



**PARK CITY COUNCIL MEETING MINUTES
445 MARSAC AVENUE
PARK CITY, SUMMIT COUNTY, UTAH 84060**

April 5, 2018

The Council of Park City, Summit County, Utah, met in open meeting on April 5, 2018, at 2:00 p.m. in the City Council Chambers.

Council Member Henney moved to close the meeting to discuss property, personnel, security and litigation at 2:00 p.m. Council Member Worel seconded the motion.

RESULT: APPROVED

AYES: Council Members Henney, Ware Peek and Worel

EXCUSED: Council Members Gerber and Joyce

CLOSED SESSION

Council Member Worel moved to adjourn from Closed Meeting at 3:15 p.m. Council Member Ware Peek seconded the motion.

RESULT: APPROVED

AYES: Council Members Henney, Ware Peek and Worel

EXCUSED: Council Members Gerber and Joyce

STUDY SESSION

Nightly Rental Study - Potential Phase 2 Update

Matt Dias, Assistant City Manager, Beth Bynan, Business License Specialist, and Brumby McLeod, expert in the Nightly Rental industry, presented this item. Dias indicated staff went to great efforts to regulate the nightly rental industry.

McLeod reviewed that the Phase One study was to assess the nightly rental market in Summit County. He presented a PowerPoint on the data findings and indicated a goal was to see the current housing mix with the data provided by the County and City. Another goal was to map the housing units. McLeod's team used GIS to plot the residential units, nightly rental licenses and internet listings. He discovered there was a big discrepancy between the internet listings and actual licenses.

PARK CITY COUNCIL MEETING

SUMMIT COUNTY, UTAH

April 5, 2018

P a g e | 2

The third goal was to do a gap analysis of the findings and make recommendations. Foster stated the higher number of licenses within the City limits was attributed to increased enforcement in the City over the past few years. Now the State prohibited cities from penalizing non-licensed nightly rentals that were discovered on the internet.

McLeod stated the gaps for discussion, including the poor match between nightly rental licenses and the actual unit, having a clear identification of the nightly rental operator, whether it was a property management company, rent by owner, or lodging complex operator; and the inconsistency in nightly rental requirements for operators. His recommendations included resolving unmatched licenses to parcel data; enhancing requested licensing information by changing the business license applications; and enhancing the license ordinance to include life safety inspections, increasing fines and enforcement of non-compliance, etc. McLeod also suggested identifying the lodging inventory, acquiring a monitoring and tracking system, and developing a housing fact base.

Council Member Henney asked if the non-licensed units existed because of the lack of education. McLeod thought people wanted to follow the rules and education and clarity were key to success. Council Member Henney asked if McLeod saw a shift from short-term rentals to long-term rentals once owners became aware of the regulations for short-term rentals. McLeod agreed there could be a shift to long-term rentals under those circumstances. Council Member Henney asked if McLeod found any unintended consequences in his research. McLeod indicated he was surprised to see the number of unlicensed units in the study.

Council Member Worel asked if the owner or operator usually obtained the licenses. Bynan stated the owner filled out the application, but up to three different entities could be shown on the application as the operator. Council Member Worel asked what the consequence was if code enforcement found a unit that was not licensed. Michelle Downard, Deputy Building Official, stated enforcement would educate the owner first, and then progress from there if compliance was not achieved. Fines could be charged on a daily basis for non-compliance, but staff could not enforce without having proof of nightly rentals.

Council Member Ware Peek asked if McLeod knew how many long-term rentals shifted to short-term when AirBnB came online. McLeod did not know that number. Foster indicated it was difficult for seasonal employees to get housing compared to five years ago. Council Member Ware Peek asked if the owners of long-term rentals paid less property taxes than owners of short-term rentals, to which Foster affirmed. McLeod reviewed the fees for short-term rentals. Council Member Ware Peek thought the education process could deter owners from continuing with short-term rentals. Foster thought a discussion should take place to incentivize long-term rentals.

PARK CITY COUNCIL MEETING

SUMMIT COUNTY, UTAH

April 5, 2018

Page | 3

Mayor Beerman asked if McLeod thought the unlicensed rentals did not pay taxes on the rental income. McLeod stated AirBnB would pay the Transient Room Tax (TRT) to the State, but cities were not collecting business license fees or associated taxes and were feeling that loss of revenue. McLeod noted that only AirBnB had the voluntary collection agreement with state governments and other short-term rental websites did not have that automatic tax withdrawal for the states set up. The states distributed portions of the tax to the associated counties but since the revenue was submitted as a lump sum, it could not be broken down by city. Mayor Beerman asked if there was better compliance from nightly rentals when a disclosure was required. McLeod did not think states could force AirBnB to disclose where the revenues came from.

Council Member Henney stated there was an obligation to license nightly rentals. He thought there were problems like tax collection and license fees as well as regulatory violations that needed to be addressed.

Dias stated this was a sensitive issue at the Legislature and they almost deregulated the system. They passed a law to prohibit internet searches as proof that a nightly rental was unlicensed. He agreed that education would be a good first step in limiting the nightly rentals in the City. He also felt having unlicensed rentals was unfair, since many owners/operators did license their units.

Social Equity Community Critical Priority Next Steps:

Kilo Zamora, expert in Social Equity, noted equity was different than equality. Equity was finding the right fit for all, not one size fits all. He felt inclusion was very important. He asked Council for feedback on what they and staff wanted as an end goal. Council Member Ware Peek stated the community was coming from so many different places. The City was trying to put more emphasis on the access and amenities available to the constituents and less on where people came from.

Council Member Worel stated inclusion summed up her goal. She knew there were barriers in the community and she wanted to bring those down. Once a gap or barrier was identified, then resources needed to be found to fill it. Council Member Ware Peek added that one goal should be becoming aware of what some of the groups were up against in the community. Council and staff needed to discover what we don't know.

Council Member Henney stated "privilege" was prominent in the community and so many had a hard time relating to the marginalized in the community. He stated he would like to provide opportunities and fill in the gaps to allow more people to be able to be part of the space.

Zamora thought affordable housing, which was one of the City's critical priorities, was a good connection to Social Equity. He asked what made people feel welcomed and stated he wanted people of all identities to be at the table to work on this goal. He noted

PARK CITY COUNCIL MEETING

SUMMIT COUNTY, UTAH

April 5, 2018

P a g e | 4

without Social Equity there would be group think and everyone at the table would look the same. Council Member Worel asserted decisions would be made for other groups by a group that could not relate. Council Member Ware Peek stated the predominant "white male" would never know Latin music, or that eight people were living in a one bedroom apartment. She felt one great thing about Social Equity was knowing the beauty of other peoples.

Zamora indicated money could not solve Social Equity or it would have already been solved. He gave the example of Salt Lake City, and noted the mayor and council did not lead, but rather followed youth who were demonstrating. The funds were also supporting the cause from behind the scenes.

Council Member Henney stated he moved here 20 years ago because of the Social Equity of the City. He noted at the time, the City was largely middle class and he hoped to keep the middle class here.

Zamora asked what the approach would be to accomplish this goal. He recommended that Council focus on changing the policy issues such as hiring practices for all groups. He stated there could be several ways to work on Social Equity including forming a commission. He indicated that if Council just talked about the inclusion of all the groups, nothing would change.

Council Member Ware Peek indicated that bringing this topic to the front had changed her life. She thought having Social Equity as a critical priority raised a consciousness in the community. Zamora gave examples of letting different groups take the lead on raising awareness and status, and being the follower/supporter of their efforts.

Zamora asked what the next steps would be to keep Social Equity moving forward. Council Member Ware Peek thought there should be a united "speech" that could be given when the community asked questions.

Council Member Henney indicated the City had already enacted policy, such as its affordable housing policies, but he thought the Council should act as conveners so that the community could come together with the goal of having all residents feeling valued and safe.

Council Member Worel stated getting the right voices to the table would be a challenge and indicated the nonprofits should be included. Zamora stated the nonprofits in the community had a wealth of knowledge and would be valuable in this endeavor.

WORK SESSION

Discuss Potential Land Management Code Amendments for Title 15 Chapter 6

Section 7, Master Planned Affordable Housing Development:

Hannah Tyler and Bruce Erickson, Planning Department, and Jason Glidden, Affordable Housing Manager, presented this item. Tyler stated the Planning Department had been working to align the Code with the Affordable Housing priority. She reviewed the Master Planned Development Code and indicated there was a separate code for Affordable Housing. She noted that developers were not able to use it, and she felt some reasons included the parking requirements, minimum percentage for affordable units, and the high land values in the City.

Currently, the Code stated 100% of an affordable development had to be affordable. She proposed 50% of the development be affordable, and attainable housing could count towards the minimum affordable percentage. Council Member Henney asked for an example of how a developer would be incentivized to develop affordable housing. Glidden stated the other proposals would be more of an incentive, but this amendment would get them "in the door." Council Member Ware Peek asked if a developer could build 100% attainable housing under this amendment, to which Tyler responded in the affirmative.

Tyler stated another proposed Code amendment would be giving the developer a density bonus, which would be determined on a sliding scale. Council Member Worel asked if zoning changes would be necessary. Erickson stated the Land Management Code (LMC) would be changed so zoning changes would not be needed. Tyler indicated the Planning Department would be careful to make sure the project was appropriate to the zone. Erickson noted the benefits of a blended development, and indicated it would de-stigmatize the affordable development by having market rate homes mixed in.

Council Member Worel asked if the Code could prohibit nightly rentals on the market rate units. Erickson indicated a restriction on nightly rentals could be added.

Council Member Ware Peek asked how the City would know if the amendments would be attractive to developers. Erickson stated a consultant could be acquired or the City could just do it and see how the new model worked. Council Member Ware Peek asked if developers had been involved in the discussion. Glidden stated the Planning Department wanted to work through the amendments and then approach developers to get their feedback. He also noted this was good for developers as well as nonprofits. Erickson indicated he did not recommend going above five units per acre, and asserted a different model was being created for open space.

Tyler indicated the third amendment was off-street parking, noting the affordable housing amendment would match the affordable code for off-street parking in the standard Master Planned Development (MPD) Code, which would reduce the parking

PARK CITY COUNCIL MEETING

SUMMIT COUNTY, UTAH

April 5, 2018

Page | 6

requirement for affordable units. The final amendment would be creating a parking exemption for micro units of 500 square feet or less. There would be a cap for the total number of micro units allowed in a development. A parking management plan for the development would also be required to mitigate impacts, which would include looking at the proximity to transit, car-share, and proximity to basic services.

Council Member Henney asked how it would impact Woodside Phase 1. Erickson thought when smaller units were built, storage space was cut out. So for the smaller units, more storage would be required.

Mayor Beerman liked the amendments and asked how the parking development plan would be handled. Erickson stated the plan would be handled by the Planning Commission. Mayor Beerman was pleased and noted the public would want input on the parking plan.

REGULAR MEETING - 6:00 p.m.

I) ROLL CALL

Attendee Name	Status
Mayor Andy Beerman Council Member Tim Henney Council Member Lynn Ware Peek Council Member Nann Worel Diane Foster, City Manager Matt Dias, Assistant City Manager Mark Harrington, City Attorney Michelle Kellogg, City Recorder	Present
Council Member Becca Gerber Council Member Steve Joyce	Excused

Mayor Beerman noted Council Member Gerber had a baby boy on Monday.

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

Mayor Beerman opened the meeting for those who wished to address the Council on items not listed on the agenda.

Scott Loomis Mountainlands Community Housing Trust, expressed his support for the Affordable Housing Code amendments. He also thought capping the density would be a good idea and gave examples of negative consequences that resulted when the County passed a density bonus.

PARK CITY COUNCIL MEETING

SUMMIT COUNTY, UTAH

April 5, 2018

Page | 7

Michael Kaplan stated he was trying to build some micro units in the City and had lived in affordable units overseas. With the land values he couldn't make the development work, but with the amendments, he felt it could work. In Sweden, one out of three units had to have an affordable component. In Switzerland, employers were required to provide housing for their employees. He suggested that having housing by the bus route would be appealing to those looking to buy affordable units.

Mayor Beerman closed the public input portion of the meeting.

II) COMMUNICATIONS AND DISCLOSURES FROM COUNCIL AND STAFF

Council Questions and Comments:

Council Member Henney indicated he attended the Health Board meeting and listened to an update on the opioid lawsuit from the County Attorney. They also discussed having Park City as an official member on the board. He attended the Mountainlands Affordable Housing Trust board meeting and noted they were preparing for their 25th anniversary. He attended the Fire Board meeting, where impact fee adjustments were proposed, and stated the board also toured their new maintenance building.

Council Member Worel stated she would not be here for the April 19 meeting. She attended the final Arts, Beauty and Culture (ABC) Steering Committee meeting where they asked for letters of endorsement from each of the members, and she asked if Council wanted to contribute a letter. Foster thought Council could look at the implementation timelines of the plan. Staff didn't want to put an endorsement in front of Council that would commit them to doing certain things. The Council had already made a significant investment to Arts and Culture, both monetarily and with City resources. Council did not support contributing a letter to the steering committee. Council Member Worel had lunch with the Peace House director and noted they would be in their new facility next year. She also visited PC Tots and indicated they had 104 children with 115 on the waitlist and 15 moms were currently pregnant with siblings to these children. She felt the City had a role as a convener. She went to the Historical Society meeting where it was suggested that future bus routes could feature historical spaces.

Council Member Ware Peek went to the Friends of Farm meeting. She also went to the Lucky Ones Coffee Shop and spoke with the owners. They talked about additional ways they could create more community in the space. She complimented the owners for how they treated others in the community. She attended the Mountain Trails board meeting where the fragile trails were discussed. She attended the Recreation Advisory Board meeting where they had the goal to have a representative at the Mountain Trails board meetings. She encouraged people to attend the Thin Air Festival.

Mayor Beerman met with many citizens and groups. He announced that on June 8th there would be a community cleanup of the Poison Creek Trail and stream. There would

PARK CITY COUNCIL MEETING

SUMMIT COUNTY, UTAH

April 5, 2018

Page | 8

be staff, Council and community groups there. He was asked about the lights at Quinn's being on late at night. Foster stated Ken Fisher was looking at resolving it. Jonathan Weidenhamer stated there was a budget request for LED lights at that location. Mayor Beerman saw Anthony Romero speak and indicated it was a fantastic conversation. He wished everyone a happy Easter and noted that Easter was not only Christian, but a pagan holiday symbolizing renewal and rebirth, and it also signaled the close of the ski season. He thanked staff and the workforce for working so hard this winter. He thought this tied into Social Equity and also stated learning new things should be fun, including Social Equity.

Foster introduced Leah Langan as a new member of the Executive Department.

IV) CONSIDERATION OF MINUTES

Consideration to Approve the City Council Meeting Minutes from March 15, 2018

3.15.18 Minutes:

Mayor Beerman referred to Page 91 Line 38 of the packet, and noted he was not in favor of plowing the road.

Council Member Worel moved to approve the City Council Meeting minutes from March 15, 2018 as amended. Council Member Ware Peek seconded the motion.

RESULT: APPROVED

AYES: Council Members Henney, Ware Peek and Worel

EXCUSED: Council Members Gerber and Joyce

V) CONSENT AGENDA

1. Request to Authorize the City Manager to Execute the First Amendment to the Professional Services Agreement, in a Form Approved by the City Attorney, with CH2M, Inc., for the 3Kings Water Treatment Facility (3KWTF) Phase III Design Services in an Amount Not to Exceed \$1,600,000.00:

2. Request to Authorize the City Manager to execute a Construction Agreement, in a Form Approved by the City Attorney, with Daley Excavators for the 2018 Water Improvements Project for an Amount Not to Exceed \$678,000.00:

Council Member Nann Worel moved to approve the Consent Agenda. Council Member Ware Peek seconded the motion.

RESULT: APPROVED

AYES: Council Members Henney, Ware Peek and Worel

EXCUSED: Council Members Gerber and Joyce

VI) NEW BUSINESS

1. Consideration to Approve Ordinance No. 2018-13, an Ordinance Approving the 89 King Road Plat Amendment Located at 89 King Road, Park City, Utah:

Tippe Morlan, Planner II, presented this item. The applicant requested to combine three lots and a sliver of a fourth lot into one lot. The intent was to demolish the existing structure and build a new residential unit. The new lot would be less than the average lot size for the area.

Mayor Beerman opened the public hearing. No comments were given. Mayor Beerman closed the public hearing.

Council Member Worel stated a resident was concerned that the new building would be next to another new building, and asked if there was a way to ensure that the two construction mitigation plans were coordinated if they were permitted at the same time. Morlan stated the mitigation plans would be coordinated. Erickson stated the Council could modify the condition of approval to require the Planning and Building Departments to coordinate the construction management plans with adjacent properties if they are under construction at the same time.

Council Member Ware Peek knew construction mitigation was an issue with the neighbors of Alice Claim and now 88 and 89 King Road would also be under construction. She asked what the City's involvement would be in coordinating that construction. Erickson stated there would be outreach to let neighbors know construction was coming. Currently, there was no ordinance in place that would allow the City to phase construction on substandard streets, but he was discussing that possibility with the Chief Building Official. Council Member Ware Peek noted that this current structure was affordable housing and stated these structures were disappearing.

Mayor Beerman reopened the public hearing.

Mark Blue asked if there would be two construction projects right across the street from each other that would prohibit access to Vail's maintenance shack. Mayor Beerman indicated there would be an amendment to the motion that would coordinate construction mitigation plans so that access would not be prohibited.

Mayor Beerman closed the public hearing.

PARK CITY COUNCIL MEETING

SUMMIT COUNTY, UTAH

April 5, 2018

P a g e | 10

Council Member Worel moved to approve Ordinance No. 2018-13, an ordinance approving the 89 King Road Plat Amendment located at 89 King Road, Park City, Utah, with the amendment as stated by Planning Director Erickson. Council Member Ware Peek seconded the motion.

RESULT: APPROVED

AYES: Council Members Henney, Ware Peek and Worel

EXCUSED: Council Members Gerber and Joyce

2. Consideration to Approve Ordinance No. 2018-14, an Ordinance Approving the Prospect Place Plat Amendment Located at 86 Prospect Street, Park City, Utah:

Tippe Morlan, Planner II, presented this item. The applicant proposed making three lots out of two parcels. Currently, there were three structures on site but they were not historical. The intent was to demolish the structures and construct three single family units on the lots. A steep slope Conditional Use Permit (CUP) would be likely if the new units were approved. She noted the units would need to be removed before the plat recording.

Council Member Henney disclosed he was friends with the owners.

Council Member Ware Peek asked about the process for determining how a house was not historic. Morlan stated the structure was significantly altered and was almost new so it could not be classified as historic. Harrington stated the owners were entitled to move forward since they were not on the list.

Mayor Beerman opened the public hearing. No comments were given. Mayor Beerman closed the public hearing.

Council Member Ware Peek moved to approve Ordinance No. 2018-14, an ordinance approving the Prospect Place Plat Amendment located at 86 Prospect Street, Park City, Utah. Council Member Worel seconded the motion.

RESULT: APPROVED

AYES: Council Members Henney, Ware Peek and Worel

EXCUSED: Council Members Gerber and Joyce

3. Critical Priority Environmental Sustainability Update:

Luke Cartin, Environmental Sustainability Manager, presented this item and indicated there would be an LMC solar amendment. His team was also looking at Commercial Property Assessed Clean Energy (C-PACE) for financing options for commercial and industrial companies with more than five units. Cartin stated that energy conservation

PARK CITY COUNCIL MEETING

SUMMIT COUNTY, UTAH

April 5, 2018

P a g e | 11

did not have to be unaffordable and noted that in the past year his team brought in \$306,000 in grant money for projects already in place. He indicated that other cities were using the City's agreement to become 100% renewable. These cities were working as a block and it was having an effect in the six surrounding states.

Cartin reviewed the cost savings for using electric buses, and noted it cost 72% less than using diesel fuel. He indicated that using electric buses increased the City's footprint on the electric grid by 2%, but the carbon footprint would be increased by 4% if diesel fuel was used.

Cartin reviewed the Joint Clean Energy Cooperative Agreement with Rocky Mountain Power (RMP) and stated it established rules for working together. He stated there would be a progress report the end of April and another in early summer. He also explained the Engineering and Professional Services Agreement (EPSA) agreement with RMP and indicated it would model future electric needs, sizing the renewables, had a 550 day deadline, and cost \$31,000. He indicated the next step was to issue a joint RFP for construction for the renewables. Cartin reviewed that the Wattsmart Communities Program was a two year program and would include an energy action plan.

Cartin stated the Net Metering and Rooftop Solar Program would set a clear pathway forward for rooftop solar and he explained that a transition period and a post transition period in this program had been set up for tax credits through 2024. As part of the program, if solar panels were on a roof and an owner decided to transition the energy to the grid, a value would be determined. He noted the IRS issued a private letter ruling where those with battery storage from rooftop panels would qualify to receive a 30% tax credit.

Cartin indicated staff was looking to increase the electric vehicle infrastructure. He explained RMP had rebates for car charging stations and the City was awarded \$250,000 for constructing the Old Town Transit Center charging station. He stated he would come back at a future date to discuss future electric vehicle charging stations. He also hoped other entities would construct charging centers and take advantage of the rebates.

Council Member Ware Peek asked about the increased footprint on the electric grid versus the diesel carbon footprint increase. Cartin stated although there was an increase, it was cleaner than the diesel emissions. Council Member Ware Peek asked about the tax credit for storing electricity. Cartin stated that was valid if it was generated by an owner's own solar panels. Council Member Ware Peek asked about the tax rebates for creating more energy from solar panels. Cartin explained the timelines for the different tax credits offered for solar.

PARK CITY COUNCIL MEETING

SUMMIT COUNTY, UTAH

April 5, 2018

P a g e | 12

Council Member Worel asked how big the batteries were that were linked into the solar panels. Cartin indicated batteries from electric vehicles might be used in the future in homes and businesses to balance out the energy peaks.

Council Member Henney was very pleased with how far the City had come in such a short time in achieving this goal. Mayor Beerman agreed.

Cartin stated he would be speaking at the Utah League of Cities and Towns (ULCT) conference on how the City and RMP worked together to solve community issues and power infrastructure issues at the same time.

VII) ADJOURNMENT

VIII) PARK CITY REDEVELOPMENT AGENCY MEETING

IX) ROLL CALL

Attendee Name	Status
Chair Andy Beerman Committee Member Tim Henney Committee Member Lynn Ware Peek Committee Member Nann Worel Diane Foster, City Manager Matt Dias, Assistant City Manager Mark Harrington, City Attorney Michelle Kellogg, City Recorder	Present
Committee Member Becca Gerber Committee Member Steve Joyce	Excused

X) PUBLIC INPUT (ANY MATTER OF CITY BUSINESS NOT SCHEDULED ON THE AGENDA)

Chair Beerman opened the meeting for those who wished to address the Council on items not listed on the agenda. No comments were given. Chair Beerman closed the public input portion of the meeting.

XI) NEW BUSINESS

1. Consideration to Approve an Economic Development Grant Contract in the amount of \$15,000 for Red Flower LLC in a Form Approved by the City Attorney:

Jonathan Weidenhamer, Economic Development Manager, stated that Micah Goddard and Daniel Bell, owners, requested a \$20,000 Economic Development grant and staff recommended a \$15,000 grant for electrical and gas upgrades in the building, equipment such as a furnace and kiln, and marketing materials. They would be required

PARK CITY COUNCIL MEETING

SUMMIT COUNTY, UTAH

April 5, 2018

P a g e | 13

to do outreach and education at the schools as part of the grant agreement. Weidenhamer felt this tied in with the Arts and Culture aspect in the community.

Goddard and Bell thanked Council for this opportunity. They indicated the business was located in the Iron Horse District. Goddard stated the experience was great for kids. He also reflected that it was cool to have grown up here and now to come back and open a business here.

Council Member Worel asked why staff only recommended \$15,000. Weidenhamer stated another business was also thinking of applying for a grant and another business in that district was also planning on applying again in July, so there could be competition in July.

Mayor Beerman opened the public hearing. No comments were given. Mayor Beerman closed the public hearing.

Council Member Ware Peek moved to approve an economic development grant contract in the amount of \$15,000 for Red Flower LLC in a form approved by the City Attorney. Council Member Worel seconded the motion.

RESULT: APPROVED

AYES: Council Members Henney, Ware Peek and Worel

EXCUSED: Council Members Gerber and Joyce

ADJOURNMENT

With no further business, the meeting was adjourned.

Michelle Kellogg, City Recorder