PARK CITY COUNCIL WORK SESSION NOTES
SUMMIT COUNTY, UTAH
DECEMBER 18, 2008

Present: **Mayor Dana Williams; Council members Candace Erickson; Roger Harlan; Jim Hier; Joe Kernan; and Liza Simpson**

Tom Bakaly, City Manager; Mark Harrington, City Attorney; Polly Samuels McLean, Assistant City Attorney; Tom Daley, Deputy City Attorney; Denise Carey, Analyst; Max Paap, Special Events Manager; Bob Kollar, Joint Venture Coordinator - Chamber/Bureau; Jason Glidden, Marketing Analyst

1. Open meeting training. Mark Harrington and Polly McLean presented the Legal Department's overview of the Utah Open and Public Meetings Act. This training session satisfied the annual training requirement for Council specified in the Act.

2. Council questions/comments. Candace Erickson spoke about Utah League business relating to the upcoming legislative session. She asked about the status of the sinkhole on the Rail Trail and Tom Daley explained that the state's abandoned mines division installed a concrete plug but the project may not be completed yet. Jim Hier reported that he and Roger Harlan met with Kent Cashel on the SR248 options; the discussion was very informative and productive. He and Joe Kernan met with on potential changes to licensing lodging which will be discussed during an upcoming work session. Roger Harlan noted that Mountainlands Community Housing Trust is looking for a Hispanic board member so the organization is better represented. Liza Simpson stated she toured the Museum and the building is looking great. She attended the Hillside Reconstruction Open House and thanked staff and the consultants for organizing it. There was good input from the neighborhood. She thanked the recreation staff for arranging for a shuttle to the ice rink for the Fiesta Event. The Mayor spoke about visiting the Treasure Mountain Middle School classes to speak on leadership and encouraged staff to take the design of the Racquet Club to the kids for their input. He stated that he received an email from Peter Marth complimenting the City on holding the open house on the Hillside reconstruction project.

There was discussion among members on Recycle Utah's financial shortfall estimated in the range of $15,000 to $20,000. The Mayor personally felt it really important to provide recycling services in the next several months. Joe Kernan disclosed that he owns a recycling business, and explained that Recycle Utah provides the infrastructure for local recycling companies. It is not worth it for haulers to travel to Salt Lake City and taking a choice away from recyclers is impactful and will increase the cost for recycling for everyone both fiscally and environmentally. The Mayor pointed out that the reality will be glass in the landfill. Candace Erickson felt that recycling is a social responsibility of the City. Glass is costing Recycle Utah $1,000 per month. The City provides a grant to them for education and she suggested helping them through this crisis. Mayor Williams felt that Sundance could do a better job of waste management and pointed out the burden the Festival places on Recycle Utah. Candace Erickson and Joe Kernan debated allowing private haulers to dump glass at Recycle Utah. Roger Harlan spoke about Recycle Utah's $1 donation campaign and felt that a public service announcement with the Council's endorsement would be a positive effort. He remarked on the staggering volume of glass handled in Park City this time of year and throughout the Sundance Film Festival.

The City Manager emphasized that Recycle Utah is not scheduled for action on the agenda but he has authority up to $10,000 for unbudgeted expenditures. With Council direction, he suggested working on a strategy with Recycle Utah and reporting back to Council. One option may be a loan to operate through two months. The Mayor indicated Recycle Utah did not want a loan. Mayor Williams acknowledged that the City helping Recycle Utah might set a precedent but that is a risk he is willing to take. Jim Hier stated that he supports Tom Bakaly working with Recycle Utah on a plan and stated that he strongly favors a loan tied to its public service contract. If the loan can not be covered, the Council may consider increasing the grant award to cover the loan. Joe Kernan stated that he is comfortable with Mr. Bakaly working on this with the goal of reestablishing the recycling infrastructure on City property. Roger Harlan felt that fund-raising on KPCW can be very effective and volunteered his time. Jim Hier added that the loan could potentially be repaid back with community contributions.

3. McPolin Farm administrative policy. Denise Carey explained that the strategic plan for the Farm was adopted in October. At that time, Council members felt that the administrative policy should be a separate document and requested some language changes, more specifically addressing the conditional use requirements and the role of the Summit Land Conservancy. She pointed out that the administrative policy clarifies that the Farm buildings are not part of the conservation easement managed by the Conservancy and provides for up to 12 one day City Council sponsored special public events per year. Roger Harlan suggested a minor wording clarification. Jim Hier pointed out that the text relating to allowing private use of the Farm should be removed entirely; Ms. Carey agreed.

4. Event policy discussion. Max Paap explained that staff is asking for confirmation of the direction the special events program is heading in preparation for 2009. After the Olympics a joint venture was created with the Chamber and Bob Kollar was hired to bring events to town, filling out the shoulder seasons while the City processed events and mitigated impacts. He emphasized that the effort worked demonstrated by the increase in event days. The direction from the 2008 Visioning Session was to use events as an economic development tool and the event calendar was populated while trying to balance impacts to the community.

At this point, staff is recommending the use of *management tools* to evaluate the attributes of events and their geographic locations, and/or specific dates. The application process was refined, as directed, and departmental resources were better aligned. Mr. Paap explained that it is recommended to form a review committee and to formulate criteria to rank events so there is a good mix. Vail and Telluride have a similar process. Another consideration is making sure a waste management program associated with the event is in place. He recommended creating an on-line event planning guide for organizers. Amendments to the Municipal Code may be needed and he specifically referred to the sale of metal sculptures on the School District property during the summer as an example. These types of activities are not really events and preventing them from obtaining a business license is recommended.

Jim Hier believed that art and cultural events should be identified in the criteria although they may be encompassed in the category of *tourism based events*. He strongly felt that the proposed committee membership is too large and suggested extending the 90 day deadline for applications with 120 days. Bob Kollar explained that this has been discussed but there might be applications not requesting funding submitted after the deadline that fit nicely on the event calendar. Exceptions to the criteria could be created or lead times could be adjusted. Mr. Kollar added that arts and culture are considered destination tourism based events and other categories include sports and recreation, arts and culture, and community events. Candace Erickson suggested that there be a different process for events requesting funding including compliance with a deadline and prioritization. Mr. Kollar explained that currently this process takes place informally and is somewhat subjective. This proposal will formalize the process with criteria and a priority system and ranking will relate to funding and availability of venues. Mayor Williams agreed with Mr. Hier regarding the size of the committee because the event may dictate who should be participating; a core group could be formed and others could be included as appropriate. He expressed concerns about local events competing for field use. Jason Glidden stated that staff is monitoring percentage of use and clarified that the PC Extreme Soccer Tournament benefits the local soccer community and use is split between events and local events. Joe Kernan favored amending the Code to better manage outdoor sales and removing them from our entry corridor. He felt the committee proposal is fine as written.

Liza Simpson asked if Council is waiving too many fees or if raising the amount of fees is a better option. Max Paap indicated that waivers are tracked and the information is available. He acknowledged that it has been a while since these fees have been updated and some events require more resources than the benefits they bring to the community. She supported more clearly defining event types and several events held on the same day were discussed. Roger Harlan asked if economic trends are affecting the number of applications but Max Paap stated that organizers continue to express interest. Dana Williams noted that he supports the waste management requirement and pointed out that Park City's 125th celebration will be an upcoming community event in 2009.

5. Quarterly goal update – 4th quarter. Discussion ensued on ancillary topics relating to goals, but there were no substantive changes just minor corrections or suggestions to the goal summary. Mayor Williams indicated that he has been contacted from the public about the Council addressing senior housing issues at its upcoming Visioning Session and he referred to potential opportunities by master planning the fire station and senior center properties. Liza Simpson requested that the action plans for neighborhood traffic management be clearer.

Prepared by Janet M. Scott, City Recorder

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
DECEMBER 18, 2008

I ROLL CALL

Mayor Dana Williams called the regular meeting of the City Council to order at approximately 6 p.m. at the Library and Education Center on Thursday, December 18, 2008. Members in attendance were Dana Williams, Candace Erickson, Roger Harlan, Jim Hier, Joe Kernan, and Liza Simpson. Staff present was Tom Bakaly, City Manager; Mark Harrington, City Attorney; Kirsten Whetstone, Planner; Kathy Lundborg, Water Manager; Diane Foster, Sustainability Manager; Kent Cashel, Deputy Public Works Director; and Phyllis Robinson, Public Affairs Manager.

II COMMUNICATIONS AND DISCLOSURES FROM COUNCIL AND STAFF

Joe Kernan reported that during these tough economic times, he has experienced a fluctuation in his customer base but that has stabilized and in fact, grown recently. He disclosed that Talisker is among his recycling customers.

Mayor Williams extended his good wishes to the public for a happy holiday season.

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

1. Senior housing - Mary Cook, resident, urged Council members to consider senior housing as a topic for discussion at the upcoming Visioning Session. She felt that eight to ten units and limited services would fit nicely on the property next to the Senior Center. The Mayor indicated that this will be discussed and thanked Ms. Cook for her comments.

2. Recycle Utah support – Julie Kaylor, Deer Valley Green Team representative, expressed that Recycle Utah needs community support during the current commodity market downturn. Deer Valley Resort has supported Recycle Utah since its inception 17 years ago and believes in resort-wide recycling. Recycle Utah has a successful 98% recycle rate and Deer Valley feels strongly that glass should be kept out of landfills and Recycle Utah has made great strides in educating the public regarding the value of recycling. She asked that the City join Deer Valley in supporting Recycle Utah's tremendous efforts in keeping Park City at the forefront of community recycling. Mayor Williams stated that the City's environmental director and City Manager will attend Recycle Utah's board meeting tomorrow morning to discuss options.

Stewert Bauclas encouraged the Council to protect Recycle Utah's financial security so it can continue to do business even during market fluctuations. He pointed out that financial support could be given now or the City will have to deal with the delayed costs associated with landfills and the environmental impacts due to the need for more landfill space. He asked that everyone be financially responsible in helping Recycle Utah.

Jessie Turner, intern at Recycle Utah and member of High School Environmental Club, agreed with previous comments and emphasized that it is our ethical responsibility to recycle glass. Everyone should step up and help out.

IV MINUTES OF MEETING OF DECEMBER 4, 2008

Liza Simpson, "I move we approve the minutes of December 4th". Roger Harlan seconded. Motion unanimously carried.

V RESIGNATIONS AND APPOINTMENTS

1. Consideration of acceptance of resignation of Mark Huber from the Historic Preservation Board – Joe Kernan, "I move we accept the resignation of Mark Huber from the Historic Preservation Board". Liza Simpson seconded. Motion unanimously carried.

2. Consideration of appointment of Adam Opalek to the Historic Preservation Board to fill an unexpired term to July 2011 – The Mayor requested a motion to approve. Roger Harlan, "I so move". Liza Simpson seconded. Motion unanimously carried.

VI NEW BUSINESS *(New items with presentations and/or anticipated detailed discussions)*

1. Consideration of Land Management Code Amendments to Chapter 2 – Zoning Districts regarding applicable Steep Slope Conditional Use Permits in the HR-1, HR-2, and HRL zones – The Mayor opened the public hearing. There were no comments from the audience. He stated that this matter is still under consideration by the Planning Commission. Roger Harlan, "I move to continue to February 5, 2009". Jim Hier seconded. Motion unanimously carried.

2. Consideration of an Ordinance approving the 2300 Meadows Drive subdivision plat – The Mayor reported that this item is still being considered by the Planning Commission and opened the public hearing. There was no input. Roger Harlan, "I move to continue to February 5, 2009". Candace Erickson seconded. Motion unanimously carried.

3. Consideration of Procurement Contracts for the Quinn's Water Treatment Plant Membrane Equipment in the amount of $2,011,132; the Temporary Treatment Equipment in the amount of $272,265; and associated Engineering Services in the amount of $132,100 with Pall Corporation, in a form approved by the City Attorney – Kathy Lundborg introduced Corey Christiansen, Carolla Engineers' project manager.

She explained that award of these contracts is the first step of the project, as the membrane drives the design of the system. It is staff's intent to provide some form of online temporary treatment for next summer. The lowest bidder is not recommended in this instance because its system is new and untested and staff is recommending Pall Corporation because of its experience. In response to a question from Joe Kernan, Mr. Christiansen explained that the membrane will remove organic particles greater than .1 microns in size and explained that treated surface water results in dissolved carbon in a variety of forms. The membrane releases chemicals to filter the carbon from the water at a water recovery rate of 93%. The solids are removed from the remaining 7% and recycled to the head of the plant. Jim Hier, "I move we that we authorize the City Manager to execute a procurement contract in a form approved by the City Attorney, with Pall Corporation for the water treatment plant membrane equipment for a lump sum amount of $2,011,132 and for the temporary treatment equipment for a lump sum amount of $272,265 and for the engineering services in the amount of $132,100". Liza Simpson seconded. Motion unanimously carried.

4. Consideration of a Cost Sharing Agreement, in a form approved by the City Attorney, related to the joint property acquisition of approximately 107 of the estimated 112 acres of Parcel #SS-57-1, property owned by the Boyer Company located to the southeast of the UDOT facility – Diane Foster distributed an updated version of the cost sharing agreement. The only substantive change appears on Page 2 with an added sentence stating that all parties agree that the environmental work would commence within 120 days of an approved work plan for the site. During the due diligence period, City staff conducted soil studies and some of the readings suggested that some remediation is necessary which is estimated at $200,000 to $500,000. The four parties agree that they will commit approximately $50,000 to $200,000. She pointed out that even though the Boyer Company will only own this parcel for a very short period of time, it has agreed to participate in the project in good will and good faith. She explained that the City agrees to indemnify the Boyer Company for anything over $200,000 related specifically to the remediation associated with this parcel. In response to a question from Jim Hier, the City Manager explained that the closing and funding are scheduled on Monday. Jim Hier asked about the status of defining the five acres and Ms. Foster stated that staff is confident that before closing, it will be described. The Mayor invited public input; there was none. Jim Hier, "I move we approve the cost sharing agreement related to the property known as the Triangle Parcel as defined in the cost sharing agreement presented this evening. Roger Harlan seconded. Motion unanimously carried.

VII OLD BUSINESS *(Continued items))*

Consideration of an Ordinance annexing approximately 286.64 acres of property located at the southwest corner of the SR248 and US40 interchange in the Quinn's

Junction area, known as the Park City Heights Annexation, into the corporate limits of Park City, Utah, and approving a Water Agreement, and amending the Official Zoning Map of Park City to zone the property in the Community Transition Zoning District (CT) – Kirsten Whetstone explained that the staff and the applicants are seeking direction from Council on the Annexation and Water Agreements and additional items identified in the staff report. The Heights Annexation was first presented to Council in April 2008 and the property consists of 286 acres located at the southwest corner of the intersection of US40 and SR248 with CT zoning. The applicant and staff have been meeting regularly to address remaining issues, including traffic mitigation. She continued to explain that there are questions regarding allowing nightly rentals in the CT Zone as well as mine hazard mitigation. At a recent meeting, the Planning Commission requested that Council address the appropriateness of nightly rentals in the annexation area. On December 11, the Council remanded the LMC amendments, including nightly rentals as a conditional use in the CT Zone, to the Planning Commission for further review. She explained that short term athlete housing is contemplated which requires a conditional use and the LMC is silent on the issue of nightly rentals in the CT Zone. Staff is recommending permitting nightly rentals in the market rate units and she pointed out that affordable housing is generally deed restricted to prohibit nightly rentals. Staff is recommending that the Annexation Agreement require the applicant to amend the Flagstaff mine inventory to include these mine hazards in the Annexation Agreement subject to the same requirements in the supplemental amended plan approved by the Planning Commission. Ms. Whetstone referred to a letter received today from Talisker which was distributed to members of the Council.

Kent Cashel explained that staff and the applicant have been working together over the last several weeks to reach agreement on traffic mitigation measures. Staff is seeking policy decisions on four issues from Council which are needed in order to move forward. The first issue deals with change from on-road bicycle trails to a separated trail, the second and third deal with intersection improvements of the Richardson Flats Road and SR248, including timing and responsibility for cost of construction; and fourth, the downstream (corridor) traffic impacts.

Mr. Cashel explained that general requirements specify five foot wide bicycle paths on both sides of the road from SR248 all the way out to US40. A bike path section crosses wetlands and a stream and in order to provide the adequate width for the bike path, impacts to the wetlands would be significant as well as the cost to build up the road. The applicant proposes to continue the current trail to the east and north sides of the Richardsons Flat Road and bridge the wetlands connecting to the Rail Trail over to US40. The separated trail could connect eastward to the Phoston Spur and eventually the Park and Ride and the City is requesting an easement from the applicant so this section could be accomplished at some point. He noted that staff supports this approach and feels it is a better solution.

Mr. Cashel asked for direction on the timing of and responsibility for improvements to the intersection at Richardsons Flat Road and SR248. Existing multiple studies generally indicate that Phase 2 will trigger the need for a signal but staff believes that preparation for the signal should be constructed in Phase 1. He added that the applicant does not agree with the timing and would like to phase improvements and there is disagreement with regard to responsibility for intersection improvements. Staff believes the residential component will prompt the demand for the signal long before a traffic warrant for a light, much like Meadows Drive. The applicant disagrees on this point with an argument based on its proportionate contribution to the traffic. Mayor Williams emphasized that the light would not be necessary if there was no project. Kent Cashel commented that at some point in time as traffic grows, a signal will be warranted and the turning movements off the highway together with residential traffic will generate the need.

He asked for direction on whether the developer is responsible for *downstream* impacts. Consistent with methodologies used in previous annexations and with the City's entry corridor strategic plan, staff calculated an estimate of associated costs. The approach was to use incremental growth figures, not total traffic counts, and proportional costs for improvements similar to the manner impact fees are calculated. Mr. Cashel stated that the applicant disagrees with the concept of downstream impacts and the incremental growth calculation and all parties are looking for Council feed-back. Exact costs are unknown because there a specific project has not been selected, but the Annexation Agreement language provides some flexibility. Mr. Cashel stated that these are not additive items. The applicant's estimate for the signal is roughly $1 million and for downstream impacts $1 million. The Agreement language contains a provision to credit funding in Phase 1 toward meeting the downstream obligation for improvements.

Mr. Cashel asked if members agree that intersection improvements are the responsibility of the applicant. Does Council agree that all of the intersection improvements should be constructed in Phase 1 or another phase? Does Council agree with utilizing downstream traffic methodology as staff has recommended or based upon the project's percentage of growth, or nothing at all? Does Council feel comfortable with the recommended trail improvements rather than constructing an on-road trail.

David Smith, counsel for Talisker, stated that the wetland issues were challenging and separating the bicycle path from the road seems to be a better solution. He just received the new language a couple of days ago but felt that bike trail issues could be worked out with staff. Of the $1.1 million dedicated for intersection improvements, the cost of the signal only represents $200,000 to $250,000. Remaining improvements include the turn lanes and widening the road, etc. When the Hale studies were conducted, the premise was looking at total traffic impacts through 2020 and the analysis drove the list of improvements. Park City Height's impact to the intersection is calculated at 3% to 6% at build-out through the 2020 time period. He felt they are a tiny piece of the total beneficiaries of those improvements and they worked with outside engineers to arrive at a phasing plan, which is supported by the traffic studies. The traffic study reveals that there is no need for a signal until Phase 2.

With regard to downstream impacts, Mr. Smith stated that the impact from Park City Heights is about 3%. He described the methodology as speculative since the money could be called for regardless of whether or when anything is built at Quinns Junction. He felt that the credit piece should be dropped altogether if there is agreement on the intersection improvements.

Jim Hier stated that he has no problem with an off-road bike path in this instance. He recalled that the intersection improvements were always to be the responsibility of the development from the onset. The proportionate share of costs was designed to cover downstream impacts which he felt was consistent with the approach for the IHC annexation. He recalled that the proportionate share would be determined by actual counts at the time the improvements were needed so that the share of and total costs would be known and distributed accordingly. Mr. Hier commented that he is comfortable with changing the approach to a future count and proportionate share at the time the improvements are needed through 2020. He felt that intersection improvements are the responsibility of the applicant, favored having the signal infrastructure installed in Phase 1 and spending the majority of the money. David Smith explained that a complete signal totals $200,000 to $250,000 and $850,000 remains for the rest of the improvements. Roger Harlan recalled that the task force agreed that the installation of the signal and intersection improvements is the responsibility of the applicant and that they occur in the first phase; he supports Items 1 and 2 and 4.

Walt Plum, applicant, stated that the annexation process began four years ago and conditions have substantially changed throughout that time. The entire project has basically become an affordable housing project and as a result, can only bear so much cost. In these economic times, no one in the development business would consider beginning a subdivision. This type of project can not bear the cost of downstream costs for road improvements. In his 30 years in the business, Mr. Plum noted that is the first time he has been asked to pay for downstream use of a road. He pointed out that IHC and USSA do not pay property taxes and the IHC analogy is not really applicable because even with affordable housing, they will be paying property taxes. Roger Harlan acknowledged that the economic climate has changed since the project's inception. Mr. Plum added that through the task force process, the density was reduced to 150 units mainly allocated to affordable housing for IHC, Talisker and Park City Heights.

Candace Erickson stated she appreciated Mr. Plum's comments but strongly felt that a signal is warranted in the first phase because no one in the project will be able to turn left onto SR248 during peak hours. Mr. Plum emphasized that they agree with the signal but have issues with regard to the downstream impact concept. Ms. Erickson believed that 100 units will result in 200 cars. She referred to the purpose of the CT Zone, specifically the resort nature of development, and is concerned about housing being solely affordable and not a mix of types. Mr. Plum explained that he is referring to *affordable* in general terms, mainly price range as Talisker will be building *more affordable* units not affordable housing as defined by the City. Ms. Erickson pointed out that once the property is sold, the Boyer Company will no longer be paying property taxes on the property.

Joe Kernan asked how this compares with other annexations beyond IHC, specifically the methodology and distribution of costs. Kent Cashel explained that annexations must mitigate traffic impacts and the shift in this case may be addressing downstream impacts; every application is different. Jim Hier referred to the Flagstaff Annexation where the mine road had to be improved at the beginning of the development. The Mayor recalled that improvements were not based on traffic counts, and were negotiated as part of the Annexation Agreement and Ms. Erickson interjected that the fee was $2 million.

Dave Smith pointed out that providing affordable housing is another mitigation requirement of annexations but is phased in Flagstaff. All of the affordable housing projects constructed in Park City over the past 15 years are all built on high volume streets and none of them, to his knowledge, were imposed with significant traffic mitigation exactions. Given the proposed phasing of Park City Heights, the affordable component is required *out of the gates* and based on the drafts of the Annexation Agreement, the net effect would be to load millions of dollars on the affordable housing infrastructure. Mayor Williams commented that this is different because the Flagstaff Annexation encourages on-site affordable housing.

Mr. Kernan stated that he feels that intersection improvements should be the responsibility of the applicants which is consistent with City practices. He also supports the off-road trail solution. Candace Erickson relayed that she needs more information about the downstream corridor impacts. Liza Simpson understood that if the applicant spends $1 million improving the intersection and installing the signal in Phase 1, the $1 million goes towards the $1,050,000 calculated for downstream impacts. Kent Cashel agreed confirming that the cost of improving the intersection would be credited toward the downstream impact obligation. She didn't understand why the applicant prefers to wait since the cost of construction is unlikely to decrease and didn't see how basing costs on counts would harm the City. She agreed with the recommendations for Items

1, 2 and 4. The Mayor stated he is in agreement with 1, 2 and 4 as well, and felt the signal is needed in Phase 1.

Jim Hier emphasized that the Flagstaff affordable housing requirement for Empire Pass will be satisfied within the Park City Heights development, however, if the affordable housing units were built on site, the SR248 costs would not exist. The signalization and the improvements should occur in Phase 1 which has always been contemplated and he confirmed his concurrence with Items 1, 2, and 4. The Mayor suggested removing Item 3 altogether because it probably only represents $30,000 and the exact costs will be unknown for some time. Kent Cashel acknowledged that staff does not have an actual cost associated with the improvements which may be significant. Jim Hier felt that the timing of all improvements for SR248 be considered for better planning and cost efficiency. Kent Cashel confirmed that Council agrees with Items 1, 2 and 4 as staff recommended and Item 3 is gone. Liza Simpson expressed her confusion because she understood the Agreement states that the applicant will pay for some downstream traffic impact and indicated that she doesn't care how that is determined but staff should have some direction on this point. Jim Hier recommended that Item 3 remain and for all intensive purposes, the impact to the developer will be negligible. He encouraged staff and the applicants to reach consensus of whether the obligation is based on current traffic count estimates or future actual numbers. In either case, it should not be a significant amount one way or the other. All other members agreed to include Item 3 and Kent Cashel stated that staff will determine the methodology.

The Mayor requested that water be addressed. Kathy Lundborg explained that the City is asking the applicant, like any other developer, to provide the infrastructure needed to provide water for the project. A phasing strategy has been developed based on the completion of the water treatment plant. She is recommending prohibiting outdoor irrigation until the water treatment plant is built because of the risk of drought next summer and expressed that her initial reaction as not to provide water at all until the plant was on line because of the potential strain on the City's water resources. No outdoor irrigation during the first phase was the compromise reached and the applicant is required to build the infrastructure for water delivery. Discussion ensued on when and how many certificates of occupancy would be issued and Jim Hier pointed out that occupancy could not occur until October 15, 2009. The Mayor invited comments from the applicants.

Patrick Moffat, Boyer Company, explained that the water improvements required by the applicant will be built concurrently with the first phase, not prior to. David Smith stated that this point is critical because other language in the Agreement could be read to suggest that these things could be required before Phase 1 begins. He asked for clarification that it is the intent of the City that nothing has to be done until Phase 1 begins. Kathy Lundborg advised that building codes dictate that water be available before any flammable construction materials are stored on site. Mr. Moffat explained that initial construction will be vertical (framing) only. There was discussion about not being able to begin construction until the MPD is approved and not knowing how long the process will take. Ms. Lundborg added that the Water Agreement specifies that water improvements must be complete concurrent with the completion of the water treatment plant. Jim Hier suggested revised wording regarding the timing of water related obligations and Mark Harrington was confident that staff can draft language which distinguishes between system improvements independent of the project, if any, and look to see if those need to be addressed upfront or delayed pending the start of Phase 1. Dave Smith pointed out the temporary connection contemplated for Phase 1 and felt completion of the plant should be tied to Phase 2. Mayor Williams advised that November 2010 is the completion date for the plant.

Kathy Lundborg felt it important to meet with the applicants on specifics because the City is trying to design a water treatment plant to deliver water in certain ways. Mr. Smith explained the problem with an over-riding provision that all of the traffic and water improvements will be done in any event, before the completion of the water treatment plant. He again asked for clarification on the traffic issue and asked if it is tied to Phase 1 construction as well. Mayor Williams stated that the signal needs to be installed before the project is occupied. Mr. Moffat stated that they understand that outdoor irrigation is not an option until the water treatment plant is operational but asked if they could have some water for slope stabilization through re-vegetation of native species in some disturbed areas. Jim Hier stated that he is amenable to the request, as long as it is defined.

Mr. Hier stated that nightly rentals were never contemplated for the development and nightly rentals prompt service worker traffic trips. He is against nightly rentals as a conditional use in the CT Zone and favored deferring this issue to the Planning Commission in its review of the Land Management Code amendments. Walt Plum, Jr. noted that Park City Heights is also a resort development, including second homes which typically allow nightly rentals. Jim Hier felt that most residential zones do not allow nightly rentals and again stated that this is not an appropriate area for nightly rentals which may contribute to traffic impacts in a manner never contemplated. Candace Erickson was not supportive of nightly rentals. Members agreed to omit it from the Annexation Agreement and defer the determination to the Planning Commission.

Jim Hier felt that mine hazards in the project area should be addressed independently and not linked to the Flagstaff mine inventory. David Smith believed this is the right approach and Mr. Hier suggested that a technical report on mine hazards may be required. Phyllis Robinson explained that minimum lease terms for affordable housing would appear in the development agreement. Joe Kernan felt that the length of time shouldn't really matter in rental units and he warned against too many restrictions leaving the units empty. Ms. Robison noted that rental provisions are addressed in the housing resolution and owned housing can be rented for a minimum of six months. Mark Harrington added that some units need to be factored into the Flagstaff overall targets which may or may not warrant further restrictions.

The Mayor opened the public hearing.

Morgan Bush, Project Manager for Intermountain Health Care, stated that IHC is very supportive of the Park City Heights annexation proposal by providing affordable housing in a community setting. The treatment plant for Park City Heights is tied to the Water Agreement with IHC in terms of providing a second source of water. If the timing changes on this, the Water Agreement may have to be amended. He acknowledged that IHC had concerns about using the downstream methodology and when given the choice of current estimated counts versus future actual counts, they chose current estimates. Cost certainty was more important to them. During the MPD process, the methodology worked very well and there were no future unanticipated costs. IHC's experience was positive once the project went through the MPD process.

Mary Cook, resident, felt the signal should be installed before there is construction traffic. If there is a need for other traffic signals, the infrastructure should be installed all at one time which is less disruptive and cheaper.

With no further comments, the public hearing was closed. Roger Harlan, "I move that we continue consideration of an Ordinance to annex Park City Heights to a date uncertain in 2009". Liza Simpson seconded. Motion unanimously carried.

VIII ADDITIONAL DISCUSSION – AGENDA ITEMS

IX ADJOURNMENT

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

MEMORANDUM OF CLOSED SESSION

The City Council met in closed session at approximately 3:15 p.m. Members in attendance were Mayor Dana Williams, Candace Erickson, Roger Harlan, Jim Hier, Joe Kernan, and Liza Simpson. Staff present was Tom Bakaly, City Manager; Tom Daley, Deputy City Attorney; Brooks Robinson, Planner; Ron Ivie, Chief Building Official, and Mark Harrington, City Attorney. Roger Harlan, "I move to close the meeting to discuss property and litigation". Joe Kernan seconded. Motion carried unanimously. The meeting opened at approximately 4 p.m. Liza Simpson, "I move to open the meeting". Jim Hier seconded. Motion unanimously carried.

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

Prepared by Janet M. Scott

Janet M. Scott, City Recorder