for future discussion.

E. Do Nothing:

Same as deny.

Funding Source:

Funding is not an issue.

Consequences of not taking the recommended action:

The current guidelines are not broken or ineffective by any means. However, by making a few modest improvements, Council could marginally improve the continuity of our most active boards/commissions and better balance workloads.

Park City Boards and Commissions - Members and Terms
As of March 29, 2016

Name	Term Expiration Date
Blue Ribbon Housing Commission	
Nicole Butolph	Mar-16
Thomas Horton	Mar-16
Ron Hunt	Mar-16
Megan Ryan	Mar-16
Mark Sletten	Mar-16
Mike Stewart	Mar-16
Glenn Wright	Mar-16
Board of Adjustment	
Jennifer Franklin	Jun-16
Travis McGhee	Jun-17
Dave Robinson	Jun-17
Hans Fuegi	Jun-18
Ruth Gezelius	Jul-19
Mary Wintzer	Jun-20
Citizens Open Space Advisory Committee	
Cara Goodman	Feb-19
Brooke Hontz	Feb-19
Jim Doilney	Feb-19
Carolyn Frankenburg	Feb-19
Bill Cunningham	Feb-19
Jan Wilking	Feb-19
Kathy Kahn	Feb-19
Marian Crosby	Feb-19
Dog Task Force	
Tod Frohnen	Jul-16
Barbara Maw	Jul-16
Becky Burns	Jul-16
Ed Parigian	Jul-16
Alison Childs	Jul-16
Friends of Farm	
Jane Pearson Gorrell	Sep-16
Kathy Jones	Sep-16
Chris Morgan	Nov-16
Amanda Angevine	Dec-16
Anya Grahn	Apr-17
ReNae Rezac	Apr-17

Name
Historic Preservation Board
Puggy Holmgren
Lola Beatlebrox
Cheryl Hewett
Jack Hodgkins
Hope Melville
Douglas Stephens
David White
Library Board
Abby McNulty
Bobbie Pyron
Chris Cherniak
John Fry
Margie Schloesser
Jerry Brewer
Jess Griffiths
Jane Osterhaus
Planning Commission
Adam Strachan
Laura Suesser
Preston Campbell
Steve Joyce
John Phillips
Douglas Thimm
Melissa Band
Public Art Advisory Board
Vickie Anderson
Bryan Markkanen
Judy Horwitz
Jocelyn Scudder
Holly Erickson
Kathy Kahn
Stephanie Bass
Recreation Advisory Board
Cynthia Sandoval
Meisha Lawson
Jane Campbell

Kyle MacArthur	Jul-17
Haley Smith	Oct-17
George Hull	Jan-18
Unfilled at this time	open

Michael Barille
Eric Hoffman
Sebe Ziesler
Alisha Niswander

Special Events Advisory Committee
Cheryl Fox
Mellie Owen
Sarah Klingenstein
Maria McNulty

Term Expiration Date
Sep-17
Sep-17
Sep-17
May-18
May-18
May-18
May-18
Jul-16
Jul-16
Jul-17
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PARK CITY 1884

DATE: April 28, 2016

TO HONORABLE MAYOR AND COUNCIL

Craig Sanchez, Community Engagement Liaison

Main Street Streetscape Update

2016 Season

- Miners Park - Reconstruction of area, new restrooms, stage, sitting areas. *
    - Begin phased work in June
    - September completion

  * Pending recommendation by the Capital Improvement Project committee and receiving Council approval.

For further information contact Craig Sanchez csanchez@parkcity.org 435-615-5206

Water Projects - Prospector
Water line upgrades as part of a joint project with Snyderville Basin Water Reclamation District.

- Prospector Drive
    - Sewer Main Line Replacement
    - Installation of 2 storm drain line
- Double Jack Court
    - New clean out sewer manhole
    - Water line replacement
- Single Jack Court
    - New clean out sewer manhole
- Nail Driver Court
    - New clean out sewer manhole
    - Water line replacement
- Keystone Court
    - New clean out sewer manhole
    - Water line replacement
- Bonanza Court
    - Water line replacement
- Prospector Ave
    - Replacing approximately 22 valves - will have localized water outages

The water improvements consist of replacement of the existing 2” water main for the cul-de-sacs to a 6” PVC line with a flush hydrant, and new 1.5” service lines to the existing meters. Any water outages will be coordinated with the home owners.

For further information please contact Craig Sanchez at csanchez@parkcity.org 435-615-5206

Park Avenue Pathway

- West side - Completion of landscaping
- East side - Christian Center (Deer Valley Dr) to Homestake Rd. (Park Ave).
    - Timeframe - April 11 - mid to late June
    - Monday - Thursday 7 am to 7 pm, Friday - 7 am to 1 pm
    - Questar - replacing gas line, possible future road closure on Homestake Rd
    - Closure of outside travel lane, Deer Valley Dr. (west) and Park Ave (north)
    - Sidewalk closure - East side of Park Ave, use west side sidewalk
    - Minor driveway impacts during this time

For further information contact Heinrich Deters hdeters@parkcity.org 435-615-5205

Lowell Ave project

- Early may start - late fall 2016 completion
- Neighborhood meeting April 27
- Replace sewer line and water line
- Replace curb and gutter along with asphalt pavement
- Provide spot drainage improvements

For further information please contact Kim Clark Kim.clark@parkcity.org

Street Projects -

Slurry Seal

The following streets have been identified within the pavement management program to receive slurry seal pavement treatment.

Street Name	Section
Lucky John Drive	Monitor Drive to Meadows Drive
Evening Star Drive	Little Kate to Lucky John Drive
Meadows Drive	Lakeview Court to Normans Way
Holiday Ranch Loop Road	SR 224 to Lucky John Drive
River Birch Court	Little Kate to End of Cul-de-sac
Hackney Court	Holiday Ranch Loop Road to End of Cul-de-sac
Sidewinder Drive	SR 248 to Comstock Drive
Comstock Drive	SR248 to Sidewinder Drive
Sun Ridge Drive	Solamere Drive to End of Cul-de-sac
Thistle Drive	Sun Ridge to Telemark Drive
Golden Eagle Loop	Royal Street to Royal Street
Golden Eagle Court	Golden Eagle Loop to End Cul-de-sac
Silver Lake Drive	Royal Street to Perseverance Court

Pavement Overlays, Rotomilling and Utility Adjustments

The following streets have been identified within the pavement management program to receive rotomilling and asphalt paving.

Street Name	Section
Deer Valley Drive North	Deer Valley Drive South To Solamere Drive
Guardsman Connection	SR224 to Royal Street
Ontario Ave	State Route 224 to State Route 224
Three Kings Drive	Silver King to Kings Court
Solamere Drive	Deer Valley Drive North to Sun Ridge Drive
Aspen Springs Drive	Meadows Drive to Canyon Court
Sunny Side Drive	Deer Valley Drive to Mellow Mountain Drive

Sealcoat Trails
The following Bike Paths have been identified within the pavement management program to receive High Density Mineral Bond as part of the overall pavement management strategy:

Trail Name	Section
Sunny Slopes Trail	Meadows Drive to Round Valley Trail Head
Meadows Drive Trail	Sunny Slopes Drive to American Saddler
Holiday Ranch Loop Road Path	Jupiter View Drive to Little Kate
McLeod Creek Trail	Meadows Drive to City Limit's (West)
SR224 Trail	Thaynes Canyon Drive to Payday Drive
Deer Valley Drive Path	Doe Pass to Stone Bridge

Gutter Removal and Replacement

Street Name	Section	Type
Deer Valley Drive North	Deer Valley South to Solamere Drive	roll gutter
Solamere Drive	Deer Valley Drive North to Sun Ridge Drive	roll gutter

Crack Seal- Cracking in pavements occurs when stress is built up in the surface causing a fissure or crack to open. Crack sealing and crack filling are methods which can be used to repair these cracks in pavement surfaces. The Contractor will apply 30 tons of crack seal to various city streets and 3 tons of crack seal to bike paths.

NOTE:
The above Pavement Program is a recommendation for City Council's consideration and will be presented to them in May of 2016 and quantities could be adjusted to meet budget.

For further information please contact Troy Dayley troy@parkcity.org 435-615-5637

Private Construction Projects
692 and 632 Main (Silver Queen)

- 692 - Work is continuing at this location
- 632 - Completion ?

205 Main Street - Completion Summer 2016

- Internal crane has been removed

For further information please contact Craig Sanchez csanchez@parkcity.org 435-615-5206

Respectfully:

Craig Sanchez,

DATE: April 28, 2016

TO HONORABLE MAYOR AND COUNCIL

The subject property consists of Lot 1 of the 1280 Park Avenue Subdivision. There is an existing duplex dwelling on the property. The owner desires to create a two-unit condominium consisting of two (2) residential units. The property owner requests to record the proposed Condominium Plat and sell each unit individually.

Respectfully:

Hannah Turpen, Planner I

City Council
Staff Report

PARK CITY 1884
PLANNING DEPARTMENT

Subject:	**1280 Park Avenue Condominiums**
Author:	**Hannah M. Turpen, Planner**
Project Number:	**PL-15-03043**
Date:	**April 28, 2016**
Type of Item:	**Legislative – Condominium Plat**

Summary Recommendations

Staff recommends the City Council hold a public hearing for 1280 Park Avenue Condominiums Plat located at 1280 Park Avenue and consider approving the Condominium Plat amendment based on the Findings of Fact, Conclusions of Law, and Conditions of Approval as found in the draft ordinance.

Executive Summary

The subject property consists of Lot 1 of the 1280 Park Avenue Subdivision. There is an existing duplex dwelling on the property. The owner desires to create a two-unit condominium consisting of two (2) residential units. The property owner requests to record the proposed Condominium Plat and sell each unit individually.

The Planning Commission reviewed the Condominium Plat amendment on April 13, 2016, and forwarded a positive recommendation to City Council with a unanimous vote of 6-0 in favor of the Condominium Plat amendment.

Description

Applicant:	Michele King, owner (Represented by Joshua Arrington, Architect)
Location:	1280 Park Avenue
Zoning:	Historic Residential-Medium Density (HR-M)
Adjacent Land Uses:	Single-Family and Multi-Family Residential, Recreational
Reason for Review:	Condominium Plats require Planning Commission review and City Council approval

Acronyms in this Report

HR-M	District Historic Residential-Medium Density District
HDDR	Historic District Design Review
HSI	Historic Sites Inventory
LMC	Land Management Code
FEMA	Federal Emergency Management Agency
SF	Square Feet

Background

On December 17, 2015, the City received an application for a Condominium Plat for a duplex dwelling located at 1280 Park Avenue located in the Historic Residential-Medium

Density (HR-M) (Exhibit A- Condominium Plat). The application was deemed complete on February 10, 2016. Approval of the Condominium Plat allows for each unit to be sold separately.

The duplex dwelling consists of a Historic Structure and rear addition that is currently under construction. A Historic District Design Review (HDDR) application for the rear addition to the Historic Structure (creating the duplex dwelling) was approved on July 20, 2015. The site is listed as "Landmark" on Park City's Historic Site's Survey.

There are no existing physical encroachments on the site.

The Planning Commission reviewed the Condominium Plat amendment on April 13, 2016, and forwarded a positive recommendation to City Council with a unanimous vote of 6-0 in favor of the Condominium Plat amendment. The Planning Commission expressed concern that there would be confusion regarding the historic designation of the site as a whole. To remedy this, the Planning Commission requested that an additional Condition of Approval (#5) state that the CC&R's shall reflect that the site is listed on the Park City Historic Sites Inventory and any development shall be in substantial compliance with the requirements outlined in the Land Management Code for Historic Sites. Also, the Planning Commission requested that an additional Condition of Approval (#5) state that a Plat note shall be added and state that the site is listed on the Park City Historic Sites Inventory and any development shall be in substantial compliance with the requirements outlined in the Land Management Code for Historic Sites.

Table 1: *Past applications for 1280 Park Avenue (there are no other applications currently active for this property):*

Permit Year	Permit Type	Description of Work
2002	Variance	*The Board of Adjustment denied a request for reduced setbacks between the existing platted lots and a reduction in the minimum lot size for the HR-M zone.*
2003	Lot Line Adjustment	*A lot line adjustment was approved by City Council on March 27, 2003 creating the 1280 Park Avenue Subdivision. The 1280 Park Avenue Subdivision combined the existing platted lots and remnant parcels into one (1) lot of record and brought the lots into compliance with the minimum lot size for the HR-M zone.*
2008	Conditional Use Permit (CUP)	*A CUP application was approved by the Planning Commission for vehicular access off of Sullivan Road.*

2008	Historic District Design Review (HDDR)	*An HDDR application was submitted for an addition to the existing Historic Structure (creating a duplex). The HDDR was approved, but the approval expired due to inactivity.*
2015	Historic District Design Review (HDDR)	*A Historic District Design Review (HDDR) application for the rear addition to the Historic Structure (creating the duplex dwelling) was approved. The rear addition is currently under construction.*

Purpose

The purpose of the Historic Residential Medium Density (HR-M) District is to:

(A) allow continuation of permanent residential and transient housing in original residential Areas of Park City,

(B) encourage new Development along an important corridor that is Compatible with Historic Structures in the surrounding Area,

(C) encourage the rehabilitation of existing Historic Structures,

(D) encourage Development that provides a transition in Use and scale between the Historic District and the resort Developments,

(E) encourage Affordable Housing,

(F) encourage Development which minimizes the number of new driveways Accessing existing thoroughfares and minimizes the visibility of Parking Areas, and

(G) establish specific criteria for the review of Neighborhood Commercial Uses in Historic Structures along Park Avenue.

Analysis

The duplex dwelling is located at 1280 Park Avenue in the HR-M zone. A duplex dwelling is an allowed use in the HR-M zone. The applicant proposes to create a two-unit condominium consisting of two (2) residential units. A condominium is not a type of use but a form of ownership.

The duplex dwelling consists of a Historic Structure with a non-historic rear addition. The Historic Structure was constructed in 1904 and the new addition is currently under construction. A Historic District Design Review (HDDR) application for the new rear addition to the Historic Structure (creating the duplex dwelling) was approved on July 20, 2015.

The Historic Structure is designated as Unit A and the new rear addition is designated as Unit B on the proposed Condominium Plat (Exhibit A).

Table 2*:* *Applicable development parameters in the Historic Residential-Medium Density (HR-M):*

LMC Parameters	Required or Allowed

Minimum Lot Size	3,750 square feet for a duplex dwelling
Front Yard Setbacks	15 feet minimum
Rear Yard Setbacks	10 feet minimum
Side Yard Setbacks	5 feet minimum
Building (Zone) Height	No Structure shall be erected to a height greater than twenty-seven feet (27') from Existing Grade.

As shown in Table 2, the minimum lot size for the HR-M is 3,750 square feet for a duplex dwelling. The property is 5,154 square feet. In the HR-M zone no maximum footprint calculation is established, as the size of a structure is determined by the setback and height requirements. The maximum height for a structure is 27 feet above existing grade. The maximum height of the new rear addition is 27 feet and the maximum height of the Historic Structure is 18 feet.

In accordance with the LMC § 15-2.4-6, Historic Structures that do not comply with Building Setbacks are valid Complying Structures. Table 3 shows the current setbacks for the existing historic structure (Unit A) located on the site.

__**Table 3:**__ *The current setbacks for the existing historic structure (Unit A) located on the site.*

Setbacks	Minimum Requirements	Existing Historic Structure (Unit A) Conditions
Front (west)	15 ft.	Minimum of 17 feet *complies*
Side (north)	5 ft.	2.9 feet to 3.1 feet (west to east) *Valid Non-complying*
Side (south)	5 ft.	3.7 feet to 3.6 feet (west to east) *Valid Non-complying*

LMC § 15-2.4-6 also states that additions must comply with Building Setbacks, Building Footprint, driveway location standards and Building Height. Under § 15-14-1, the Planning Director may deem existing violations in substantial compliance with the Land Management Code. On April 6, 2016, the Planning Director deemed the south Side Yard Setback violation of the rear addition as 1280 Park Avenue *de minimis*, and in substantial compliance with the LMC (Exhibit D).

LMC § 15-2.4-4(H)(5) states the Side Yard must be open and free of any Structure except window sills, belt courses, cornices, trim, and other ornamental features projecting not more than six inches (6”) beyond the window or main Structure to which they are attached. The south wall of the new rear addition is clad in horizontal cedar siding with a two inch (2”) profile. The horizontal cedar siding falls under Side Yard Exceptions in LMC § 15-2.4-4 outlined above. Therefore, the level of non-compliance of the south Side Yard Setback is reduced from 0.25 feet (3 inches) and 0.4 feet (4.8 inches) (west to east) to .083 feet (1 inch) and .24 feet (2.8 inches) (west to east).

The error extends a maximum of 2.8 inches (2.8”) beyond the vertical plane of the south Side Yard Setback. As no additional square footage was achieved in the rear addition due to this violation, the Planning Director has determined that the violation is *de minimis* and not advantageous to the scope of the development. Any new additions to the structure will have to meet the five foot (5’) Side Yard Setback as outlined in § 15-2.4-4 (G) SIDE YARD.

Table 4 shows the current setbacks for the new rear addition (Unit B) located on the site.

Table 4: *The current setbacks for the new rear addition (Unit B) located on the site.*

Setbacks	Minimum Requirements	New Rear Addition (Unit B) Conditions
Rear	10 ft.	Minimum of 11 feet *complies*
Side (north)	5 ft.	5.25 feet to 5.42 feet (west to east) *complies*
Side (south)	5 ft.	4.917 feet to 4.76 feet (west to east) Valid *Non-complying*

In addition, LMC § 15-2.4-6 states additions to Historic Structures are exempt from Off-Street parking requirements provided the addition does not create a Lockout Unit or an Accessory Apartment. The new addition (Unit B) creates a whole separate standalone unit, which is akin to a Lockout Unit. The new addition is subject to the parking requirements defined in LMC § 15-3-6 Parking Ratio Requirements for Specific Land Use Categories which requires two (2) parking spaces per unit. The new rear addition (Unit B) has a two-car garage arranged in a tandem configuration accessed from Sullivan Road. In addition, the driveway for Unit B has a one-car parking space. In total, Unit B provides three (3) parking spaces.

The Historic Structure (Unit A) is exempt from Parking Requirements as defined in LMC § 15-2.4-6; however, the Historic Structure has a driveway (accessed from Park Avenue) which provides a parking space for one (1) vehicle.

Vehicular and pedestrian access for Unit A is proposed to come from Park Avenue. Vehicular and pedestrian access for Unit B is proposed to come from Sullivan Road. Per § 15-2.4-9 Sullivan Road Access, a Conditional Use Permit is required for vehicular access from Sullivan Road. In 2008, a Conditional Use Permit was approved for a concrete driveway and curb cut located in the rear of the Historic Structure. Staff determined that a new Conditional Use Permit would not be required because the new driveway accommodating vehicular access for the new rear addition (Unit B) would utilize the existing curb cut and would not intensify the use of the vehicular access.

Unit A contains 2,265 square feet (including the lower level) and Unit B contains 3,410 square feet (including the garage). Unit B contains 968 square feet of private interior garage space. The driveway of Unit B can accommodate one (1) car and is designated as Limited Common for the Benefit of Unit B. The driveway of Unit A can accommodate one (1) car and is designated as Limited Common for the Benefit of Unit A.

A Common Area and Non-Exclusive Utility and Drainage Easement extends along the entire length of the north lot line. The Common Area and Non-Exclusive Utility and Drainage Easement extends to the northern exterior facades of Unit A and Unit B. A Non-Exclusive Utility and Drainage Easement extends along the entire length of the south lot line and west lot line. The Non-Exclusive Utility and Drainage Easement extends to the southern exterior facades of Unit A and Unit B.

The remaining lot area immediately east of Unit B is designated as Limited Common Area for the Benefit of Unit B. The remaining lot area immediately west, north, and south of Unit A is designated as Limited Common Area for the Benefit of Unit A.

The property is located in a FEMA Flood Zone A which requires the lowest occupied floor to be equal to or above the base flood elevation. Utilities, including sewer, water, gas, and electricity for both units will originate from Park Avenue, as service is not available from Sullivan Road.

The owner submitted a draft Condominium Declaration and CC&Rs with the application. The Condominium Documents will be recorded with the plat. The Condominium Documents will outline the tie breaker process.

Condominium Conversions

LMC § 15-4-12 indicates that "existing structures shall not be converted to condominium ownership without first receiving the review and recommendation of the Planning, Engineering and Building Departments, City Attorney, and plat approval from the City. "

Good Cause

Staff finds Good Cause for the Condominium Plat as the requested form of ownership is not detrimental to the overall character of the neighborhood. This application, as shown on the proposed plat, allows the each unit to be platted as private ownership.

Process
The approval of this Condominium Plat by the City Council constitutes final action that may be appealed pursuant to procedures found in LMC § 15-1-18.

Department Review
This project has gone through an interdepartmental review. No further issues were brought up at that time.

Notice
On March 30, 2016, the property was posted and notice was mailed to property owners within 300 feet. Legal notice was published in the Park Record and posted on the public notice website on March 26, 2016.

Public Input
No public input has been received at the time this report was written. A public hearing is noticed for both the Planning Commission and City Council meetings.

Alternatives
- The City Council may approve the 1280 Park Avenue Condominiums Plat as conditioned or amended; or
- The City Council may deny the 1280 Park Avenue Condominiums Plat and direct staff to make findings of fact and conclusion of law for this decision; or
- The City Council may continue discussion on this item to a date certain or a date uncertain and provide Staff direction on any additional information that is required in order to make a decision.

Significant Impacts
There are no significant fiscal or environmental impacts from this application.

Consequences of not taking the Suggested Recommendation
The units of the duplex could not be separately owned or sold.

Recommendation
Staff recommends the City Council hold a public hearing for 1280 Park Avenue Condominiums Plat located at 1280 Park Avenue and consider approving the Condominium Plat amendment based on the Findings of Fact, Conclusions of Law, and Conditions of Approval as found in the draft ordinance.

Exhibits
Exhibit A – Draft Ordinance with Proposed Condominium Plat
Exhibit B – Existing Conditions Survey
Exhibit C – Site Photographs
Exhibit D – Planning Director Determination for Side Yard Setbacks

Draft Ordinance No. 16-18

AN ORDINANCE APPROVING THE 1280 PARK AVENUE CONDOMINIUMS PLAT LOCATED AT 1280 PARK AVENUE, LOT 1 OF THE 1280 PARK AVENUE SUBDIVISION, PARK CITY, UTAH.

WHEREAS, the owner of the property located at 1280 Park Avenue petitioned the City Council for approval of the 1280 Park Avenue Condominiums Plat; and

WHEREAS, the property was properly noticed on March 26, 2016 and posted on March 30, 2016, according to the requirements of the Land Management Code; and

WHEREAS, proper legal notice was sent to all affected property owners on March 30, 2016; and

WHEREAS, the Planning Commission held a public hearing on April 13, 2016, to receive input on 1280 Park Avenue Condominiums Plat; and

WHEREAS, the Planning Commission, on April 13, 2016, forwarded a positive recommendation to the City Council; and

WHEREAS, the City Council held a public hearing on April 28, 2016, to receive input on the 1280 Park Avenue Condominiums Plat; and

WHEREAS, it is in the best interest of Park City, Utah, to approve 1280 Park Avenue Condominiums Plat to memorialize common, limited common, and private ownership areas and allow the units to be sold separately.

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

SECTION 1. APPROVAL. The above recitals are hereby incorporated as findings of fact. The 1280 Park Avenue Condominiums Plat shown in Exhibit A is approved subject to the following Findings of Facts, Conclusions of Law, and Conditions of Approval:

Findings of Fact:
1. The duplex dwelling is located at 1280 Park Avenue in the HR-M zone. A duplex dwelling is an allowed use in the HR-M zone.
2. The duplex dwelling consists of a Historic Structure with a non-historic rear addition. The Historic Structure was constructed in 1904 and the new addition is currently under construction.
3. A Historic District Design Review (HDDR) application for the new rear addition to the Historic Structure (creating the duplex dwelling) was approved on July 20, 2015.
4. The Historic Structure is designated as Unit A and the new rear addition is designated as Unit B on the proposed Condominium Plat

5. The site is listed as “Landmark” on Park City’s Historic Site’s Survey.
6. There are no existing physical encroachments on the site.
7. The minimum lot size for the HR-M is 3,750 square feet for a duplex dwelling. The property is 5,154 square feet. In the HR-M zone no maximum footprint calculation is established, as the size of a structure is determined by the setback and height requirements.
8. The maximum height for a structure is 27 feet above existing grade. The maximum height of the new rear addition is 27 feet and the maximum height of the Historic Structure is 18 feet.
9. A lot line adjustment was approved by City Council on March 27, 2003 creating the 1280 Park Avenue Subdivision. The 1280 Park Avenue Subdivision combined the existing platted lots and remnant parcels into one (1) lot of record and brought the lots into compliance with the minimum lot size for the HR-M zone.
10. Historic Structures that do not comply with Building Setbacks are valid Complying Structures. The north Side Yard Setback of the Historic Structure is 2.9 feet to 3.1 feet (west to east). The south Side Yard Setback of the Historic Structure is 3.7 feet to 3.6 feet (west to east).
11. Under § 15-14-1, the Planning Director may deem existing violations in substantial compliance with the Land Management Code. On April 6, 2016 the Planning Director deemed the south Side Yard Setback violation of the rear addition as 1280 Park Avenue *de minimis*, and in substantial compliance with the LMC.
12. The south wall of the new rear addition is clad in horizontal cedar siding with a two inch (2”) profile. The horizontal cedar siding falls under Side Yard Exceptions in LMC § 15-2.4-4. Therefore, the level of non-compliance of the south Side Yard Setback is reduced from 0.25 feet (3 inches) and 0.4 feet (4.8 inches) (west to east) to .083 feet (1 inch) and .24 feet (2.8 inches) (west to east).
13. The error extends a maximum of 2.8 inches (2.8”) beyond the vertical plane of the south Side Yard Setback. As no additional square footage was achieved in the rear addition due to this violation, the Planning Director has determined that the violation is de minimis and not advantageous to the scope of the development.
14. Any new additions to the structure will have to meet the five foot (5’) Side Yard Setback as outlined in § 15-2.4-4 (G) SIDE YARD.
15. Historic Structures are exempt from Off-Street parking requirements provided the addition does not create a Lockout Unit or an Accessory Apartment. The new addition (Unit B) creates a Lockout Unit. The new rear addition (Unit B) has a two-car garage arranged in a tandem configuration accessed from Sullivan Road. In addition, the driveway for Unit B has a one-car parking space. In total, Unit B provides three (3) parking spaces
16. The Historic Structure (Unit A) is exempt from Parking Requirements as defined in LMC § 15-2.4-6; however, the Historic Structure has a driveway (accessed from Park Avenue) which provides a parking space for one (1) vehicle.
17. Vehicular and pedestrian access for Unit A is proposed to come from Park Avenue.
18. Vehicular and pedestrian access for Unit B is proposed to come from Sullivan Road.
19. In 2008, a Conditional Use Permit was approved for a concrete driveway and curb cut located in the rear of the Historic Structure. Staff determined that a new Conditional Use Permit would not be required because the new driveway

accommodating vehicular access for the new rear addition (Unit B) would utilize the existing curb cut and would not intensify the use of the vehicular access.

20. Unit A contains 2,265 square feet (including the lower level).
21. Unit B contains 3,410 square feet (including the garage). Unit B contains 968 square feet of private interior garage space. The driveway of Unit B can accommodate one (1) car and is designated as Limited Common for the Benefit of Unit B.
22. The driveway of Unit A can accommodate one (1) car and is designated as Limited Common for the Benefit of Unit A.
23. A Common Area and Non-Exclusive Utility and Drainage Easement extend along the entire length of the north lot line. The easement extends to the northern exterior facades of Unit A and Unit B.
24. A Non-Exclusive Utility and Drainage Easement extends along the entire length of the south lot line and west lot line. The easement extends to the southern exterior facades of Unit A and Unit B.
25. The property is located in a FEMA Flood Zone A which requires the lowest occupied floor to be equal to or above the base flood elevation.
26. Utilities, including sewer, water, gas, and electricity for both units will originate from Park Avenue, as service is not available from Sullivan Road.
27. The Planning Commission reviewed the Condominium Plat on April 13, 2016 and forwarded a positive recommendation to City Council with a unanimous vote of 6-0 in favor of the Condominium Plat amendment.
28. The findings within the Analysis section of this report are incorporated within.

Conclusions of Law:

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

Conditions of Approval:

1. The City Attorney and City Engineer will review and approve the final form and content of the Condominium Plat and Condominium Documents and CC&Rs for compliance with State law, the Land Management Code, and conditions of approval, prior to recordation of the plat.
2. The applicant will record the Condominium Plat at Summit County within one year from the date of City Council approval. If recordation has not occurred within one year's time, this approval for the plat will be void unless a request for an extension is made in writing prior to the expiration date and an extension is granted by the City Council.
3. The CC&Rs shall include a tie breaker mechanism.
4. The CC&Rs shall reflect that the site is listed on the Park City Historic Sites Inventory and any development shall be in substantial compliance with the requirements outlined in the Land Management Code for Historic Sites.

5. A Plat note shall be added and state that the site is listed on the Park City Historic Sites Inventory and any development shall be in substantial compliance with the requirements outlined in the Land Management Code for Historic Sites.

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

PASSED AND ADOPTED this ____ day of April 2016.

PARK CITY MUNICIPAL CORPORATION

____
Jack Thomas, MAYOR

ATTEST:

____
Michelle Kellogg, City Recorder

APPROVED AS TO FORM:

____
Mark Harrington, City Attorney

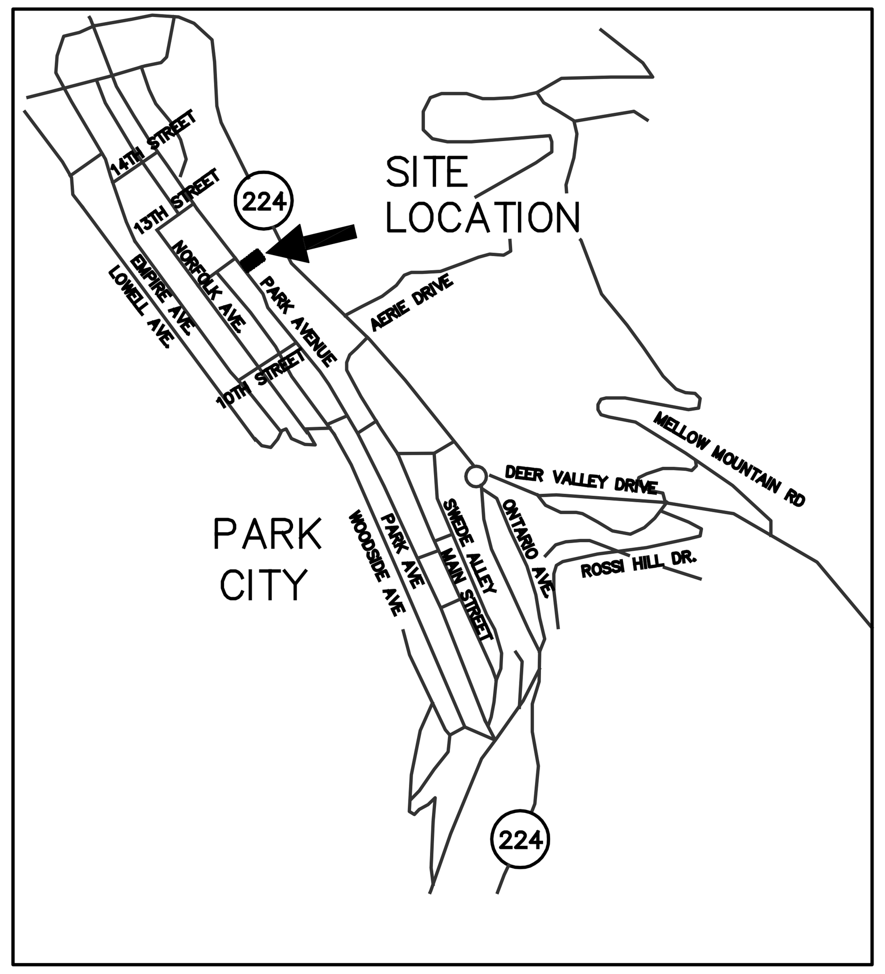
Attachment 1 –Condominium Plat

CONDOMINIUM PLAT

1280 PARK AVENUE CONDOMINIUMS

A UTAH CONDOMINIUM

LOCATED IN THE NORTHWEST QUARTER OF SECTION 16,
TOWNSHIP 2 SOUTH, RANGE 4 EAST
SALT LAKE BASE & MERIDIAN
SUMMIT COUNTY, UTAH



VICINITY MAP

PLAT NOTES:

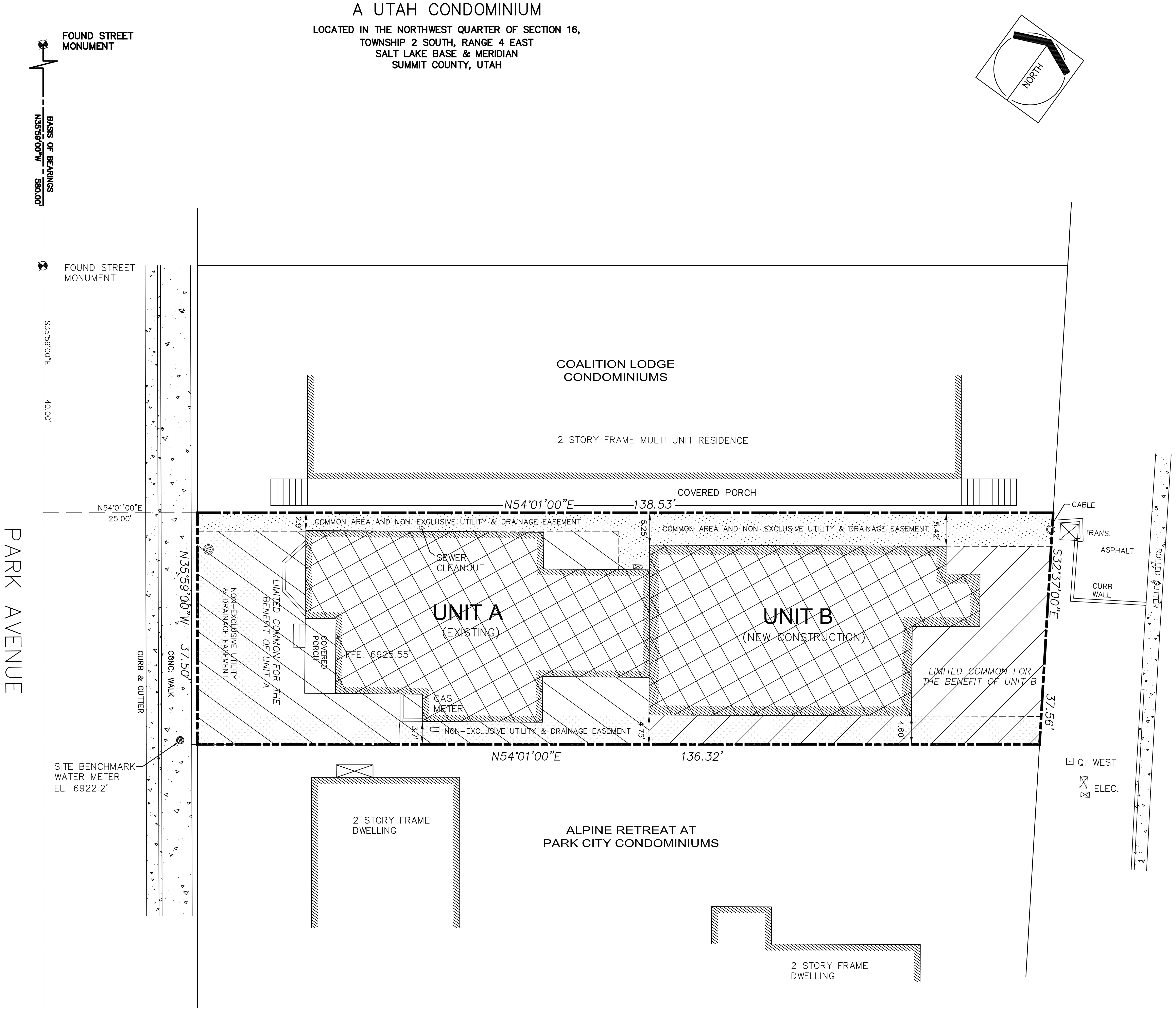
1) Plans and dimensions shown hereon were compiled from architectural drawings prepared by Upwall Design, entitled ________________, and dated ________. Interior dimensions are shown to finished surfaces.

2) Vehicular and pedestrian access to Unit A is exclusively from Park Avenue; there is no pedestrian or vehicular access to Unit A from Sullivan Road. Vehicular and pedestrian access to Unit B is exclusively from Sullivan Road; there is no vehicular or pedestrian access to Unit B from Park Avenue.

3) Subject to two Non–Exclusive Utility and Drainage Easements for the benefit of both Unit A and Unit B, as shown hereon. Unit A and Unit B are to be serviced by common utilities located within such Easements. The 1280 Park Avenue Owners Association shall be solely responsible for the maintenance of such easements and common utilities.

4) Prior to the sale of either Unit, all utility requirements of all utility providers shall be satisfied by the 1280 Park Avenue Owners Association.

5) Refer to Declaration of Condominium for complete description of ownership and other particulars.



LEGEND

- FOUND STREET MONUMENT
- FOUND REBAR & CAP (AS NOTED)
- EXISTING SANITARY SEWER MANHOLE
- WATER METER
- TELEPHONE BOX
- ELECTRICAL BOX
- PRIVATE OWNERSHIP
- LIMITED COMMON AREA FOR THE BENEFIT OF UNIT "A"
- LIMITED COMMON AREA FOR THE BENEFIT OF UNIT "B"
- COMMON AREA AND NON–EXCLUSIVE UTILITY & DRAINAGE EASEMENT
- NON–EXCLUSIVE UTILITY & DRAINAGE EASEMENT

0 5 10 20 30
SCALE: 1"=10'

BOUNDARY DESCRIPTION

Lot 1, 1280 Park Avenue Subdivision, according to the official plat thereof recorded May 23, 2003 as Entry No. 659341 of the official records, in the office of the Summit County Recorder.

Summit County Tax Serial Number: 1280–PA–1

SURVEYOR'S CERTIFICATE:

I, Russell E. Campbell, do hereby certify that I am a Professional Land Surveyor and that I hold Certificate No. 316833 as prescribed under the laws of the State of Utah, and that I have caused to be made under my direct supervision and by the authority of the owner, this Record of Survey Map of 1280 PARK AVENUE, a Utah Condominium Project, in accordance with the provisions of Section 57–8–13 of the Utah Condominium Ownership Act. I further certify that the building and property are shown correctly.

Russell E. Campbell, L.S. 316833 Date

OWNER'S DEDICATION AND CONSENT TO RECORD

Know all men by these presents: That the undersigned Legacy Development Group, LLC, the owner of the tract of land described herein as The Residences at Kings Crown, a Utah Condominium Project located on said tract of land, has caused a survey to be made and this Record of Survey Map to be prepared does hereby give its consent to the recordation of the Record of Survey Map and submit this property to the Utah Condominium Ownership Act. Further, the owner does hereby irrevocably offer for dedication to Park City Municipal Corporation, the Synderville Basin Water Reclamation District, the Park City Fire Protection District, a non–exclusive easement over the utility easements, and snow storage easements shown on this plat for the purpose of providing access for utility installation, maintenance, use and eventual replacement, in accordance with an irrevocable offer of dedication. The owner further certifies all buildings will be built as shown.

In witness whereof, the undersigned has set its hand on this ____ day of _________2015.

KW Park Avenue, LLC,

By: ______________________
MICHELLE KING

ACKNOWLEDGMENT

State of Utah
County of Summit

On the_____day of___________ , 2015, personally appeared before me the undersigned Notary Public in and for the said State and County, __________________ , who after being duly sworn, acknowledged to me that he is the _____________ of the Legacy Development Group, LLC, the owner of the herein described tract of land, and that the foregoing instrument was signed on the behalf of said corporation by authority of it's Articles of Organization or it's Operating Agreement.

Notary Public

Residing at: ____________________
My commission expires: ______________

CONDOMINIUM PLAT

1280 PARK AVENUE CONDOMINIUMS

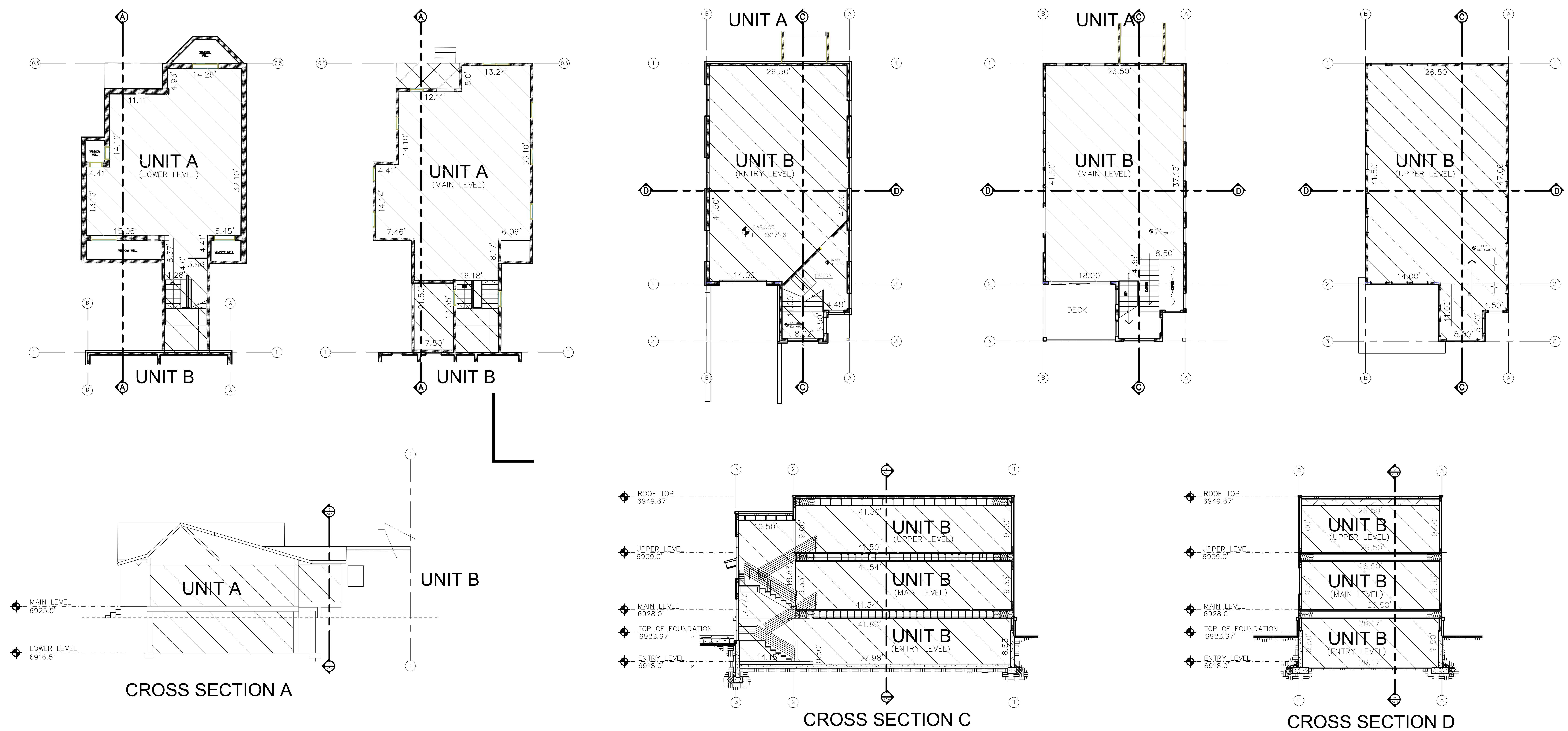
A UTAH CONDOMINIUM PROJECT

LOCATED IN SECTION 16
TOWNSHIP 2 SOUTH, RANGE 4 EAST, SALT LAKE BASE AND MERIDIAN
PARK CITY, SUMMIT COUNTY, UTAH

SHEET 1 of 2

BASELINE SURVEYING, Inc
1058 East 2100 SOUTH
Salt Lake City, UT 84106 (801) 209–2152

CERTIFICATE OF ATTEST	PLANNING COMMISSION	COUNCIL APPROVAL AND ACCEPTANCE	CITY ENGINEER	SNYDERVILLE BASIN WATER RECLAMATION DISTRICT	APPROVAL AS TO FORM	RECORDED
I CERTIFY THIS RECORD OF SURVEY MAP WAS APPROVED BY PARK CITY COUNCIL THIS ____ DAY OF ___________ 2015.	APPROVED AND ACCEPTED BY THE PARK CITY PLANNING COMMISSION THIS ____ DAY OF__________ 2015.	APPROVAL AND ACCEPTANCE BY THE PARK CITY COUNCIL THIS ______ DAY OF __________ , 2015.	I HEREBY CERTIFY THAT I HAVE HAD THIS PLAT REVIEWED BY THIS OFFICE AND IT IS CORRECT IN ACCORDANCE WITH AVAILABLE INFORMATION ON FILE IN THIS OFFICE.	REVIEWED FOR CONFORMANCE TO SNYDERVILLE BASIN WATER RECLAMATION DISTRICT STANDARDS THIS_____ DAY OF ___________ , 2015.	APPROVED AS TO FORM ON THIS_____ DAY OF__________ 2015.	ENTRY NO.__________ BOOK_____ PAGE_____ STATE OF ____UTAH____. COUNTY OF __SUMMIT__ DATE __________ TIME __________ RECORDED AND FILED AT THE REQUEST OF:
PARK CITY RECORDER	PLANNING COMMISSION CHAIRMAN	MAYOR	DATE PARK CITY ENGINEER	S.B.W.R.D.	PARK CITY ATTORNEY	COUNTY RECORDER



LEGEND

PRIVATE OWNERSHIP

SCALE: 1"=10'

RECORD OF SURVEY MAP

1280 PARK AVENUE

A UTAH CONDOMINIUM PROJECT

LOCATED IN THE NORTHWEST QUARTER OF SECTION 16
TOWNSHIP 2 SOUTH, RANGE 4 EAST, SALT LAKE BASE AND MERIDIAN
PARK CITY, SUMMIT COUNTY, UTAH

SHEET
2 of 2

RECORDED

ENTRY NO.______ BOOK____ PAGE____
STATE OF UTAH, COUNTY OF SUMMIT
DATE ______ TIME ______
RECORDED AND FILED AT THE REQUEST OF:

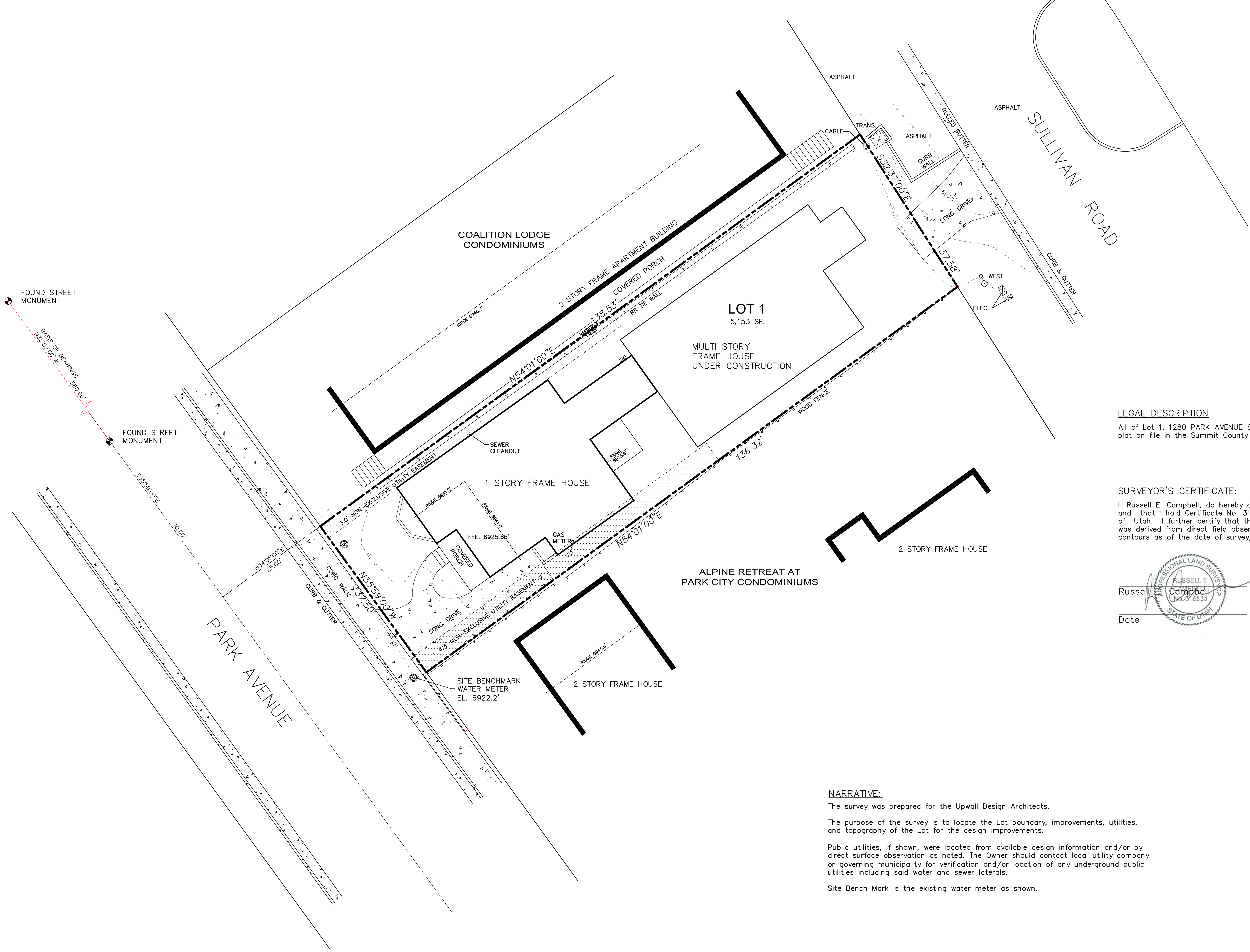
COUNTY RECORDER

Exhibit B: Existing Conditions Survey

RECORD OF SURVEY & TOPOGRAPHIC MAP

LOT 1, 1280 PARK AVENUE SUBDIVISION

LOCATED IN SECTION 16, TOWNSHIP 2 SOUTH, RANGE 4 EAST
SALT LAKE BASE & MERIDIAN
SUMMIT COUNTY, UTAH



LEGAL DESCRIPTION

All of Lot 1, 1280 PARK AVENUE SUBDIVISION Subdivision, according to the official plat on file in the Summit County Recorders Office.

SURVEYOR'S CERTIFICATE:

I, Russell E. Campbell, do hereby certify that I am a Professional Land Surveyor and that I hold Certificate No. 316833 as prescribed under the laws of the State of Utah. I further certify that the boundary and topographic survey shown hereon was derived from direct field observation and represents the existing conditions and contours as of the date of survey, Novermber 25, 2015.

Russell E. Campbell

Date

PROFESSIONAL LAND SURVEYOR
RUSSELL E. CAMPBELL
NO. 316833
STATE OF UTAH

NARRATIVE:

The survey was prepared for the Upwall Design Architects.

The purpose of the survey is to locate the Lot boundary, improvements, utilities, and topography of the Lot for the design improvements.

Public utilities, if shown, were located from available design information and/or by direct surface observation as noted. The Owner should contact local utility company or governing municipality for verification and/or location of any underground public utilities including said water and sewer laterals.

Site Bench Mark is the existing water meter as shown.

LEGEND

- FOUND STREET MONUMENT
- FOUND REBAR & CAP (AS NOTED)
- EXISTING SANITARY SEWER MANHOLE
- WATER METER
- TELEPHONE BOX
- ELECTRICAL BOX

0 5 10 20 30
SCALE: 1"=10'

BASELINE SURVEYING, Inc
1058 East 2100 South
Salt Lake City, UT 84106
(801) 209-2152

DATE	BY	REVISIONS COMMENTS

JOB No.: 1284
SURVEY BY: RC
DRAWN BY: RC

BOUNDARY & TOPOGRAPHIC SURVEY
LOT 1, 1280 PARK AVENUE SUBDIVISION
1280 PARK AVENUE, PARK CITY
SUMMIT COUNTY, UTAH

SHEET
1 of 1

West Side Looking East

West Side Looking West

North Side Looking South

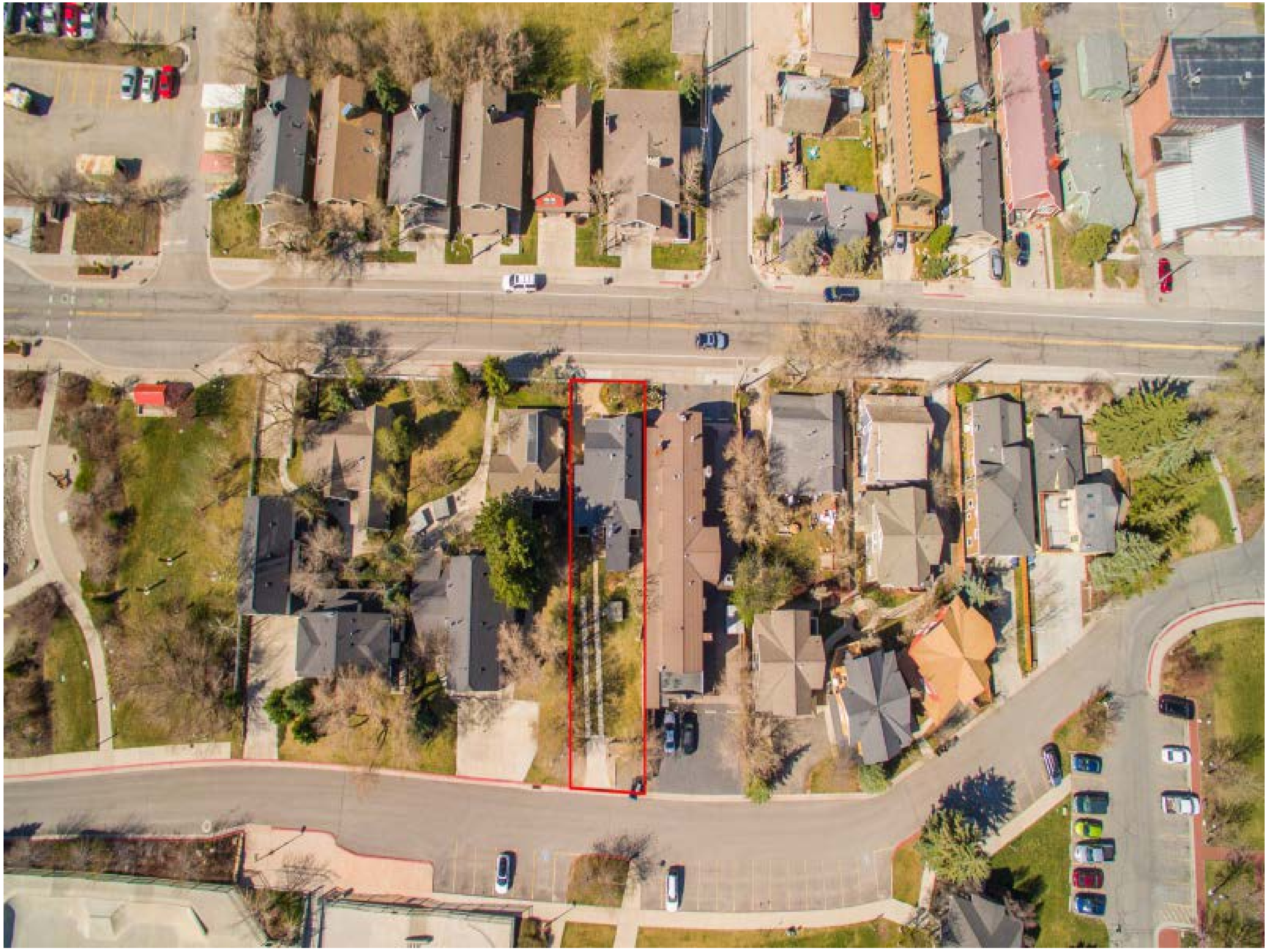
North Side Looking North

East Side Looking West

East Side Looking East

South Side Looking North

South Side Looking South



Aerial View

Exhibit D - Planning Director Determination for Side Yard Setbacks

PARK CITY 1884

6 April 2016

Michele King
1280 Park Avenue
Park City, UT 84060

CC: Joshua Arrington, Architect

NOTICE OF PLANNING DIRECTOR DETERMINATION:

Project Address:	1280 Park Avenue
Zoning:	Historic Residential-Medium Density (HR-M) zone
Project Description:	Planning Director Determination of Substantial Compliance with the Land Management Code for the Rear Addition South Side Yard Setbacks
Project Number(s):	PL-15-03043
Date of Action:	21 March 2016

ACTION TAKEN BY PLANNING DIRECTOR:

The Planning Director has determined that the south Side Yard setbacks of the rear addition (currently under construction) to the existing Historic Structure at 1280 Park Avenue are in substantial compliance with the Land Management Code (LMC). This determination is based on the following:

1. § 15-2.4-4 (G) SIDE YARD

(1) The minimum Side Yard for any Single Family, Duplex Dwelling or Accessory Building is five feet (5').

A Historic District Design Review (HDDR) application for the rear addition to the existing Historic Structure at 1280 Park Avenue (creating a duplex dwelling) was approved on July 20, 2015. The approved plans for the new rear addition had **Side Yard Setbacks of five feet (5')** as outlined above.

On December 17, 2015, the City received an application for a Condominium Record of Survey for the duplex dwelling at 1280 Park Avenue. Approval of the Condominium Record of Survey allows for each unit to be sold separately. After review of the survey of existing site conditions required as part of the Condominium Record of Survey application, staff determined that the rear addition had non-complying south Side Yard Setbacks equaling 4.75 feet to 4.6 feet (west to east).

2. § 15-2.4-4 (H) SIDE YARD EXCEPTIONS

The Side Yard must be open and free of any Structure except:

(...)

(5) Window sills, belt courses, cornices, trim, and other ornamental features projecting not more than six inches (6") beyond the window or main Structure to which they are attached.

The south wall of the addition is clad in horizontal cedar siding with a two inches (2") profile. The horizontal cedar siding falls under Side Yard Exceptions in LMC § 15-2.4-4, outlined above. Therefore, the level of non-compliance of the south Side Yard Setback is reduced from 0.25 feet (3 inches) and 0.4 feet (4.8 inches) (west to east) to .083 feet (1 inch) and .24 feet (2.8 inches) (west to east).

3. § 15-14-1 ZONING ADMINISTRATION AND ENFORCEMENT

The provisions of this Ordinance shall be administered by the Planning, Engineering, and Building Departments under the supervision of the City Manager, or the Mayor, in the absence of the City Manager. The Planning Director, City Engineer, or Chief Building Official shall, when deemed appropriate, recommend legal action to the City Council in order to enforce this Code or other land Use related ordinances or regulations. The Planning Director, City Engineer, or Chief Building Official, under the supervision of the City Manager or the Mayor, in the absence of the City Manager, shall determine when violations exist, when a Development is in substantial compliance with this Code, or other enforcement actions taken. The failure of any Person to properly interpret or apply this Code or any provision of it shall not operate to waive or estop the City from subsequent enforcement action. Permits issued in violation of this ordinance shall have no force or effect and Persons knowingly or negligently Building under improperly issued permits do so at their own risk.

Under § 15-14-1, the Planning Director may deem existing violations in substantial compliance with the Land Management Code. The Planning Director has deemed the south Side Yard Setback violation of the rear addition as 1280 Park Avenue *de minimis*, and in substantial compliance with the LMC. The error extends a maximum of 2.8 inches (2.8") beyond the vertical plane of the south Side Yard Setback. As no additional square footage was achieved in the rear addition due to this violation, the Planning Director has determined that the violation is de minimis and not advantageous to the scope of the development. Any new additions to the structure will have to meet the five foot (5') Side Yard Setback as outlined in § 15-2.4-4 (G) SIDE YARD.

If you have any questions regarding this determination, please don't hesitate to contact the Planning Department at 435-615-5060.

Sincerely,

Bruce Erickson, AICP
Planning Director

CC: Hannah M. Turpen, Planner
Ashley Scarff, Planner Technician

DATE: April 28, 2016

TO HONORABLE MAYOR AND COUNCIL

A business license was denied for Halo Armament, LCC based on the definitions of a Home Occupation in the Residential Development zone found in the Land Management Code (LMC). A Home Occupation is an Allowed Use in the zone, subject to the requirements of Section 15-4-3 which outlines the types of uses, parking and occupancy requirements for Home Occupations. Staff determined that the applicant was not a "primary resident" as stated in the LMC, (Section 15-4-3 (A)) and that the proposed use did not meet, ("but not limited to" LMC Section 15-4-3) the listed uses in the LMC. Further, after the Compliance Inspection Report was filed, it was determined that ammunition loading was proposed, but not identified, on the business license application. Denials for business licenses are appealed the City Council per Municipal Code 4-2-11.

If the City Council upholds the denial of a business license to the applicant, the business would not be allowed at this location. If the City Council approves the business license, it would need to be amended to include ammunition loading, or ammunition loading could be denied and firearms assembly would be allowed this location. The proposed uses could be allowed as a Conditional Use Permit in the General Commercial or Light Industrial zones within City limits as a commercial use if all other Planning and Building codes were met.

Respectfully:

Bruce Erickson,

City Council Staff Report

Subject: 2897 American Saddler Home Occupation Business License Appeal
Author: Bruce Erickson, AICP, Planning Director
Rebecca Gillis, Accounting Manager
Department: Planning; Finance
Date: April 28, 2016
Type of Item: Quasi-Judicial - Appeal of a denial of a business license application for Home Occupation

Summary Recommendation

Staff recommends the City Council hear the Appeal of a denial of a business license to Halo Armament, LLC for firearm assembly in accordance with Municipal Code 4-2-9 (D). City Council may uphold the decision to deny business license or approve the issuance of a business license for firearm manufacture.

Executive Summary

A business license was denied for Halo Armament, LCC based on the definitions of a Home Occupation in the Residential Development zone found in the Land Management Code (LMC). A Home Occupation is an Allowed Use in the zone, subject to the requirements of Section 15-4-3 which outlines the types of uses, parking and occupancy requirements for Home Occupations. Staff determined that the applicant was not a "primary resident" as stated in the LMC, (Section 15-4-3 (A)) and that the proposed use did not meet, ("but not limited to" LMC Section 15-4-3) the listed uses in the LMC. Further, after the Compliance Inspection Report was filed, it was determined that ammunition loading was proposed, but not identified, on the business license application. Denials for business licenses are appealed the City Council per Municipal Code 4-2-11.

If the City Council upholds the denial of a business license to the applicant, the business would not be allowed at this location. If the City Council approves the business license, it would need to be amended to include ammunition loading, or ammunition loading could be denied and firearms assembly would be allowed this location.

Acronyms

BATFE	United States Bureau of Alcohol Tobacco Firearms and Explosives
LLC	Limited Liability Company
LMC	Park City Land Management Code

Background

In December 2015, the Finance office received an email/inquiry from the Bureau of Alcohol Tobacco Firearms and Explosives (BATFE) regarding the potential for a business license for firearms manufacturing/production in City limits at 2897 American Saddler, Park Meadows. The Finance office received a home occupation business license application for a firearms assembly use at the same address February 12, 2016.

On February 9, 2016, the Building Department conducted a Compliance Inspection Report, which was approved with conditions regarding ammunition propellants. In accordance with business license procedures, the application was then referred to Finance, Planning and Police for review.

The home occupation business license was denied February 23, 2016. A supplemental letter with a detailed explanation of the denial, based on the LMC was sent to the applicant March 17, 2016 including potential alternative locations in the General Commercial and Light Industrial zones. The proposed uses are a Conditional Use in the General Commercial or Light Industrial zones within City limits as a commercial use if all other Planning and Building codes were met. The applicant e-mailed an appeal letter to the City Recorder on March 28, 2016. Attached to this report in chronological order are:

- February 9, 2016 - Park City Compliance Inspection Report. See Exhibit A.
- February 12, 2016 –Business License Application for Halo Armament, LLC. See Exhibit B.
- February 23, 2016 – Denied business License. See Exhibit C.
- March 17, 2016 – Supplemental Letter Regarding License BL-16-05220. See Exhibit D.
- March 28, 2016 – Halo Armament, LLC business license appeal received. See Exhibit E.
- March 28, 2016 – Letter from Apex Systems indicating the applicant is a full time, temporary employee on assignment to Wolters Klufer FS. See Exhibit F.

Pursuant to Park City Municipal Code § 4-2-11, a business license denial by the Accounting Manager or her designee may be appealed to the City Council. Because the Code does not state what standard of review the Council should use, the Council should review it de novo meaning that Council will review it anew and will not give deference to staff.

Analysis

The home is located at 2897 American Saddler Drive. The site is lot 61 of the Fairway Meadows Subdivision. The site is in the Residential Development (RD) District. The Land Management Code (LMC) RD District lists a home occupation as an allowed use. The LMC defines a home occupation as "*a Business carried on entirely within a dwelling by Persons residing within the dwelling, which Business is clearly incidental and secondary to the Use of the dwelling for residential purposes*."

The reasons for the denial of the business license are outlined in the March 17, 2016 Supplemental Letter to Halo Armament, LLC c/o Benjamin Pillmore. Please refer to this letter for details, Exhibit D. There are two main reasons the proposed use does not meet the LMC for Home Occupations. First, the LMC requires that "Only those Persons making their home their primary residence may be employed in a Business operating from that home."

The home listed for the Home Occupation is not owned by the applicant. Summit County, Utah records indicate that the home is owned by Paul J. Pillmore and Lisa C H Pillmore as husband and wife with Joint Tenancy who are the parents of the applicant. Summit County assesses the property as a Primary Residence.

The applicant has provided information that the applicant is employed by Apex Systems, Inc. located in Glen Allen, Virginia. The company website indicates that Apex is a staffing agency for professionals in the computer and finance specialties. The applicant provided information notes that the applicant is assigned as a Functional Consultant for Wolters Kluwer FS. The Wolters Kluwer FS website indicates that it is has offices worldwide and is based out of the Netherlands.

The applicant has left messages with staff giving his work call back number as a "201" number. The number is for Mizuho Bank located in Jersey City, NJ. The applicant has an assigned extension at the Bank. In addition, when the applicant has left messages he has indicated that he is in the New York area and in the Eastern Time Zone.

The applicant's LinkedIn profile notes his location as Greater New York area since January 2015. Previous locations include London England from September 2012 until September 2014. Prior to the London assignment, the applicant's profile indicates a location in Amsterdam, Netherlands from 2010 until 2011.

The applicant was not present during the Compliance inspection. The applicant's father met with Park City Building inspectors. The applicant and his father separately indicated to the Park City Building inspectors that the applicant spends the majority of the time in the New York, NY area and he comes back a couple of weekends a month. The applicant has a New York phone area code. This information supports the determination that the applicant was not making the home a primary residence.

Second, the applicants appeal letter indicates that ammunition manufacturing is proposed at the property. The manufacturing process is spelled out as if taken from the operator's manual. According to LMC § 15-4-3(A):

> *A Home Occupation may include, but is not limited to, the following, provided that all requirements contained herein are met:*
> 1. *arts and crafts studio;*
> 2. *culinary products Kitchen or studio;*
> 3. *dressmaking or millinery work;*
> 4. *professional office;*
> 5. *home office for insurance or real estate sales or telemarketing; or*
> 6. *teaching and tutoring.*

LMC § 15-4-3(B) indicates the following:

A Home Occupation shall not be interpreted to include the following:
1. *animal hospital;*
2. *long term care facility;*
3. *restaurants, bars, cafes and other general commercial retail Uses;*
4. *Bed and Breakfast Inns; or*
5. *Child Care or Group Care Facilities.*

The applicant is not requesting any of the listed examples of appropriate home occupations listed under LMC § 15-4-3(A). Staff acknowledges that this is a non-exclusive list, as the LMC uses the term: *but not limited to;* however, the allowed listed home occupations are expected to be found in a residential neighborhood. While staff acknowledges that there are other home occupations appropriate within a residential district, staff does not consider <u>firearm assembly or ammunition loading</u> to be one of them. While the LMC does not define the term *assembly*, the term is associated with manufacturing, production, industrial uses, etc, when not used in the context of a hobby. Such uses are not allowed in the zone.

Further, Staff does not find a **firearm assembly** use to be clearly incidental and secondary to the Use of the dwelling for residential purposes. Moreover, the Light Industrial and General Commercial Districts allow the use of *light industrial manufacturing and assembly facility* as a Conditional Use Permit to be reviewed and approved by the Planning Commission. Staff finds that this use would be appropriate, subject to a Conditional Use Permit, in the Light Industrial or General Commercial District. It does not make sense the use would be a "conditional use" in our most intensive commercial zone, yet merely a permitted use in a residential zone.

Department Review
This report has been reviewed by the Legal Department, Building Department and Finance Department.

Alternatives

A. Confirm/Uphold:
The City Council may uphold the decision to deny the business license of a home occupation for firearm manufacture.

B. Reverse:
The City Council may overturn the decision to deny the business license of a home occupation for firearm manufacture which would approve the home occupation for firearm manufacture.

C. Modify:
The City Council may provide direction to City staff regarding the business license of a home occupation for firearm manufacture; or

D. Continue the Item:

The City Council may continue the item to another date to allow City Staff to return with additional information and discussion.

E. Do Nothing:

The City Council may do nothing which would be the same as alternative D. Continue the item.

Funding Source

None required.

Significant Impacts *Table*

Not required.

Recommendation

Staff recommends that City Council review the facts of the appeal and make a decision to uphold the denial of the business listens for Halo Armament, LLC, or overturn the decision and direct staff to approve the business license with or without the ammunition loading. Ammunition loading would require an amended Business License application.

Findings of Fact

1. The home is located at 2897 American Saddler Drive.
2. The site is lot 61 of the Fairway Meadows Subdivision.
3. The site is in the Residential Development (RD) District.
4. The Land Management Code (LMC) RD District lists a home occupation as an allowed use.
5. The LMC defines a home occupation as "a Business carried on entirely within a dwelling by Persons residing within the dwelling, which Business is clearly incidental and secondary to the Use of the dwelling for residential purposes."
6. The reasons for the denial of the business license are outlined in the March 17, 2016 Supplemental Letter to Halo Armament, LLC c/o Benjamin Pillmore.
7. There are two main reasons the proposed use does not meet the LMC for Home Occupations.
8. The LMC requires that "Only those Persons making their home their primary residence may be employed in a Business operating from that home."
9. Summit County, Utah records indicate that the home is owned by Paul J. Pillmore and Lisa C H Pillmore as husband and wife with Joint Tenancy.
10. The applicant has provided information that the applicant, Benjamin Pillmore, is employed by Apex Systems, Inc. located in Glen Allen, Virginia.
11. The applicant provided information notes that the applicant is assigned as a Functional Consultant for Wolters Kluwer FS.
12. The applicant has left messages with staff giving his work call back number as a "201" number. The number is for Mizuho Bank located in Jersey City, NJ. The applicant has an assigned extension at the Bank. In addition, when the applicant has left messages he has indicated that he is in the New York area and in the Eastern Time Zone.
13. The applicant's LinkedIn profile notes his location as Greater New York area since January 2015. Previous locations include London England from

September 2012 until September 2014. Prior to the London assignment, the applicant's profile indicates a location in Amsterdam, Netherlands from 2010 until 2011.

14. The applicant and his father indicated to the Park City Building inspector that the applicant spend the majority of the time in the New York, NY area, and he has a New York phone area code.
15. The applicant was not present during the Compliance inspection.
16. Findings of Fact 9 - 15 support the determination that the applicant was not making the home a primary residence.
17. The applicant's appeal letter indicates that ammunition manufacturing is proposed at the property.
18. According to LMC § 15-4-3(A): A Home Occupation may include, but is not limited to, the following, provided that all requirements contained herein are met:
    - i. arts and crafts studio;
    - ii. culinary products Kitchen or studio;
    - iii. dressmaking or millinery work;
    - iv. professional office;
    - v. home office for insurance or real estate sales or telemarketing; or
    - vi. teaching and tutoring.
19. The applicant is not requesting any of the listed examples of appropriate home occupations listed under LMC § 15-4-3(A).
20. LMC § 15-4-3(A) is a sample list, as the LMC uses the term: *but not limited to.*
21. The listed sample home occupations are expected to be found in a residential neighborhood.
22. There are other home occupations appropriate within a residential district. Firearm assembly or ammunition loading is not one of them.
23. The LMC does not define the term *assembly;* the term is associated with *manufacturing, production, industrial uses*, etc. when not used in the context of a hobby or for personal use.
24. A *firearm assembly use* is not clearly incidental and secondary to the Use of the dwelling for residential purposes.
25. The Light Industrial and General Commercial Districts allow the use of light industrial manufacturing and assembly facility as a Conditional Use Permit to be reviewed and approved by the Planning Commission.
26. The requested use would be appropriate, subject to a Conditional Use Permit, in the Light Industrial or General Commercial District.

Conclusion of Law

1. The applicant is not a primary resident at the home.
2. Firearm assembly or ammunition loading does not fall under the type of activity allowed as Home Occupation.
3. Firearm assembly or ammunition loading is associated with manufacturing, production and industrial uses which is permitted as a Conditional Use in the Light Industrial or General Commercial District.

Order for Denial

1. The City Council upholds the decision to deny the business license of a home occupation for firearm manufacture at 2897 American Saddler. The business license is hereby denied.

Conditions of Approval
Should the City Council grant the appeal and overturn the Staff decision regarding the requested home occupation for firearm manufacture staff recommends directing staff to prepare findings with the following conditions of approval outlined in LMC § 15-4-3 Home Occupations and order:

1. *Only those Persons making the home their primary residence may be employed in a Business operated from that home.*
2. *A Home Occupation shall not include the on-Site sale of goods or merchandise except those, which are produced on the premises, or those that are clearly Incidental Retail Sales, and shall not involve the Use of any outdoor yard space to conduct the Business, with the exception of permitted agricultural and horticultural products. Activity outside of the Buildings, related to the Home Occupation that is not normally associated with a Residential Use is not permitted.*
3. *The Use of mechanical equipment shall be limited to small tools whose Use shall not generate noise, vibration, smoke, dust, heat, glare, or odors perceptible beyond the premises of the dwelling.*
4. *The total Area used for the Home Occupation shall be limited to no more than one-half (½) of the floor Area of the first floor and shall not change the residential character of the Building. This does not require the Home Occupation to occupy only the first floor.*
5. *Outdoor storage of equipment, materials, and supplies associated with a Home Occupation is prohibited. Storage of equipment, materials, and supplies associated with a Home Occupation, within a garage, shall not displace required Off-Street parking.*
6. *There shall be no exterior advertising of Home Occupation Businesses on the premises by window displays or signs.*
7. *No traffic may be generated by such Home Occupation in a volume that creates a need for parking greater than that which can be accommodated on the Site consistent with the residential parking requirements or which is inconsistent with the normal parking usage of the district.*

Order Granting the Appeal

1. The City Council overturns the decision to deny the business license of a home occupation for firearm manufacture at 2897 American Saddler. The Business license is hereby approved.

Exhibits
Exhibit A - February 9, 2016 – Park City Compliance Inspection Report
Exhibit B - February 12, 2016 – Business License Application
Exhibit C - February 23, 2016 – Denied business License

Exhibit D - March 17, 2016 – Supplemental Letter BL-16-05220
Exhibit E - March 28, 2016 – Halo Armament, LLC business license appeal
Exhibit F - March 28, 2018 – Appex letter

PARK CITY COMPLIANCE INSPECTION REPORT

445 MARSAC AVE., PO BOX 1480, PARK CITY, UTAH 84060
OFFICE (435)615-5100

PROPERTY ADDRESS 2897 American Saddler Dr. DATE 2/9/16
BUSINES NAME Halo Armory LLC TIME 1:00 AM/PM
PERMIT NO. BL-16-05220

BUSINESS TYPE:	INSPECTION RESULTS:
☐ NIGHTLY RENTAL ☐ COMMERCIAL ☒ HOME OCCUPATION ☐ CONVENTION	☒ INSPECTION PASSED ☐ INSPECTION FAILED, RE-INSPECTION REQUIRED

DETAILS:

TOTAL SQ. FOOTAGE	221	#OF BEDROOMS	
OFFICE SF	121	OCCUPANCY	
STORAGE SF	100	# OF EXITS	
RETAIL SF		#OF BATHROOMS	
WAREHOUSE SF			
DINING SF			
OUTDOOR DINING SF			

COMMENTS:
Be sure to maintain required distances of salts/oxidizers from smokeless propellants & primers - including lawn mower, snow blower & flammables

Approved

THIS INSPECTION IS VALID FOR 60 DAYS FROM THE INSPECTION DATE ABOVE OR ___ CALENDAR DAYS AS DEEMED BY THE INSPECTOR.

SIGNED ____________
PARK CITY BUILDING INSPECTOR

Exhibit B

PARK CITY MUNICIPAL CORPORATION
P.O. BOX 1480 - PARK CITY, UT 84060 - 435-615-5221

BUSINESS LICENSE APPLICATION

BUSINESS NAME HALO ARMAMENT, LLC Permit No: BL-16-05220

DOING BUSINESS NAME

FEDERAL ID 47-5505137 STATE TAX IF APPLICABLE 16S01443 DBA #

BUSINESS LOCATION 2897 American Saddler Dr, Park City UT 84060

PHONE NUMBER 646-740-4319

MAILING ADDRESS PO Box 681900, Park City UT 84068

BUSINESS E-MAIL ADDRESS b.a.pillmore@me.com

BUSINESS DESCRIPTION Firearm Assembly

HOME OCCUPATION X YES ____ NO NAICS CODE

OWNER CONTACTS BENJAMIN A PILLMORE PHONE # 646-740-4319
ADDRESS 2897 American Saddler Dr, Park City UT 84060

LOCAL CONTACTS PHONE #
ADDRESS
EMAIL ADDRESS

FEE

FEE DESCRIPTION	FEE RATE	SQ FT OR # OF UNITS	=	AMOUNT DUE
Retail	$0.33/sq.ft	221 sq.ft		$72.93

ADMINISTRATION FEE $149.00

TOTAL BUSINESS LICENSE FEE $221.93

SIGNATURE AND DATE 02-12-2016

Exhibit C

Halo Armament, LLC
c/o Benjamin Pillmore
2897 American Saddler Drive
Park City, UT 84060

February 23, 2016

Dear Mr. Pillmore,

The purpose of this letter is to inform you that your application for business license for Halo Armament has been denied. The Planning department did not approve the application as an approved use for Home Occupations. The site is located in the Residential Development (RD) District. While home occupations are allowed in this and other residential districts, gun manufacturing/production of firearms is not an allowed home occupation.

You will be receiving a refund in the amount of **$156.62**. This is your application fee, less $25.00 that the City keeps for processing costs. Our refund policy is detailed in this portion of code below:

4- 2- 6. REFUND OF FEE.
Unless otherwise provided herein, no business license fee is refundable for any reason whatsoever, once the license has been issued by the City, except when the license was issued in error. If a license is denied, applicant shall be entitled to a refund of the amount paid in excess of twenty-five dollars ($25.00). The sum of $25.00 shall be retained to offset application processing costs.

If you have questions or require further information, please contact the Planning department at 435-615-5060.

Thank you,

Beth Bynan
Business License Specialist-Finance Department
Park City Municipal Corporation

Exhibit D

To: Halo Armament, LLC
c/o Benjamin Pillmore
2897 American Saddler Drive
Park City, UT 84060

March 17, 2016

Re: Supplement Letter Regarding License Application BL-16-05220

Dear Mr. Pillmore,

As was indicated in our February 23, 2016 letter, your business license application for a Home Occupation is denied. As listed on the business license application form, the home occupation business description is for "firearm assembly." You have also called the business gun manufacturing/production of fire arms. In addition, it has been indicated from the inspection which occurred on February 9, 2016, that you are also intending on loading and selling ammunition. However, your Home Occupation license application does not include this intended use.

The home is located at 2897 American Saddler Drive. The site is lot 61 of the Fairway Meadows Subdivision. The site is in the Residential Development (RD) District. The Land Management Code (LMC) RD District lists a home occupation as an allowed use. The LMC defines a home occupation as "*a Business carried on entirely within a dwelling by Persons residing within the dwelling, which Business is clearly incidental and secondary to the Use of the dwelling for residential purposes*."

LMC § 15-4-3 provides regulations regarding home occupations. The following items below contain in italics the home occupation regulations and findings regarding each criteria:

A. *A Home Occupation is a permitted Accessory Use, conducted and carried on entirely within a dwelling, or within an accessory Structure on the same Lot, by Persons residing in the dwelling, which Use is clearly incidental and secondary to the Use of the dwelling for dwelling purposes and does not change the residential character thereof.*

The business license compliance report, attached, lists that 121 square feet would be used as an office (home occupation) and 100 square feet would be used for storage. The total home occupation area is five percent (5%) of the built house (according to Summit County records the house is 4,465 square feet including the garage). See item I below regarding the use being clearly incidental and secondary to the use of the residential dwelling.

B. *Only those Persons making the home their primary residence may be employed in a Business operated from that home.*

Staff does not have any records indicating that person(s) employed in the proposed business from this home are primary residents or "reside within the dwelling." Thus, the application must be denied because there is inadequate proof that you "reside within the dwelling." You have indicated that you and your fiancée are living in New York City and work in New Jersey. The home is owned by your parents. You stated that you try to return for Saturdays every week, although it doesn't always happen. You were not present for the inspection because you were in New York.

C. A Home Occupation shall not include the on-Site sale of goods or merchandise except those, which are produced on the premises, or those that are clearly Incidental Retail Sales, and shall not involve the Use of any outdoor yard space to conduct the Business, with the exception of permitted agricultural and horticultural products. Activity outside of the Buildings, related to the Home Occupation that is not normally associated with a Residential Use is not permitted.

The requested home occupation business license does not include the sale of goods. Incidental Retail Sales are defined as "*the sale of common items associated with a Home Occupation and not produced on the premises that might be sold along with a product that is, such as a picture frame for a photo, or a swatch of material or extra buttons for an item of clothing, etc.*" The home occupation business license request does not indicate sales, outdoor yard space, or outside activity.

D. The Use of mechanical equipment shall be limited to small tools whose Use shall not generate noise, vibration, smoke, dust, heat, glare, or odors perceptible beyond the premises of the dwelling.

It is noted that the inspection passed. More information would be helpful in determining the use of small tools (mechanical equipment) and their generation of noise, vibration, smoke, dust, heat, glare, or odors.

E. The total Area used for the Home Occupation shall be limited to no more than one-half (½) of the floor Area of the first floor and shall not change the residential character of the Building. This does not require the Home Occupation to occupy only the first floor.

Not enough information was presented to staff in determining the amount of the first floor; however, based on the square footage of the house, according to Summit County records and the amount proposed to be used (221 sf), it would seem that this standard can be met.

F. Outdoor storage of equipment, materials, and supplies associated with a Home Occupation is prohibited. Storage of equipment, materials, and supplies associated with a Home Occupation, within a garage, shall not displace required Off-Street parking.

The requested home occupation business license does not seem to request outdoor storage.

G. There shall be no exterior advertising of Home Occupation Businesses on the premises by window displays or signs.

None requested.

H. No traffic may be generated by such Home Occupation in a volume that creates a need for parking greater than that which can be accommodated on the Site consistent with the residential parking requirements or which is inconsistent with the normal parking usage of the district.

A single-family dwelling requires a minimum of two (2) parking spaces.

I. A Home Occupation may include, but is not limited to, the following, provided that all requirements contained herein are met:

1. arts and crafts studio;
2. culinary products Kitchen or studio;
3. dressmaking or millinery work;
4. professional office;
5. home office for insurance or real estate sales or telemarketing; or
6. teaching and tutoring.

The applicant is not requesting any of the listed examples of appropriate home occupations. Staff acknowledges that this is a sample list, as the LMC uses the term: *but not limited to;* however, the listed sample home occupations are expected to be found in a residential neighborhood. While staff acknowledges that there are other home occupations appropriate within a residential district, staff does not consider <u>firearm assembly or ammunition loading</u> to be one of them. While the LMC does not define the term *assembly*, the term is associated with manufacturing, production, industrial uses, etc.

Further, Staff does not find a **firearm assembly** use to be clearly incidental and secondary to the Use of the dwelling for residential purposes. Moreover, the Light Industrial and General Commercial Districts allow the use of *light industrial manufacturing and assembly facility* as a Conditional Use Permit (CUP) to be reviewed and approved by the Planning Commission. Staff finds that this use would be appropriate, subject to a CUP, in the LI or GC District.

A. A Home Occupation shall not be interpreted to include the following:

a. animal hospital;

b. long term care facility;

c. restaurants, bars, cafes and other general commercial retail Uses;

d. Bed and Breakfast Inns; or

e. Child Care or Group Care Facilities.

While the home occupation is not one of these prohibited uses as home occupations, it does not indicate that there are other uses that should also not be interpreted as home occupations.

As previously indicated, you should have received a refund in the amount of **$156.62**. This is your application fee, less $25.00 that the City keeps for processing costs.

Pursuant to Municipal Code 4-2-11, if you wish to appeal this determination, you must do so within 10 days of the date of this letter in writing to the Park City Council with your reasons and filed with City Recorder Michelle Kellogg.

The Park City Council shall hear the appeal within thirty (30) days of notice of appeal. If you wish to have the appeal heard outside of this 30 day window, you must make that request in writing to the Council who has the discretion to grant or deny such a request.

Thank you,

Beth Bynan
Business License Specialist-Finance Department
Park City Municipal Corporation

Exhibit E

To: Michelle Kellogg, City Recorder

Park City Municipal Corporation

445 Marsac Ave.Box 1480

Park City, UT 84060

RE: Halo Armament - Business License - Appeal Letter

Dear Michelle,

This letter serves as Halo Armament LLC's official appeal of Park City Municipal Corporation's denial of Halo Armament LLC's application for a business license under the Park City Municipal Codes. The following appeal references sections and paragraphs from the Letter of Denial issued by the Park City Municipal Corporation on the 17th of March, 2016.

Item B (Paragraph 4) – The home located at 2897 American Saddler Drive, is indeed my primary residence. The absence of evidence to support the claim made by the Park City Municipal Corporation that this is not my primary renders this item invalid.

Attached with this letter is a document from my employer stating that I am a Utah-based consultant.

Item C (Paragraph 5) – It was the understanding of Halo Armament that the business license application was not concerned with the sale of goods, as the primary focus of the application was the approval of the home occupation use type. Halo Armament intends to sell goods produced onsite and has already obtained a State of Utah Sales Tax ID to support this claim and has received federal approval and licensing for the production of the goods outlined in the business license application and correspondence with the Park City Municipal Corporation (firearm & ammunition assembly).

Item D (Paragraph 6) – Halo Armament's assembly of firearms & ammunition utilizes specialized, manually-operated equipment that produces little to no noise, no vibration, no smoke, no heat, no glare and no odor. If it is not physically observed, it is hardly detectable by sound through a door.

Ammunition:

Halo Armament would like to produce ammunition using a Dillon Precision 550b Ammunition Press. The 550b is table-mounted and driven by the physical motion of the operator's arm, similar to that of a slot machine. Each pull of the machine's handle actuates a piston that drives what is called a 'Shell Plate' upward into a series of tool-heads that perform the various functions of loading (or reloading) a round of ammunition.

In the course of **new-manufacture** ammunition, the following steps and details are observed:

1. The operator checks the stations of the machine to ensure that the tool-heads are properly mounted and tightened to the recommended torque ratings.

2. The operator then performs a self-safety check to make sure he/she has the correct eye protection and that the work station is free from obstructions and ignition sources.

3. The operator then checks the machine's battery-operated warnings. (The Dillon Precision 550b in use by Halo Armament utilizes two alarms: A low-powder sensor that indicates when the powder hopper is getting low by producing a continuous 'beep' sound and red light once activated. The second alarm indicates when the primer fill tube is running low and alerts the operator via a similar, continuous 'beep' sound. Both of these warnings allow the operator to focus on loading ammunition and not worry about supply levels).

4. The operator prepares the ammunition press for loading procedures by filling the smokeless propellant hopper and primer feed tube connected to the tool-head mount at the top of the press. (The smokeless propellant and primers are stored separately in static-free containers and never in quantities exceeding fire code recommended amounts).

5. The operator then places the desired quantity of bullets in the bullet tray on the left hand side of the press for convenience during the loading process.

6. The operator then lubricates the new, brass cases with Case Lubricant to prevent the cases from becoming lodged in the tool-heads during the loading process.

7. The operator then begins the loading sequence.

8. A brass case (Case 1) is inserted into the shell plate's Station 1 and the operator pushes forward on the actuating handle, causing the primer seating action to drive and seat a primer in the primer pocket of Case 1.

9. The operator then rotates the shell plate with his/her thumb to move the Case 1 to Station 2 while simultaneously loading another case (Case 2) into Station 1.

10. The operator then pulls down on the actuating handle to drive Case 1 into the powder dispensing station, filling the case with a measured powder charge governed by loading manuals and extensive load development testing conducted by third parties and Halo Armament.

11. The operator then pushes the handle forward to seat a primer in Case 2 at Station 1 before rotating the shell plate again to align Case 1 with Station 3, Case 2 with Station 2, and loading a third case (Case 3) in Station 1.

12. The operator pushes the actuating handle forward, seating a primer in Case 3 at Station 1.

13. The operator then places a bullet in the case mouth of Case 1 at Station 3 before the pulling the handle down, dispensing a powder charge into Case 2 at Station 2 and seating a bullet in Case 1 at Station 3.

14. The operator then rotates the shell plate to align Case 1 at Station 4, Case 2 at Station 3, Case 3 at Station 2 and places a new case (Case 4) into the shell plate at Station 1.

15. The operator then pushes the handle forward, seating a primer in Case 4 at Station 1 before pulling the handle down, dispensing a powder charge into Case 3 at Station 2, seating a bullet in Case 2 at Station 3 and pressing Case 1 into Station 4, making a fine adjustment to the bullet seating depth in Case 1 and uniformly sizing the neck around the bullet.

16. The operator then rotates the shell plate, causing Case 1 (now Round 1), to fall into the plastic, assembled ammunition tray. The process then repeats until the operator needs to pause to refill supplies or until the order has been filled.

The process for reloading ammunition is almost identical to that of new-manufacture, however there are cleaning and brass case resizing steps added before and during Station 1.

To perform a reload (reloading operator-approved fired ammunition), the operator will place fired brass (brass cases from ammunition that has been fired) into a sonic cleaning tank that heats a cleaning solution comprised of water and a solvent to a prescribed temperature. The tank then produces ultrasonic vibrations that remove carbon, dirt and any other particulates from the brass over the course of 30 minutes to 2 hours depending on the condition of the brass.

The operator then inspects the brass by hand to determine if there is any significant damage (e.g.: a crack) to each case. Once satisfied, the accepted brass is lubricated and follows the same steps as new-manufacture ammunition, however the operator must pull down on the Dillon 550b handle at Station 1 prior to pushing it forward to resize (bring the brass back into outer dimension tolerances for the caliber) and de-prime (remove the spent primer) the brass before inserting a new primer and continuing through Stations 2-4.

Firearm Assembly:

Halo Armament intends to assemble and register new firearms in the course of business. This process involves no machinery, unlike the production of ammunition. Halo Armament does not manufacture any part for firearm assembly. The process is purely manual and involves the purchase of separate components (In the case of an AR-15 type firearm: an upper receiver, a lower receiver, a barrel, grip, trigger, fire control assembly, iron sights, optics (optional), butt-stock, bolt carrier assembly, muzzle device, hardware and any other furniture desired by the client or at Halo Armament's discretion). All of these components are assembled by hand or with manual tools such as a nylon hammer, a punch set and a gun vise (table mounted vise with a polymer block designed to grip a firearm).

Paragraph 11 – Firearm assembly and ammunition loading are both lawful activities that do not require any special licensing or permission to conduct in the privacy of one's own home. Halo Armament seeks to do what is permissible for any private citizen and has sought to abide by the federal, state and local laws in its pursuit of a viable business including many months and expense to obtain a Federal Firearms License suitable to the loading of ammunition and the assembly of firearms for sale. The Bureau of Alcohol, Tobacco, Firearms and Explosives (BATFE) has issued other private citizens Federal Firearms Licenses within Park City which indicates that prior applications for a business license related to firearms have been granted by the city in the past and Halo Armament would like to cite those issuances in its appeal and seeks further clarification on the business licenses that were issued.

Paragraph 12 - As described above, related to **Item D**, the assembly of firearms and loading of ammunition in the context of Halo Armament’s business is hardly that of a Light Industrial or Commercial scale business and can easily be classified as a hobby-scale business. The business model of Halo Armament was borne out of a sport pursued by me while in residence in Park City and was an initiative to enhance my performance via loading my own ammunition.

Closing Statement

Halo Armament has sought to follow each step of the city, state and federal business licensing procedures without fault in its pursuit of this business and will do whatever is necessary to move forward.

There have been countless books, articles, papers, individuals, companies and time involved and consumed in the design and implementation of this business case and Halo Armament would like to commit that knowledge and information it was founded upon into world-class products.

Halo Armament does not seek to immediately take on commercial property and expenses that it cannot support in its infancy and would like to be allowed to conduct its business, at this small scale, without the need for incredible amounts of overhead. When appropriate Halo Armament will begin investigating a move to a commercial space to enhance and increase its productivity, however, at this stage in its lifecycle, a mandate from the city stating that in order to exist it must move to commercial space will be a massive set back and crush any momentum and conversations that have taken place with potential clients.

Halo Armament would like to appeal to the Park City Municipal Corporation’s sensibilities and understanding in this matter and please, do not hesitate to contact me with any questions.

Sincerely,

Benjamin A. Pillmore

Director – Halo Armament LLC

b.pillmore@halo-armament.com

APEX Systems, Inc.
A DIVISION OF ON ASSIGNMENT

March 28, 2016

VIA ELECTRONIC MAIL
Benjamin Pillmore
PO Box 681900
Park City, UT 84068
b.a.pillmore@me.com

Dear Benjamin Pillmore or To Whom It May Concern,

This letter confirms that you are currently employed by Apex Systems as a full-time, temporary employee on assignment as a Functional Consultant for Wolters Kluwer FS. Your employment began on 4/20/2015, and you make an hourly wage of $82.00.

If you have any questions or require additional information, please contact Employee Services at (866) 923-2739.

Sincerely,

Julia Nealeigh

Julia Nealeigh |Employee Services | Apex Systems | Lab Support | Valesta
4400 Cox Road, Glen Allen, Virginia 23060
Office: 866-923-2739 |Fax 804-237-8350
jnealeigh@apexsystemsinc.com |www.apexsystemsinc.com

Exhibit F

APEX Systems, Inc.
A DIVISION OF ON ASSIGNMENT

March 28, 2016

VIA ELECTRONIC MAIL
Benjamin Pillmore
PO Box 681900
Park City, UT 84068
b.a.pillmore@me.com

Dear Benjamin Pillmore or To Whom It May Concern,

This letter confirms that you are currently employed by Apex Systems as a full-time, temporary employee on assignment as a Functional Consultant for Wolters Kluwer FS. Your employment began on 4/20/2015, and you make an hourly wage of $82.00.

If you have any questions or require additional information, please contact Employee Services at (866) 923-2739.

Sincerely,

Julia Nealeigh

Julia Nealeigh |Employee Services | Apex Systems | Lab Support | Valesta
4400 Cox Road, Glen Allen, Virginia 23060
Office: 866-923-2739 |Fax 804-237-8350
jnealeigh@apexsystemsinc.com |www.apexsystemsinc.com

DATE: April 28, 2016

TO HONORABLE MAYOR AND COUNCIL

Public Utilities Staff has been working through a phased approach to appropriately achieve its energy efficiency goals. Phase 1 of the Water and Energy Conservation Professional Services Agreement with Brendle Group is complete. The purpose of Phase 1 was to develop a program roadmap, specifically to prepare scopes, schedules and budgets for future phases of program implementation. Through Phase 1, Brendle Group, in conjunction with staff, developed a water system energy baseline and defined the objectives and framework necessary to facilitate the next steps of the Program. Staff is seeking Council's approval for Phase 2 of the program, which consists of: staff capacity building and program management, water system optimization, and program outreach-planning development.

Respectfully:

Nicholas Graue, Water Project Engineer

PARK CITY 1884

City Council Staff Report

Subject: Water and Energy Conservation Program Phase 2
Author: Nick Graue, Public Utilities Engineer
Bina Skordas, Sustainable Energy Project Manager
Department: Public Utilities, Water
Date: April 28, 2016
Type of Item: Administrative

Summary Recommendation

Staff recommends Council authorize the City Manager to execute the First Addendum to the Professional Services Agreement, in a form approved by the City Attorney, with The Brendle Group for the Water and Energy Conservation Program Phase 2 Engineering Services in an amount not to exceed $188,173, which is an increase to the current contract amount of $37,175 for a total contract amount not to exceed $225,348.

Executive Summary

Public Utilities Staff has been working through a phased approach to appropriately achieve its energy efficiency goals. Phase 1 of the Water and Energy Conservation Professional Services Agreement with Brendle Group is complete. The purpose of Phase 1 was to develop a program roadmap, specifically to prepare scopes, schedules and budgets for future phases of program implementation. Through Phase 1, Brendle Group, in conjunction with staff, developed a water system energy baseline and defined the objectives and framework necessary to facilitate the next steps of the Program. Staff is seeking Council's approval for Phase 2 of the program, which consists of: staff capacity building and program management, water system optimization, and program outreach-planning development.

Acronyms

HAL	Hansen Allen & Luce (sub-contractor to Brendle Group)
Program	Water and Energy Conservation Program

The Problem

The Public Utilities Department currently accounts for more than half of the City's municipal energy use. As the community grows, the demand will increase. In order to adequately support the City's net zero goals and reduce our energy footprint, the Water & Energy Conservation Program will be crucial and will continue to need support from Council.

Background

In May 2015, Council requested that staff discuss a potential water rate surcharge that captures the carbon cost of Park City's water delivery system. Since the initial request, Public Utilities Staff has worked to develop a program and approach to address the

Department's goals of energy efficiency and communicating results. Below is a timeline of the Program's progress:

Date	Item
May 28, 2015	Council requested that Staff discuss a potential water rate surcharge that captures the carbon cost of Park City's water system
July 16, 2015	Update provided to council, staff directed to return with Utility Mitigation Surcharge (link: Water Surcharge- Energy, pg.20)
September 22, 2015	Request for Qualifications issued for Park City Water Department Energy Management and System Optimization Study
September 24, 2015	Council adds "Energy" to its list of Critical Priorities
October 22, 2015	Update provided to Council: (link: Utility Mitigation Surcharge: Strategy, pg. 155)
December 3, 2015	Contract executed with Brendle Group for Water and Energy Conservation Program Phase 1 Professional Services
February 28, 2016	Staff receives final Phase 1 deliverables from Brendle Group
March, 2016	Public Utilities Department re-aligns staff and hires Energy Project Manager in support of the Program

Alternatives for City Council to Consider

1. **Recommended Alternative:** Staff recommends Council approve the contract amendment with The Brendle Group for Phase 2 to support the continuation of the Water and Energy Conservation Program.

   Pros

   a. Working with the Brendle Group will provide staff with the resources needed to complete Phase 2 and continue to make a positive impact on our water system's energy usage.
   b. Develop internal staff leadership, knowledge base, and effectiveness at all levels in Public Utilities.
   c. This choice directly impacts Council's Energy priority. Staff will continue to determine best practices for a more energy efficient Water system and department. Staff and the Brendle Group will be working closely with each division in the Public Utilities Department to ensure that all new capital projects, treatment options and distribution decisions are as energy efficient as possible.
   d. The positive consequences of this alternative will be a more energy efficient water system in a shorter time period.

   Cons

   a. This alternative is potentially more expensive than developing skills and tools internally.

2. **Null Alternative:**

Council could choose not to approve the contract amendment.

Pros: This could potentially reduce cost.

Cons: Without expert support, staff may not identify the most efficient processes and programs for meeting the Water and Energy Conservation Program objectives.

Results would come much slower and solutions may not have the integrity needed for permanent change.

Analysis

Phase 1 outcome:

The focus for Phase 1 was to complete a baseline energy analysis, formulate the program objectives and create a program framework.

The Water and Energy Conservation Program's primary objective is to reduce the net energy of the City's water system by optimizing operations, capturing efficiencies, and developing renewable energy. The program includes four focus areas: operations, efficiency/renewables, water conservation, and future-readiness. It is the first program of its kind in Park City.

The City has identified the following guiding principles for the program:

- Reduce energy intensity (kilowatt-hours per million gallons delivered)
- Reduce unit energy cost
- Produce local renewable energy
- Communicate results

To meet the objective, the project team has designed a program based on three strategic pillars: technical, management, and communications. Program elements for each pillar are spread throughout all three phases. The technical pillar includes engineering analysis, scoring and selection of energy and water saving opportunities. The management pillar focuses on internal capacity and staff development to maintain the program. The communications pillar addresses needs for outreach, communication, and public involvement. The project team currently consists of Nick Graue and Bina Skordas. This team is the result of a realignment of duties in the Public Utilities Engineering Department and hiring Bina full time. Long term staffing and leadership will likely evolve to meet the Program goals and to scale up to increase efficiency across all Public Utilities Divisions (water, streets, stormwater).

The proposed Energy Surcharge will provide funding for the Program. This surcharge is based on water consumption and service elevation. The program will identify energy saving capital projects which will also be funded with the surcharge.

Phase 2 plans*:*

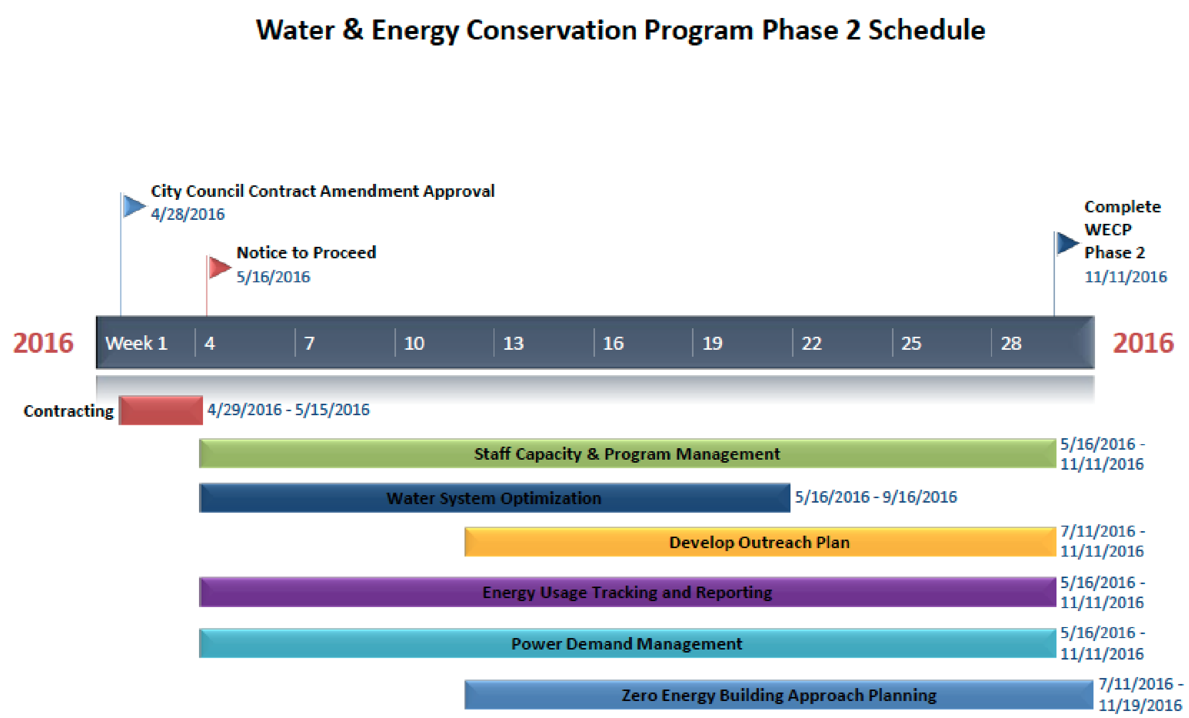
Moving into Phase 2, staff has identified five immediate objectives:

1. Water system optimization study
    - Optimization techniques will help better manage water sources, pressures, storage and water delivery methods to more efficiently operate the water system.
2. Program development and management

- Evaluate best approaches for organizing, implementing and managing the program, including staffing structures, decision support tools and other program requirements.

3. Energy usage tracking and reporting
    - Continue tracking energy use and identify reporting opportunities for energy consumption of all water facilities.
4. Power demand management
    - Ensure system aligns with the most efficient Rocky Mountain Power rate schedules.
5. Zero energy buildings
    - Convert all existing building functions, such as HVAC, lights, etc, to zero-energy and offset when possible with renewables. This excludes pumping and process related energy consumption, which is addressed under objectives 1 through 4.

Outlined below is a timeline of the Program moving forward:



Department Review

Public Utilities, Sustainability, Legal, and Executive

Funding Source

This project will be funded with water service fees and can be covered in the existing FY16 water operations budget. If adopted by Council, future funding will be the proposed Energy Surcharge.

Attachments

A   Brendle Group Phase 2 Scope of Work

EXHIBIT A: PHASE 2 SCOPE OF WORK

TASK 1. STAFF CAPACITY AND PROGRAM MANAGEMENT

1.1 Energy program development and management: The highest priority for this task is providing Water Department staff with the support, guidance, and organizational resources needed to design and launch beginning July 1, while growing the capacity of the internal team to operate the program over the next decade.

Brendle Group will conduct a project team and leadership work session to assess Park City Water Department's organizational needs, strengths, weaknesses, opportunities, and threats; and provide guidance on early program implementation. Building on Brendle Group's experience with organizational sustainability and utility organizations, Brendle Group will prepare a half-day work session to:

- Assess the Water Department's organizational structure, decision making, barriers, and opportunities
- Conduct a Strengths, Weaknesses, Opportunities, and Threats (SWOT) assessment of program implementation and management at the Water Department
- Evaluate best approaches for organizing, implementing and managing the program, including staffing structures, decision-support tools and other program requirements

A proposed organizational chart for implementation of the program, including roles and responsibilities, will be developed and provided. The organizational structure will include growing the technical capabilities of program staff, empowering and educating operations staff to support the program, as developing the externally focused communications capabilities and functions.

Brendle Group will also develop and deliver a one-year internal Energy Management Leadership Academy to provide employees, including water utility operators, the skills they need to help the Water Department meet its energy reduction goals. The Academy will be designed to develop leadership skills with specific emphasis on energy management and operations. Its curriculum will consist of two segments – the first segment being an introductory, six-month segment focusing on energy management principles including Measuring and Managing Energy Use: Utility Bill, Software, Assessments, and Engagement and Awareness Strategies. This first segment is included in this Phase 2 Scope of work. (The second segment will be detailed and included for Phase 3.)

The program will be delivered in monthly 2-3 hour workshops and will be based on similar programs developed by Brendle Group, and leverage other effective programs such as that developed by Jordan Valley Water Conservancy District.

Finally as part of this task, Brendle Group will convene and facilitate the staff program team for bi-weekly calls to coordinate and support these development and management activities. Additionally, Program Management Plan will be developed as part of this task.

1.2 Utility Energy Tracking and Reporting (allowance): Brendle Group will also provide specific as-needed support related to the evaluation and selection of the next generation of utility energy tracking and reporting. For example, Brendle Group will work with Department staff to more clearly understand the current baseline tracking tool under development, how energy use is or should be reported and communicated to City staff, and what improvements to the current tracking and reporting system are needed, including how the utility tracking tool might interface with the program prioritization tool/scorecard contemplated in Phase 3.

1.3 General On-Call Technical Support (allowance): Approximately 10% of the total task budget is available for this sub-task, as needed.

Deliverables

- Half-day work session
- Written Program Management Plan, including organization chart, position descriptions, and program tool requirements
- Leadership academy – first segment, including associated syllabus and training materials
- Bi-weekly program management meetings

Budget

The proposed budget includes $54,000 in consulting costs, as follows:

- Energy Program Development and Management: $44,000
- Utility Energy Tracking and Reporting Guidance: $5,000
- On-Call Technical Assistance: $5,000

Estimated Level of Effort: 230 hours

TASK 2. WATER SYSTEM OPTIMIZATION

Three parameters drive the operation of a water system: energy efficiency, water quality, and level of service. An optimized system aligns all three, as shown in the following figure.

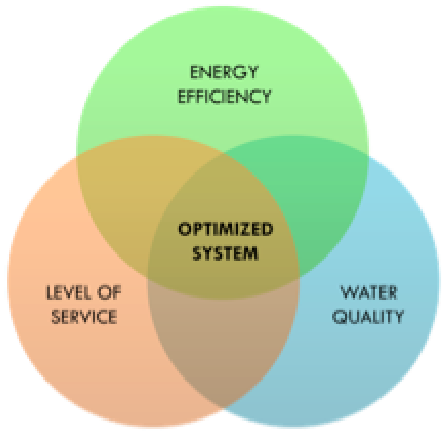


Figure: Water System Optimization

Water system optimization requires three main tools: an energy map, a mass balance, and a hydraulic model (see figure below). The energy map characterizes the energy requirements of each water source so that the most efficient ones can be prioritized. The mass balance quantifies water flowing into and out of each pressure zone and can identify common inefficiencies such as looping, leaping, and leaking. Finally, the extended-period hydraulic model provides insight into the actual behavior of the water system and is a tool for identifying and testing optimization opportunities. The model is also the main tool for aligning water quality, level of service, and energy efficiency. The Department has already made progress toward developing these tools in previous efforts; the proposed work includes updating and expanding the tools to meet the program objectives. Four seasonal model scenarios will be developed capable of simulating system hydraulic performance, water quality, and energy use.

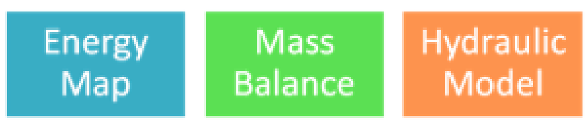


Figure: Water System Optimization Tools

Once the tools are fully developed, Hansen, Allen & Luce will analyze water use according to spatial patterns, temporal patterns, and water use categories. This will help the Department better understand where, when, and how water is being used. Conservation ideas will also be recommended.

The energy efficiency analysis will follow, using the three tools and Department input. Large energy-saving opportunities Hansen, Allen & Luce has already identified (JSSD/Last Chance bypass, Judge Tunnel beneficial use, and PRV modifications) will be studied more carefully. Each water source, pump station, tank, PRV, and other water facility will be analyzed for additional opportunities according to published literature and the team's experience with similar projects. A few common inefficiencies—the five L's—are described in the following table. With the Department's input, Hansen, Allen & Luce will recommend optimal operation schemes for summer, winter, and shoulder seasons that consider both efficiency and water source availability. While the focus is to identify and resolve existing inefficiencies, the analysis will also include energy recovery options (micro-hydro).

Table: Selected Water System Optimization Opportunities

Problem	Description	Solution
Looping	Redundant pumping of the same water.	Modify PRV settings to keep water in desired zone.
Leaping	Boosting water to a higher zone than necessary.	Supply target zone directly.
Losing head	Breaking pressure prematurely.	Configure system to maintain and/or reroute pressure.
Loading	Intermittent pump operation—spikes for short durations.	Pump more consistently, install jockey pump, or use storage to meet peak demand.
Leaking	Water loss through aged pipes, loose equipment, and unmetered uses.	Start leak-detection program and fix leaks.

Conceptual savings and costs (for capital projects) will be estimated, and the Department will provide direction on their compatibility with other planned projects. Each project will be scored according to the Project Scorecard Tool described below. Coordination with JSSD, MRWSSD, and ski areas is also proposed.

Deliverables

Hansen, Allen & Luce will prepare a report of water- and energy-saving measures and their estimated savings at the end of this task. The report will document ideas, calculations, assumptions, conceptual feasibility, and Department input. Hansen, Allen & Luce will also provide the Park City Hydraulic Model in Innovyze InfoWater Format, along with hydraulic modeling files for the following steady-state and extended-period simulation scenarios:

- Peak Summer
- Fall Shoulder
- Peak Winter
- Spring Shoulder

All modeling files will be calibrated with correct diurnal curves for the different seasonal demands, water quality inputs for ease of water quality modeling in all scenarios, and energy use inputs in all scenarios. Department staff will use the model as a tool in perpetuity beyond the completion of Phase 2. HAL will provide training and a narrative on how to use this toolset so that Park City Municipal Corporation can stand on its own legs when it comes to energy optimization in the future.

Budget
The proposed budget includes $128,173 in consulting costs.

Estimated Level of Effort: 807 hours

TASK 3. OUTREACH

Building on outreach work by the Department, an Outreach Plan will be developed to help the Department effectively communicate the value propositions of water system optimization, rate schedules, net zero buildings, conservation, and future initiatives. This document will include:

- Introduction and purpose of the plan
- Program messaging
  - Tagline options
  - Key program elements
  - Value proposition (why care?)
- Program branding and content use guidelines
- Outreach channels
  - Peer-to-peer communications (advisory committee, individuals, departments, etc.)
  - Direct email
  - Website materials
  - Newsletter and blog placements
  - Social media
- Measures of success
- Schedule and timing of milestones

Deliverables
Brendle Group will deliver a final outreach plan.

Budget
The proposed budget includes $6,000 in consulting costs.

Estimated Level of Effort: 35 hours

SCHEDULE

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
Program Development	½ day workshop		Program plan			
Leadership Academy Delivery – Segment 1	Initial development	Workshop	Workshop	Workshop	Workshop	Workshop
Program Management	2 calls per month					
Energy Tracking and On-Call Support	As needed					
Water System Optimization				System study		
Outreach				Program plan		

KEY ASSUMPTIONS

- Brendle Group/Hansen, Allen & Luce team will be supported by the Park City Water Department with Bina Skordas working full-time on this effort interfacing with Brendle Group on program management and Nick Graue serving as project manager and technical lead interfacing with HAL on the system optimization.
- Park City Water Department will conduct secondary utility organizational research to determine how other water utilities are implementing and managing similar water and energy conservation programs. Lessons learned from this analysis will be shared to inform this Water and Energy Conservation Program.
- Our team will provide as-needed Utility Energy Tracking and Reporting Guidance as Park City Water Department is already developing a baseline tracking tool.
- Park City Water Department will undertake a Power Demand Management assessment internally with any rate schedule changes to be coordinated with Brendle Group and Hansen, Allen & Luce in order that they can be incorporated into the system optimization efforts and the program as a whole.
- A Project Scorecard Tool will be developed during Phase 3 of the Water and Energy Conservation Program project. The results of Phase 2 will be used to inform the needs and structure of the Project Scorecard Tool.

DATE: April 28, 2016

TO HONORABLE MAYOR AND COUNCIL

The 2016 Water Service Line Improvement Project will address prioritized items that have been identified as having recurring problems. Problems consist of service line freezing, incorrect metering, unsafe meter access, and un-operable valves. Staff maintains a list of these issues and has given priority to the items based on service calls, water loss, and the inability to shut water off during emergencies. The project will repair approximately fifty items that will address water operations issues and result in more accurate meter reading, water conservation, and improved water delivery to the customer.

Respectfully:

Nicholas Graue, Water Project Engineer

City Council Staff Report

Subject:	**2016 Water Service Line Improvement Project, Construction Agreement Daley Excavators L.L.C.**
Author:	**Griffin Lloyd, Public Utilities Project Manager**
Department:	**Public Utilities**
Date:	**April 28, 2016**
Type of Item:	**Administrative**

Summary Recommendation
Staff recommends Council to authorize the City Manager to execute a Construction Agreement, in a form approved by the City Attorney, with Daley Excavators L.L.C. for the 2016 Water Service Line Improvement Project for an amount not to exceed $220,000.00.

Executive Summary
The 2016 Water Service Line Improvement Project will address prioritized items that have been identified as having recurring problems. Problems consist of service line freezing, incorrect metering, unsafe meter access, and un-operable valves. Staff maintains a list of these issues and has given priority to the items based on service calls, water loss, and the inability to shut water off during emergencies. The project will repair approximately fifty items that will address water operations issues and result in more accurate meter reading, water conservation, and improved water delivery to the customer.

Acronyms
The following acronyms and abbreviations have been used in this report:

City	Park City Municipal Corporation
L.L.C.	Limited Liability Corporation

The Problem
Aging water infrastructure has caused multiple service issues to customers. These include freezing service lines, inaccurate water metering, and water crews inability to shut off water mains without wide spread outages. This project will address a prioritized list of these issues, primarily in the Prospector Square and Thayne’s Canyon area, and replace them with new infrastructure.

Background

- In the fall of 2013, the Public Utilities Department replaced its’ highest priority large meters within the City. The project was successful in reinstituting accurate water measurement and reporting customer usage. Staff’s review of the prior meter replacement efforts has indicated that old meter inaccuracies were significant enough to result in a project payback period of approximately eighteen months. Because of the results of the project, all large meters within the City have been scheduled for replacement.

- The project eliminates the need for customers to run water during the winter to keep the lines from freezing, promotes water conservation, and eliminates water outages.

- For the spring of 2017, the City Engineer has scheduled the reconstruction of Prospector Avenue. The Public Utilities Department has completed an evaluation of the water infrastructure within Prospector Avenue and the only water system improvements that need to be addressed are the replacement of inoperable water main valves. Water mains and services in this area were found to be well within their life-cycle and do not have a history of frequent line breaks or water system outages. To minimize disruptions during the road improvements Public Utilities Department has elected to replace the water valves ahead of the City Engineer's project.

Alternatives for City Council to Consider

A. Approve the Request:
This alternative will replace and improve the existing water services.
Pros –Replacement will result in a higher level of service to customers, more accurate water metering, and eliminate unscheduled water outages.
Cons – Capital cost impacts

B. Do Nothing:
This alternative would deny the request to replace service lines.
Pros – Funds allocated for this project could be used for other asset management projects.
Cons – Service lines would continue to deteriorate, freeze, and water line breaks would become more frequent resulting in additional maintenance costs to the City, and a decrease in the Level of Service. Revenue would be lost due to inaccurate metering.

Analysis
The request for bid proposals for the 2016 Water Service Improvement Project was advertised in the Park Record on 3/26, 3/30, 4/2, 4/6 & 4/9, 2016, online at utahlegals.com, and on the Park City Website beginning March 23, 2016. Seven proposals were received and opened on April 13, 2016. The following summarizes the pricing evaluation of the bid proposals

Bidder	Total
Engineers Estimate	**$428,152.00**
Daley Excavators	$220,000.00
Hubes Construction	$370,352.00
Hills Construction	$395,400.00
Stapp Construction	$405,251.47
MC Contractors	$458,500.00
Counterpoint Construction	$472,000.00
Beck Construction	$509,125.00

Daley Excavators L.L.C. is the lowest responsive bidder. Bid documents have been reviewed by staff and no issues were discovered. Local Bidder Preference was not considered during the determination of lowest responsive bidder because of the amount of the bid prices. Daley Excavators L.L.C., maintains an office in Summit County; however, they were the lowest proposer even without being given local preference. Because the winning bid was significantly lower than other received bids, staff met with the contractor and believes that the project can be completed for the proposed price.

Griffin Lloyd, Public Utilities Project Manager, will be coordinating the work, and will be working under the guidance of the Public Utilities Engineering Manager.

Department Review
This report has been reviewed by representatives of Public Utilities, City Attorney's Office, City Engineer's, and the City Manager's Office. Comments have been integrated into this report.

Funding Source
The funding for the project is part of the approved 5-year Water CIP.

DATE: April 28, 2016

TO HONORABLE MAYOR AND COUNCIL

Staff recommends that the City Council consider extending the Street Dining within the Main Street Right-of-Way (ROW) program for another term. The extension includes the renewal of leases of City property/ROW for several restaurants located on Main Street, so that they can have on-street dining on City property from May 1st - October 30th, 2016.

Respectfully:

Bruce Erickson,

City Council Staff Report

Subject:	**2016 Street Dining on Main**
Author:	**Ashley Scarff, Planning Technician**
	Louis Rodriguez, Planning Analyst II
	Francisco Astorga, AICP, Senior Planner
Department:	**Planning**
Date:	**28 April 2016**
Type of Item:	**Administrative**

Executive Summary
Staff recommends that the City Council consider extending the Street Dining within the Main Street Right-of-Way (ROW) program for another term. The extension includes the renewal of leases of City property/ROW for several restaurants located on Main Street, so that they can have on-street dining on City property from May 1st - October 30th, 2016.

Acronyms

ROW	Right-of-Way
LMC	Land Management Code
TDM	Traffic Demand Management
KAC	Kimball Art Center
FY	Fiscal Year
HPCA	Historic Park City Alliance

Topic/Description
Bistro 412, 501 on Main, Main Street Pizza & Noodle, Bandits Grill & Bar, The Eating Establishment, Shabu, and Flanagan's on Main placed temporary street dining decks on Main Street in the summer of 2015. These restaurants would like to continue leasing the City ROW and propose to utilize the same temporary street dining decks that the City has approved in the past. Staff requests the City Council to review the Main Street improvements construction impacts, rental rate, and provide the sample leases and conditions for 2016.

Background
Land Management Code (LMC) § 15-2.6-12 allows Outdoor Dining on "leased public property" as an administrative Conditional Use Permit (CUP). Street Dining was first explored and used the summer of 2010 when three (3) restaurants on Main Street participated. In 2011, six (6) more restaurants were added, for a total of nine (9) restaurants. These restaurants participated through 2014. In 2015, seven (7) restaurants participated as Bangkok Thai on Main did not place a street dining deck on Main Street as they were aware of the enforcement of the required lunch service to be provided. Also, Cisero's Ristorante did not place a deck in 2015.

Based on changes requested by City Council during their annual review of the leases, each restaurant entered into new leases each year. These eight (8) sites all have approved administrative CUPs and this year, the same eight (8) restaurants approved in the past request the use. The only deck not wishing to participate this year is Bangkok Thai on Main. The term of the lease noted that "*an annual review by the City Council, with input from the Planning Department will be conducted each year. City Council may terminate or change the terms of this lease at that time*."

A maximum of twelve (12) street dining decks can be accommodated on Main Street based on the layout of the proposed decks based on the pilot program started in 2010. Any new applications are evaluated on a first-come first-served basis both for the maximum number accommodated and where they are placed on the street. The leases are for the use of Main Street in front of the property from potentially May 1st to October 30th. For the 2015 season, the Planning Department also received a request from Silver Restaurant located at 508 Main Street, however, Silver Restaurant left the City and their administrative CUP was not finalized and was denied due to inactivity. Staff has met with the new restaurant owners at 508 Main Street, Tupelo, and they have indicated that they would like to participate. However, Staff has not received the required Administrative CUP application to formally initiate their request.

Analysis

The City is currently planning Main Street improvements this year consisting of major improvements to Miner's Park on Main Street. After coordinating with the Sustainability Department project managers, it has been determined that none of the proposed decks will be affected by the construction on Main Street. The Street Dining on Main season may commence on May 1st. As part of the program, the City has given each deck owner the ability to choose when to place their deck after the start date. Some decks have been placed as early as the first week of May while others have waited until mid-June.

Staff recommends that the City Council execute the lease agreements for the Street Dining on Main program for the current participants based on various work session discussions and direction provided from City Council to Staff. Staff did not receive any complaints during the 2015 Street Dining season and the program has been well received by the public in general including residents and visitors. Staff has added two (2) new standards to the Street Dining Operation Restrictions which is Attachment 1 of the 2016 drafted lease agreement. The two (2) new standards are regarding aesthetics and other possible violations that may exist on the site and are found below:

> *Aesthetics.* *Due to the Park City environment and storage of the decks over the years, the decks shall be maintained in a safe and high quality manner. Prior to final installation and occupancy of each deck, the applicant shall make sure that the structural members can adequately meet their original design and each deck shall look aesthetically pleasing.*
>
> *Violations.* *The decks shall be in compliance with Municipal Code § 11-19-3(H) regarding Prohibition Against Issuance of Municipal Permits. From the time that*

any Notice of Violation is given, the City may withhold permits for any alteration, repair or construction, which pertains to any existing or new structures or signs on the property or any permits pertaining to the use and development of the real property or the structure where a violation is located. The City may withhold permits until a Notice of Compliance has been issued by the enforcement official. The City may not withhold permits that are necessary to obtain a Notice of Compliance or that are necessary to correct serious health and safety violations.

<u>Rental Rate</u>

During the initial 2010 pilot program the City did not charge any rent for the three (3) requested decks. In 2011 the City charged $300 per parking space of twenty feet (20') for the nine (9) requested decks. In 2012, staff presented to City Council an analysis of the Street Dining program fee based on a two (2) year average parking meter collection (actual revenue). In 2012 the City increased the feet to $550 per parking space (of 20') to the nine (9) requested decks, which also remained the same in 2013 and 2014.

Last year, 2015, the City charged $915 per parking space (of 20'). The 2015 parking fee was a discounted rate at 60% from what the Parking Department estimated, based on actual calculations from Fiscal Year (FY) 2014, as they considered the lost revenue to be $1,525 per space. Based on the direction provided by City Council in April 2015, the City is to charge in 2016 $1,067.50 (70% of the estimated lost revenue of $1,525) per parking space of twenty feet (20') to each restaurant. To view the 2015 City Council direction regarding the parking rental fee click here for the staff report (page 74) and here for the meeting minutes (page 2). The table below shows the breakdown of each deck:

Restaurant / Linear parking space	2010 $0	2011 $300	2012 2013 2014 $550	2015 $915 (60% of $1,525)	2016 $1,067.50 (70% of $1,525)
Cisero's Ristorante 1.55	$0	$465	$852.50	-	$1,654.63
Bistro 412 1.0	$0	$300	$550	$915	$1,067.50
501 on Main 1.0	$0	$300	$550	$915	$1,067.50
Main St. Pizza & Noodle 1.56	-	$468	$858	$1,427.40	$1,665.30
Bandits Grill & bar 1.15	-	$345	$632.50	$1,052.25	$1,227.63
Bangkok Thai on Main 1.90	-	$570	$1,045	-	-
The Eating Establishment 1.09	-	$327	$599.50	$997.35	$1,163.58
Shabu 1.15	-	$345	$632.50	$1,052.25	$1,227.63
Flanagan's on Main 1.13	-	$339	$621.50	$1,033.95	$1,206.28
Totals	**$0**	**$3,459**	**$6,341.50**	**$7,393.20**	**$10,280.05**

From the direction received on April 23, 2015, the City is to continue on this parking fee schedule until 2019 at the following rate below based on the analysis conducted by the Parking Department in 2015:

Year	Parking Fee	Percent of $1,525.00
2015	$915.00	60%
2016	$1,067.50	70%
2017	$1,220.00	80%
2018	$1,372.50	90%
2019	$1,525.00	100%

<u>Main Street Parking Management Plan and Traffic Demand Management</u>
The Transportation Planning Department has indicated that it is unlikely that it will recommend that the lease will remain as is for next year, 2017, as both a Parking Management and Traffic Demand Management (TDM) Plan will be in place. These plans will be presented to the City Council in the next month or so. Implementation will not be immediate with details and infrastructure to be further defined through 2016. Combined, these plans may place additional restrictions and/or costs on

business owners wishing to utilize the dining decks. Staff will have to determine what impact the Parking and TDM changes will have on the dining decks prior to 2017.

Administrative Conditional Use Permit
Administrative CUPs do not have an expiration date and run with the land until City Council provides direction to not allow use of City streets for outdoor dining. Currently, the eight (8) restaurants have been granted Administrative CUPs. Therefore, in order to continue with the program, they only would have to enter into a lease agreement with the City for the use of the ROW. Staff does not find any issues that cannot be properly mitigated with the submitted Administrative CUP for outdoor dining, other than having the business owner secure the lease agreement with the City.

Kimball Art Center
In recent discussions with the Kimball Art Center (KAC), Staff has learned that they have indicated that all eight (8) decks from the 2015 season can be accommodated in the 2016 Arts Festival footprint. In 2011 and 2012 Flanagan's on Main was not allowed to leave their deck during the Festival due to owners' late request to participate in the program. In 2015, the KAC indicated they would not be able to accommodate the proposed Silver Restaurant deck at 508 Main Street in their programmed area as their space is critical for emergency access. The City has a commitment with the KAC during the annual Arts Festival and writes the leases in a manner that all the decks have to be removed each year **unless** Kimball Art Center indicates that they may stay during the festival.

Lunch Service
In 2014, staff received a letter from Historic Park City Alliance (HPCA) regarding their concern with lunch service. The intent of the provision, which indicates that the deck shall be used seven (7) days week for lunch and dinner, was always meant to have the deck occupied whenever possible weather permitting. Staff agrees with the HPCA and finds that lunch service is a requirement as well as that starting a late lunch, e.g., at 3 p.m., does not comply with the original intent of the regulation.

Staff recognizes the need to have each deck occupied when possible and finds that a solution for each restaurant business owner would be to have them decide a later date in the season to place their deck as Park City summers are better served by visitors in July and August. Staff finds that lunch should start no later than twelve o'clock, noon, (12 p.m.) and not in the mid-afternoon.

Department Review
The Building, Planning, Engineering, Legal, and Executive Departments have reviewed this staff report.

Alternatives

A. Approve:

The City Council may approve the 2016 Street Dining on Main program and the proposed lease agreements as presented; or

B. Deny:
The City Council may deny the 2016 Street Dining on Main program by choosing not to renew the leases. Provide direction to end the Street Dining on Main program; or

C. Modify:
The City Council may provide direction to City staff regarding the 2016 Street Dining on Main program; and review the proposed lease agreements AND modify the proposed language; or

D. Continue the item:
The City Council may continue the item to another date to allow City Staff to return with additional information and discussion.

E. Do Nothing:
The City Council may do nothing which would be the same as alternative B. Denial.

Significant Impacts

	World Class Multi-Seasonal Resort Destination (Economic Impact)	Preserving & Enhancing the Natural Environment (Environmental Impact)	An Inclusive Community of Diverse Economic & Cultural Opportunities (Social Equity Impact)	Responsive, Cutting-Edge & Effective Government
Which Desired Outcomes might the Recommended Action Impact?	+ Balance between tourism and local quality of life + Varied and extensive event offerings + Unique and diverse businesses + Accessibility during peak seasonal times	(+/-)	+ Preserved and celebrated history; protected National Historic District + Shared use of Main Street by locals and visitors	+ Fiscally and legally sound + Well-maintained assets and infrastructure (+/-)
Assessment of Overall Impact on Council Priority *(Quality of Life Impact)*	Very Positive	Neutral	Very Positive	Positive

Comments: This program is very unique in that it utilizes the shoulder season to bring more people to Main Street. After researching other Historic Districts around the nation we have found that Park CIty is the only one that utilizes the street for constructions of these dining decks. We have received several inquiries by other cities as to how we manage this program. The program started in 2010 as a pilot program with three (3) decks and has grown to nine (9) in 2011-2014. In 2015 the City had eight (8)

Funding Source
Not applicable.

Consequences of not taking the recommended action
The City Council may provide direction to end the Street Dining on Main Street program which would not allow any business owners to place street dining decks on the Main Street ROW. The City Council may continue this item to another date for more information and/or discussion

Recommendation
Staff recommends that the City Council consider extending the Street Dining within the Main Street Right-of-Way (ROW) program for another term. The extension includes the renewal of leases of City property/ROW for several restaurants located on Main Street, so that they can have on-street dining on City property from May 1st - October 30th, 2016.

Exhibits
Exhibit A – Updated Lease Agreements & Attachment 1 - Operational Restrictions
Exhibit B – Proposed 2016 Street Dining on Main Map
Exhibit C – January 2014 HPCA Letter

Exhibit A

STREET DINING ON MAIN
OUTDOOR DINING LEASE 2016

This LEASE AGREEMENT is made and executed this ____day of _________, 2016, by and between Park City Municipal Corporation, a municipal corporation and political subdivision of the state of Utah ("Park City") and ________________________________, located at ____________________, Park City, Utah ("Tenant").

RECITALS

WHEREAS, the City wishes to enable opportunities for restaurants on Main Street to be able to provide additional outdoor dining opportunities; and

WHEREAS, the City's goals include the establishment of new and creative opportunities to facilitate the Main Street experience for residents and visitors alike during the shoulder and summer seasons; and

WHEREAS, the City's goals include the preservation and enhancement of Park City's character regarding Old Town and the desire to strengthen the pedestrian experience along Main Street; and

WHEREAS, the City recognizes the desire of many visitors and residents to dine outdoors along historic Main Street; and

WHEREAS, the City's General Plan recommends utilizing street design techniques to encourage slower traffic speeds and a more intimate pedestrian-oriented scale; and

WHEREAS, the City's goals include maintaining and furthering the resort community's economic opportunities, as well as enhancing the economic viability of Park City's Main Street Business District;

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

TERMS & CONDITIONS OF LEASE

Based upon good and valuable mutual consideration, the Parties agree as follows:

1. PROPERTY. The property affected by this lease is generally described as the street area directly fronting Tenant's building located at ____________________Main Street, and more specifically described in site plan Exhibit A, attached hereto and incorporated herein by this reference (hereinafter referred to as the "Premises"). The length of the outdoor dining deck per restaurant may not exceed forty (40) feet.

2. RENT. Annual rent is for the use of the street for the deck is _______________dollars ($____per parking space of a linear length of twenty feet (20'). This rent may be prorated based upon initial installation and final removal dates; however the rent reduction shall not exceed one (1) month. If deck must be removed for construction related to Main Street Improvements, the period of time the deck is removed shall also

be prorated. Payment is due prior to installation and any prorated amount due upon removal shall be refunded by the City. If a deck covers a fraction of a parking space (20') the rent will be calculated by the percentage of the deck on the parking space. Tenant shall be solely responsible for payment of any and all costs associated with Tenant's performance under this lease, including but not limited to City rent, additional business licensing fees, insurance, sales taxes and other expenses.

3. TERM. The term of this Agreement shall commence on May 1, 2016 and shall terminate on October 30, 2016 unless terminated earlier as provided herein. The Premises may only be utilized for a six (6) month period commencing on May 1st and terminating on October 30, 2016 except the Premises may not be used for the period of the Arts Fest unless Kimball Art Center consents in writing to allow Tenant to use the Premises. Additional term restrictions are attached hereto and incorporated herein by this reference in Attachment 1 (Street Dining Operation Restrictions). This Agreement may be terminated by Park City upon a finding of non-compliance of this lease or the attached operational restrictions.

   The use of the Premises shall not conflict with any previously existing Master Festival License (MFL) recipients on Main Street, specifically the Arts Fest (Kimball Art Center). The Kimball Art Center has been leased exclusive use of Main Street in August. The Premises must be vacated (i.e. removal of decks) no later than 10 a.m. MT of the first Thursday of August for the duration of Arts Fest (including set-up and breakdown) unless the Kimball Art Center consents in writing to allow Tenant's use of the Premises. If the outdoor dining structure is not removed as required, the Landlord will remove the structure at Tenant's cost.

4. MAIN STREET IMPROVEMENTS. If at any time the street dining deck needs to be removed due to construction related to Main Street improvements the City will give each affected street dining business owner a minimum of 72 hours to have their decks removed. The City will not be responsible for any associated costs involving deck removal/placement or potential lost revenue.

5. USE OF PREMISES. Tenant may use the Premises only for outdoor dining services in a manner consistent with Section 15-2.6-12(B)(1) of the Park City Land Management Code and the terms of this Agreement. From installation until removed, the street dining decks shall be utilized for street dining that will serve lunch and dinner seven (7) days a week. Additional operational restrictions which must be complied with as part of the conditions of this lease are attached hereto and incorporated herein in Attachment 1. Park City makes no representations regarding the premises and Tenant accepts the premises "as is."

6. IMPROVEMENTS TO THE PREMISES. Tenant shall not make any improvements to the Premises without first obtaining Park City's written consent. Any improvements approved by Park City shall be completed at Tenant's sole expense and removed at Tenant's sole expense upon expiration of this Agreement. No permanent alterations to the City's property are permitted.

7. SIGNS. No signs shall be permitted on the Premises except as specifically approved by the Park City Municipal Corporation Planning Department pursuant to the Park City Sign Code and/or Tenant's Master Sign Plan.

8. INSURANCE. Tenant shall, at Tenant's sole expense, carry a policy of general liability insurance in an amount of at least Two Million Dollars ($2,000,000) per combined single limit per occurrence and Three Million Dollars ($3,000,000) per aggregate for personal injury, bodily injury and property damage. Park City shall be named as an additional insured by endorsement on each policy. Tenant's insurance is to be primary to Park City's and Park City's insurance shall be noncontributory. A certificate of insurance with a thirty (30) day cancellation notice provision shall be provided to Park City on or before the lease commencement date, and maintained continuously during the term of the lease. Tenant may carry whatever other insurance Tenant deems appropriate. The parties agree that Tenant's sole remedy in the event of business interruptions, fire, windstorm, or other loss from hazard shall be its own insurance and Tenant will have no action against Park City. Park City is protected by the Utah Governmental Immunity Act, and nothing herein is intended to waive or limit the protection of the Act in behalf of either entity, but to the extent it is consistent with this intent, it is the purpose of this provision to protect Park City for liability or allegations arising out of the Tenant's use of the Premises.

9. HOLD HARMLESS. Tenant covenants and agrees to defend, indemnify, hold Park City harmless from all claims, loss damage, injury or liability (hereafter "Liability") resulting from Tenant' use and occupancy of the Premises to the full extent permitted by law and/or the Utah Governmental Immunity Act, including reasonable attorney's fees, but excluding any Liability resulting from acts or omissions of Park City, its officers, employees or agents. Nothing herein shall be construed as a waiver of any of the rights or defenses under the Utah Governmental Immunity Act (Utah Code Ann. Sections 63-30-1, et seq.), as amended. The obligations hereunder shall be determined under principles of tort law including, but not limited to, the Governmental Immunity Act. In case of an emergency including but not limited to a flood, storm drain, utility, the structure may be removed or damaged by response teams at the cost of the owner.

   Tenant shall indemnify, protect and hold the Landlord harmless from and defend (by counsel reasonably acceptable to Landlord) the Landlord against any and all claims, causes of action, liability, damage, loss or expense (including reasonable attorneys' fees and costs and court costs), statutory or otherwise arising out of or incurred in connection with (i) the use, operation, occupancy or existence of the Premises or the presence of visitors, or any other person, at the Premises during the Term or the Renewal Term, (ii) any activity, work or thing done or permitted or suffered by Tenant in or about the Premises, (iii) any acts, omissions or negligence of Tenant, any person claiming through Tenant, or the contractors, agents, employees, members of the public, invitees, or visitors of Tenant or any other such person ("Tenant Party" or "Tenant Parties"), (iv) any breach, violation or nonperformance by any Tenant Party of any provision of this Lease or of any law of any kind, or (v) except to the extent resulting from any negligence or intentional torts of Landlord.

10. ASSIGNABILITY. Tenant shall not assign or transfer any interest in this Agreement without the prior written consent of Park City. Any assignment or transfer without written approval is void.

11. PROFESSIONAL PERFORMANCE. Tenant agrees to perform services under this contract at the highest professional standards, and to the satisfaction of Park City.

12. APPLICABLE LAW. This Agreement shall be governed by the laws of the state of Utah.

13. ENTIRE AGREEMENT. This Agreement constitutes the entire and only agreement between parties and it cannot be altered or amended except by written instrument, signed by both parties.

Executed the day and year first above written.

Tenant:

____
By:
____
Its:

ACKNOWLEDGMENT

STATE OF UTAH)
) ss.
COUNTY OF SUMMIT)

On this__________ day of _________________, 20___, personally appeared before me ________________, who being duly sworn, did say that he is the Owner of ______________________________, and acknowledged to me that the preceding Agreement was signed on behalf of ___________________________________, and he acknowledged that the company did execute the same for its stated purpose.

____
Notary Public

PARK CITY MUNICIPAL CORPORATION

____
Jack Thomas, Mayor

Attest:

____
Michelle Kellogg, City Recorder

Approved as to form:

____
City Attorney’s Office

Attachment 1
Street Dining Operational Restrictions

Street dining may be allowed by the Planning Department upon issuance of an Outdoor Dining Administrative Conditional Use Permit. Street dining is permitted from May 1st, and shall terminate on October 30th of each year. A total of twelve (12) street dining decks will be accommodated on Main Street based on the layout of the proposed decks. The Applicant must submit an application, pay an application fee, and provide all required materials and plans. Ongoing monitoring will be provided to ensure compliance with these parameters. The Administrative Conditional Use Permit or the Lease may be revoked for failure to comply with these restrictions.

Required Submittals:

- Dining Site Plan – This plan shall be to scale and indicate: the Applicant's building as it relates to the exact proximity of the street dining deck. The plan shall include accurate locations of proposed chairs, tables, umbrellas, planters, and any other existing public improvements (light fixtures, fire department connections, parking meters, etc.).

- Details/specifications sheets – Shall be submitted for each piece of equipment proposed with the street dining is application. This will include all tables, chairs, umbrellas, etc.

Design Standards:

1. Size. Street dining area shall be limited to the linear frontage a building has on Main Street and shall not exceed nine feet (9') in width. The encroachment of the proposed decks into street will not exceed seven feet, nine inches (7'-9") in width from the curb, as the encroachment of the proposed decks into the sidewalk will not exceed one foot three inches (1'-3"), unless approved by City Council. With the written permission of the adjacent property owner submitted to the City, they may extend into the neighbor's street frontage. Forty-four inches (44") of clear sidewalk width shall be available at all times where the street dining deck is being constructed. Each outdoor dining deck shall not exceed forty (40') feet in length.

2. Location/Proximity/Spacing. The City reserves the right to reject an application for an outdoor dining deck:

    - If the proposed deck is too close to a previously existing deck and would eliminate needed parallel parking along Main Street thus creating a concentrated parking issue.
    - If the proposed deck is for a restaurant that does not have direct access at street level.
    - If the proposed deck is for a business with existing outdoor dining space and the expansion of such is deemed excessive.
    - If the proposed deck creates too much private use of the public right-of-way that may be deemed detrimental to the health, safety, welfare of the area.
    - The Building, Planning, and Engineering Departments will review the location, proximity, and spacing of each street dining deck as well as impacts of traffic and public safety concerns. A recommendation will be given to the City Council for final review and approval.

3. Hours of Operation. The street dining decks shall be utilized for street dining and shall serve lunch and dinner seven (7) days a week for the duration that the decks are in the Right of Way. **Lunch service shall start no later than 12 p.m. (noon).**

4. Material. Street dining decks may be built of wood platforms and shall have a solid base. The design of the base shall complement the style of the building. The railing shall be painted solid to also complement the building. While outdoor dining deck is not subject to a complete Historic District Design Review (HDDR), the guidelines are applicable to the project.

5. Height. The maximum height of the deck shall not exceed thirty-six inches (36”) measured from existing grade to the base/floor of the deck at any given point. The layout of the deck may include a step to meet the maximum height allowed.

6. Advertising. Additional signing or advertising beyond what is allowed by the Park City Sign Code is prohibited.

7. Furniture. All tables and chairs shall be metal, wood, or other comparable material. Plastic furniture shall not be allowed. All furniture must be approved by the Planning Department per the historic district design review.

8. Umbrellas. Umbrellas must be free standing and are prohibited from extending beyond the dining area. Any umbrellas shall be affixed permanently to the deck as required by the International Building Code requirements (including fire standards) and shall not create any public hazard.

9. Lighting. No additional electric lighting is permitted, including exterior building lighting.

10. Planters. Any proposed landscaping or atmosphere pieces shall be reviewed at the time of initial application, and shall not create any public hazard or unnecessary clutter. All plant material must be maintained in a manner that ensures their viability throughout the summer outdoor dining season.

11. Use. The terms and scheduling of the use of the outdoor dining decks must not conflict with any previously existing Master Festival License (MFL) recipients on Main Street, specifically the Arts Fest (Kimball Arts Center). Existing MFL recipients must be consulted with if the outdoor dining decks are to remain during their event. If no agreement is reached, the outdoor dining structure must be removed in full for the duration (including set-up and breakdown) of the MFL event. If the outdoor dining structure is not removed as required, PCMC will remove the structure at cost to compensate for the employees and equipment needed to complete the task.

12. Licensing. The additional square footage of the dining area must be added to the existing licensed area for the restaurant. The Applicant shall also adhere to other applicable City and State licensing ordinances, including the Department of Alcoholic Beverage Control. It is the responsibility of the Applicant to ensure that all licenses are properly obtained and adhered to.

13. Duration. Street dining is permitted from May 1st, and shall terminate on October 30th, each year.

14. Health & Safety. The Use shall not violate the Summit County Health Code, the Fire Code, or International Building Code.

15. Music. The use of outdoor speakers and music is prohibited.

16. Maintenance. The dining area shall be clean and maintained in a neat and orderly fashion.

17. Storage. All equipment and other associated materials must be removed and stored on private property during prohibited times (off season). No material associated with the outdoor dining decks may be stored outdoors on-site during the off-season.

18. Removal. Decks must be completely removed from the Right-of-Way prior to the end of business day October 30. If the outdoor dining structure is not removed as required, the City will remove the structure at cost to compensate for the employees and equipment needed to complete the task.

19. Drainage. Design of the deck and its skirting shall not interfere with the existing street drainage. Deck plans shall be reviewed by the City for drainage and may be modified so as to not interfere with the existing drainage patterns of the street.

20. Utilities. Access to utilities shall not be hindered by the structures. No outdoor dining decks will be approved if located in an area that blocks access to fire hydrants, etc. No new utility lines shall be installed as a result of the proposed outdoor dining.

21. Insurance Requirement. The tenant shall carry a policy of liability insurance in an amount of at least $2 million per combined single limit per occurrence and $3 million per aggregate for personal injury, bodily injury and property damage. Park City Municipal Corporation shall be named as additional insured by endorsement of each policy.

22. Main Street Improvements. Due to the possible conflicts with scheduled Main Street improvements the City may postpone approving leases until the construction schedule is finalized to be able to determine appropriate dates.

    If at any time the street dining deck needs to be removed the City will give each affected street dining business owner a minimum of 72 hours to have their decks removed. The City will not be responsible for any associated costs involving deck removal/placement or potential lost revenue.

23. Aesthetics. Due to the Park City environment and storage of the decks over the years, the decks shall be maintained in a safe and high quality manner. Prior to final installation and occupancy of each deck, the applicant shall make sure that the structural members can adequately meet their original design and each deck shall look aesthetically pleasing.

24. Violations. The decks shall be in compliance with Municipal Code § 11-19-3(H) regarding Prohibition Against Issuance of Municipal Permits. From the time that any Notice of Violation is given, the City may withhold permits for any alteration, repair or construction, which pertains to any existing or new structures or signs on the property or any permits pertaining to the use and development of the real property or the structure where a violation is located. The City may withhold permits until a Notice of Compliance has been issued by the enforcement official. The City may not

withhold permits that are necessary to obtain a Notice of Compliance or that are necessary to correct serious health and safety violations.

Exhibit B Proposed 2016 Street Dining on Main Decks

January 7, 2014

Francisco Astorga
Planning Department
Park City Municipal Corporation
PO Box 1480
Park City, UT 84060

Dear Francisco:

This letter is being sent as an update on the Historic Park City Alliance's (HPCA) recommendations regarding the street dining deck program implemented in 2010. The HPCA uses vision statements as a way to set goals and policies for activities and uses that assist us in making decisions about the future of the district. The HPCA reviewed the dining deck uses at our November and December Board Meetings.

The HPCA discussed the street dining deck program at both our November and December Board Meetings. The HPCA continues to support the dining deck program and feels it adds vibrancy to the street during the summer months. As part of this review the Board discussed the difficulties some restaurants voiced about lunch service. The Board entertained thoughts of reducing the number of days lunch service is required as well as changes to the definition of lunch service. The Board ultimately kept with the original requirement of lunch service seven days a week. During the Board discussion, the definition of lunch service was addressed and the Board felt lunch service should begin by 11:30am.

The HPCA continues to believe the outdoor dining decks, located in public parking spaces, bring a vibrancy and positive atmosphere to the District. In order for the decks to be placed on the street, parking must be removed. The HPCA feels that participation in the dining deck program is voluntary and if a restaurant does not feel they would benefit from serving lunch, they should reconsider their use of public parking. The HPCA is more than willing to see the decks placed later in the spring/summer so that the restaurants can utilize them in the high season. When the service of lunch and dinner no longer benefit them in the fall season, the decks should be removed.

The HPCA desires to see the dining deck program continue and wants to see success for our restaurants who take advantage of this opportunity.

Respectfully yours,

Alison Butz
Executive Director

Attachment: HPCA Outdoor Dining Deck Vision Statement

Outdoor Dining Decks located in Public Parking

It is the objective of the HPCA to promote Historic Park City as a fun, friendly and vibrant destination. We wish to foster an atmosphere that encourages longer stays and gives pedestrians time to circulate throughout the District. We believe that prolonged exposure to our businesses will increase sales and diversify revenues.

The HPCA agrees upon the following:

- The outdoor dining decks in the public way is a continuing program that started in 2010.
- The outdoor dining decks, located in public parking spaces, bring a vibrancy and positive atmosphere to the District.
- The outdoor dining decks, located in public parking spaces, may not have measurably increased traffic to the District, but continuing the program will help to maintain HPC's vibrancy, competiveness, and overall economic health.
- The outdoor dining program should be managed in a proactive manner to insure that it is consistent with all of our efforts to improve the district and serve our membership. The HPCA believes that the decks are a positive addition and supports their continuation.

Recommendations:

- There shall be no more than 9 outdoor dining decks, to be reviewed biennially by the HPCA.
- Participating restaurants must be located at street level, or receive annual permission from the street level business owners if the business is located on an upper or lower floor of the building.
- Maximum length of any deck is 40', but in no case can the deck be longer than the width of the building.
- Decks should have consistency in construction, but be decorated to match the building.
- Restaurants must have full lunch and dinner service 7 days a week. Lunch service must begin by 11:30am.
- Decks cannot be enclosed in any sort of way, including a tent.
- Height of the deck above the ground, should be limited to maintain visual corridors.
- Restaurants should be assessed a user fee for use of public parking spaces. The user fee should be similar to the business license and take into account the 6 months use of this space. The fees collected should go back to the ongoing promotion and marketing of the District.

In no case should the decks be removed for more than 3 events per season.

Actions: The HPCA will continue to present their position to Park City Municipal Corporation as part of City Council discussions. If a retailer is interested in using a deck, the HPCA Events Committee will review their request, and if deemed suitable, make a formal recommendation to the City.

DATE: April 28, 2016

TO HONORABLE MAYOR AND COUNCIL

Please review and consider adopting a resolution celebrating National Tourism Week and designating May 3, 2016 as Travel Rally Day in Park City, Utah.

Respectfully:

Michelle Kellogg, City Recorder

City Council
Staff Report

Subject: **Resolution Celebrating National Tourism Week and Travel Rally Day in Park City, Utah**
Author: **Michelle Kellogg, City Recorder**
Department: **Executive**
Date: **April 28, 2016**
Type of Item: **Administrative**

Summary Recommendation

Review and adopt a resolution celebrating National Travel and Tourism Week and designating May 3, 2016 as Travel Rally Day in Park City, Utah.

Executive Summary

For the past several years, the Chamber has requested that the City recognize National Tourism Week. It is a way to make residents aware of the importance of tourism dollars in supporting the quality services and programs we enjoy in Park City on a daily basis, and the benefits that clean industry brings. It is also appropriate to thank our visitors and to honor the service workers in the hospitality industry who are critical in our success as a resort community.

As a part of National Tourism Week, the Chamber will be hosting a barbecue lunch for Chamber members, visitors, hospitality workers, media, elected officials and friends, on Tuesday, May 3rd from 11:00 a.m. to 1:00 p.m. at the Visitor Information Center.

Recommendation

Review and adopt a Resolution Celebrating National Tourism Week and Designating May 7, 2013 as Travel Rally Day in Park City, Utah.

RESOLUTION 07-16

A RESOLUTION PROCLAIMING MAY 3, 2016 AS "TRAVEL RALLY DAY" IN PARK CITY, UTAH

Whereas, the travel and tourism industry is a powerful engine of economic growth in Park City, Summit County, the state of Utah and the nation; and

Whereas, the travel and tourism industry in Summit County provides approximately 9,000 in travel and recreation-related employment and accounts for nearly one-half of Summit County's total employment in a clean industry that provides residents and guests with diversity in all experiences of a mountain resort community made possible by tourism; and

Whereas, the travel and tourism industry supports several other industries such as construction, insurance, building supplies, etc.; and

Whereas, Park City offers world class skiing resorts, the Utah Olympic Park, Historic Main Street, a free transit system and a mountain range of other attractions, adventures, events, and dining/entertainment experiences; and

Whereas, "National Tourism Week" and "Travel Rally Day" is honored throughout the state of Utah and our nation as part of the Tourism Industry of America's effort to increase awareness of the tour and travel industries' economic, cultural and social contributions to the United States:

Now, therefore, the City Council of Park City, does hereby declare May 3, 2016, as "Travel Rally Day" in Park City, and ask all citizens to join the City in recognizing and supporting the travel and tourism industry, our travelers and tourists, those who work in and service the hospitality industry, and our beautiful town and county.

PASSED AND ADOPTED this 28th day of April, 2016.

PARK CITY MUNICIPAL CORPORATION

____
Mayor Jack Thomas

Attest:

____
Michelle Kellogg, City Recorder

DATE: April 28, 2016

TO HONORABLE MAYOR AND COUNCIL

The Governor of Utah has proclaimed May as Building Safety Month in the State of Utah. The Utah Chapter of the International Code Council has encouraged each jurisdiction to adopt the Building Safety Month Proclamation.

Respectfully:

Michelle Downard, Deputy Chief Building Official

City Council
Staff Report

Subject:	**Building Safety Month May Proclamation**
Author:	**Chad Root CBO/Fire Code Official**
Department:	**Department of Building and Fire Safety**
Date:	**April 28, 2016**
Type of Item:	**Mayor Council Proclamation**

Summary Recommendation

For the City Council and the Mayor of Park City to Proclaim that May is Building Safety Month.

Executive Summary

The Governor of Utah has proclaimed May as Building Safety Month in the State of Utah. The Utah Chapter of the International Code Council has encouraged each jurisdiction to adopt the Building Safety Month Proclamation.

Acronyms

ICC	International Code Council
PCMC	Park City Municipal Corporation

Background

The first 'civil code' known to mankind was the Code of Hammurabi, who was the sixth king of Babylon ruling from 1792 BC to 1750 BC. It contained a little less than 300 laws inscribed in a set of tablets made of stone and exposed in a public area so that it was available to society. Like in many other areas, it contained a set of laws related to construction and is considered the earliest known source of construction law.

It contained the following provisions, regarding construction practices:

- 229 If a builder builds a house for someone, and does not construct it properly, and the house which he built falls in and kills its owner, then that builder shall be put to death.
- 230 If it kills the son of the owner, the son of that builder shall be put to death.
- 231 If it kills a slave of the owner, then he shall pay, slave for slave, to the owner of the house.
- 232 If it ruins goods, he shall make compensation for all that has been ruined, and inasmuch as he did not construct properly this house which he built and it fell, he shall re-erect the house from his own means.
- 233 If a builder builds a house for someone, even though he has not yet completed it; if then the walls seem toppling, the builder must make the walls solid from his own means.

Since this time Building Codes have evolved to include in depth Structural elements, Electrical, Plumbing, Mechanical, Energy and Fire Safety. The Building and Fire Codes have been put in place by many communities to ensure that those communities have a quality housing stock that protects the life safety of their residence and ensures continued investments into the community.

Analysis
By proclaiming May as Building Safety Month Building Safety, Quality Housing Stock will be on the minds of our residence.

Department Review
Building and Fire Safety of the Community Development Team

Attachments
Building Safety Proclamation – 08-16

Attachment

RESOLUTION 08-16

A RESOLUTION PROCLAIMING MAY 2016 AS "Building Safety Month" IN PARK CITY, UTAH

Proclamation

Building Safety Month — May, 2016

Whereas, the City of Park City, within the State of Utah continues efforts to address the critical issues of safety, energy efficiency, water conservation, and resilience in the built environment that affect our citizens, both in everyday life and in times of natural disaster, give us confidence that our structures are safe and sound, and;

Whereas, our confidence is achieved through the devotion of vigilant guardians—building safety and fire prevention officials, architects, engineers, builders, tradespeople, laborers and others in the construction industry—who work year-round to ensure the safe construction of buildings, and;

Whereas, these guardians—dedicated members of the International Code Council—use a governmental consensus process that brings together local, state and federal officials with expertise in the built environment to create and implement the highest-quality codes to protect Americans in the buildings where we live, learn, work, worship, play, and;

Whereas, the International Codes, the most widely adopted building safety, energy and fire prevention codes in the nation, are used by most U.S. cities, counties and states; these modern building codes also include safeguards to protect the public from natural disasters such as hurricanes, snowstorms, tornadoes, wildland fires, floods and earthquakes, and;

Whereas, Building Safety Month is sponsored by the International Code Council, to remind the public about the critical role of our communities' largely unknown guardians of public safety—our local code officials—who assure us of safe, efficient and livable buildings, and;

Whereas, "Building Codes: Driving Growth through Innovation, Resilience and Safety" the theme for Building Safety Month 2016, encourages all Americans to raise awareness of the importance of building safe and resilient construction; fire prevention; disaster mitigation, water safety and conservation; energy efficiency and new technologies in the construction industry. Building Safety Month 2016 encourages appropriate steps everyone can take to ensure that the places where we live, learn, work, worship and play are safe and sustainable, and recognizes that countless lives have been saved due to the implementation of safety codes by local and state agencies, and,

Whereas, each year, in observance of Building Safety Month, Americans are asked to consider projects to improve building safety and sustainability at home and in the community, and to acknowledge the essential service provided to all of us by local and state building departments, fire prevention bureaus and federal agencies in protecting lives and property.

NOW, THEREFORE, the City Council of Park City, does hereby proclaim the month of May 2016 as Building Safety Month. Accordingly, we encourage our citizens to join with their communities in participation in Building Safety Month activities.

PASSED AND ADOPTED this 28th day of April, 2016.

PARK CITY MUNICIPAL CORPORATION

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Mayor Jack Thomas

Attest:

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Michelle Kellogg, City Recorder

DATE: April 28, 2016

TO HONORABLE MAYOR AND COUNCIL

Consideration of Resolution 09-16, a Resolution Proclaiming May 7, 2016, as Arbor Day in Park City, Utah, and Celebrating Park City's 23rd Anniversary Recognized as a "Tree City USA Community."

Respectfully:

Matt Dias, Asst City Manager

Resolution No: 09-16

RESOLUTION PROCLAIMING MAY 7, 2016, AS ARBOR DAY AND CELEBRATING PARK CITY'S 23rd ANNIVERSARY AS A TREE CITY USA COMMUNITY

WHEREAS, Park City is committed to maintaining its natural trees and resources, demonstrated by the City Council's constant support of beautification projects and the enactment of codes specifically created to protect vegetation: and

WHEREAS, participation in the Tree City USA Program fosters community pride and creates a great environment to live and work and annual recognition demonstrates to residents and visitors that trees, conversation and the environment are an important part of life in our town; and

WHEREAS, the City Council, acting in the best interests of its citizenry, regard these enhancements as high priorities to enjoy and to ensure for future generations, and

WHEREAS, the National Arbor Day Foundation, in cooperation with the National Association of State Foresters and the USDA Forest Service, has named Park City as a Tree City USA for the 23nd year, and

WHEREAS, in consideration of requests received from the community to celebrate Arbor Day and in the spirit of our 23rd anniversary as a Tree City USA, the project this year is to hand out seedlings at Miner's Hospital/City Park, and

NOW, THEREFORE, BE IT RESOLVED that the Mayor and City Council hereby proclaim May 7, 2016 as: ARBOR DAY IN PARK CITY, UTAH

And encourage residents to participate in celebrating at Miner's Hospital/City Park on Saturday, May 7, 2016, from 10:00 am – 2:00 pm. The Mayor and City Council extend their appreciation of the exceptional service provided by Parks Department employees, who do an outstanding job every day of the year to ensure that Park City is a beautiful place to live, play and visit.

PASSED AND ADOPTED this 28th day of April, 2016.

PARK CITY MUNICIPAL CORPORATION

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Mayor Jack Thomas

Attest:

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Michelle Kellogg, City Recorder

Approved as to form:

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Mark D. Harrington, City Attorney