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

April 1, 2021

The Council of Park City, Summit County, Utah, met in open meeting on April 1, 2021, at 3:30 p.m. The meeting was a remote, electronic meeting due to the declared public health emergency.

Mayor Beerman read the Determination of Substantial Health and Safety Risk.

WORK SESSION

Special Service Contracts (SSC) Update:
Josh Miller, Budget Department, presented this item. He reviewed that over the past couple years the contracts were revised to make them align with the City's social equity priority. He displayed a list of potential categories, including housing, education, inclusion, workforce development and community, and art and culture, and noted none of these categories received funding in 2020. Council Member Worel noted there was a housing problem for seniors as they transitioned/downsized in the community. Miller indicated the typical timeline was to distribute the RFPs in March, coinciding with the budget process. He thought delaying the RFPs might give time for the community to normalize post-pandemic, nonprofits might have a better idea of services they could provide, and it might minimize fundraising fatigue.

Mayor Beerman stated money had been held back in case of additional pandemic needs and he asked if there was money available. Miller stated there was $250,000 in FY2021, but it couldn't be carried over to FY2022. This discussion was focusing on FY2022 funding. Council Member Joyce clarified Emergency Contingency funding was used instead of SSC money in FY2021 because of the strings attached with SSC money.

Council Member Worel stated the arts organizations were disproportionately affected during the pandemic and asked if the committee had reached out to all the nonprofits. Council Member Gerber stated she reached out to a few arts organizations and they indicated they were running on lower budgets and they would survive, and that meeting the health and welfare needs of the community was the first priority. Council Member Joyce explained two questions were evaluated: should the money be COVID relief money or social equity money. The things they saw helped the committee decide to return to social equity contracts in FY2022. Council Member Henney thought delaying the RFPs would help make the decision to transition from COVID relief to social equity. He asked if the allocated funds for regular contracts was adequate. Briggs stated sufficient funding was a matter of opinion, but funds were allocated based on past contributions to the nonprofits. He thought the new allocation process was very successful.

Council Member Doilney was onboard with delaying the funding until fall. He could see organizations being creative with the funds they had. Council Member Worel indicated the funds normally had to be spent by June 30, and asked if those funds could be extended if the organizations received funding in fall, but couldn't spend it until the following summer. Council Member Joyce stated there was flexibility with spending the funds.

<u>January 2021 Sales Tax Update:</u>
Jed Briggs, Budget Manager, presented this item and reported that Fitch Rating Company confirmed the City's bond rating of AA+ and he was pleased with the City's financial strength. Regarding the City's sales tax numbers, they were down nine percent for the entire fiscal year, which was positive. For January, the sales tax was 27% lower than last year because the Sundance event did not happen live. He was interested in seeing the sales tax numbers going forward because last March and on would show the slowdown from COVID. Erik Daenitz displayed a sales tax summary from the past year which compared this year's figures to last year's figures. Mayor Beerman noted property tax revenue had increased, which was also good news.

<u>Park City Arts and Culture District - Follow Up Discussion:</u>
Council Member Joyce asked that the chat information from yesterday's public hearing get forwarded to Council. David Everitt, Deputy City Manager, stated a transcript of that was copied and staff was working on answering those questions. Council Member Worel asked that the questions and answers be posted for public view. It was indicated that all emails and communications to Council were forwarded to Linda Jager and David Everitt.

Council Member Henney stated Council had the Arts and Culture District proposal and there were many in the community asking if adjustments to the proposal would be made. He thought it was time for Council to consider what worked and didn't work in the plan and refine it. Mayor Beerman stated the group met today and in mid-April it was proposed to summarize what the Council and public were concerned with, and then start moving forward with adjustments. Council Member Henney stated the Council's primary obligation was to provide the public with all the information so they could make an informed decision. Council Member Worel stated the information was provided, but it may not have been heard. She was happy to see the engagement now and it was good to hear the public's concerns. She hoped the community would continue to provide their thoughts. Council Member Joyce thought Council should discuss the opportunity costs associated with proceeding with the project.

Council Member Gerber stated there hadn't been consistency in what was presented. First a phased plan was presented, then a plan was presented on how the entire project could be funded. Now Council was at the point of deciding whether to move forward with the project and what would the area be if the project didn't go forward or what the project would look like if only a phase of it was constructed. She was concerned momentum would be lost at some point. This was a pinnacle moment and Council should start making some first step or conceptual decisions.

Council Member Doilney thought there were elements that were missed. Last night some responders stated without an Arts and Culture District, they would leave the City. Some people didn't know how they fit into Park City. Also, for years the City asked the private sector to develop affordable housing and they couldn't make it pencil. He thought the City had tried to change the zone, implement form-based code, and assert other measures to make it feasible for developers to construct something the City wanted. Information needed to be given about what the City had been doing for years before reaching this point. Many of the suggestions given last night involved things the City didn't have control over. He stated he could make a clear connection between the Arts and Culture District and social equity since there would be a lot of free events.

Erik Daenitz, Budget Analyst, discussed Capital Fund considerations in response to the question that asked if the City could sustain a historical level of Capital Fund expenses if the City committed to the Arts and Culture District project. He stated the mid-size and large capital projects which included open space acquisition and affordable housing would not be possible. Without those large projects, the historic levels of spending were manageable.

Council Member Gerber asked if the projections included the housing projects geared for those in the 30%-60% Area Median Income (AMI) range. Daenitz stated this study was modeled for those that averaged between 60%-63% AMI. Council Member Gerber asked if the open space projection included GO bonds, to which Daenitz stated it did not include GO bonds.

Mayor Beerman asked if the Capital Fund projection included the future Homestake project, to which Daenitz indicated it did not, but indicated it did show the City's historical rate of capital spending.

Daenitz stated the Lower Park Avenue (LPA) and Redevelopment Agency (RDA) had historically partnered with the Capital Fund and he displayed a chart showing a combination of those funds. The historical spending could not be maintained with the Arts and Culture District. He noted if the PEG base development were included, it would help with future Capital Funds if there were no open space acquisitions or any large capital projects. Only smaller and ongoing expenditures could be maintained.

Council Member Joyce noted there would be no new affordable housing money for at least nine years. Even with public/private partnerships, contributions of land only was not enough. Money needed to be added to a partnership. Daenitz indicated affordable housing would receive $500,000 in rental revenue per year that could be used for capital projects. Everitt stated the rental revenue depended on the AMI set for the Arts and Culture District. Daenitz stated one thing that reduced the margin on affordable housing revenue was updated costs for the rental model.

Council Member Gerber asked if there would be additional flexibility for housing if the buildings were constructed in phases. Daenitz stated the revenue levels compared to expenses were too low to generate the bonding capacity within the 65% threshold for additional projects.

Mayor Beerman asked what cap would be set on the Arts and Culture District if the historic level of spending for Capital Fund projects was preserved. Daenitz stated the Arts and Culture District would not be able to use Additional Resort Sales Tax (ARST). Council Member Gerber stated Council knew at some point new funding options would be needed for affordable housing. Council Member Joyce stated ARST could be used for ongoing affordable housing. He thought the public/private partnership was a good idea even though the City wouldn't benefit from rental revenue. He indicated with the current scenario for rentals in the district, it would take years of rental revenue to make the Homestake project affordable. Council Member Gerber hoped the project would include a variety of AMIs. Council Member Joyce stated the average rental would target 60% AMI and would include a 30%-75% AMI range to accomplish that goal. He indicated everyone thought the Arts and Culture District was wonderful, but the fundamental question was if the City could afford it. There were many impacts in these charts that hadn't been discussed, including transportation, buildings, and affordable housing. Mayor Beerman stated Council would continue to discuss this in future meetings.

PARK CITY HOUSING AUTHORITY MEETING

ROLL CALL

Attendee Name	Status
Chair Andy Beerman Board Member Max Doilney Board Member Becca Gerber Board Member Tim Henney	Present via technology

Board Member Steve Joyce Board Member Nann Worel Matt Dias, Executive Director Margaret Plane, Special Counsel Michelle Kellogg, Secretary	
None	Excused

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

Chair Beerman opened the meeting for anyone who wished to comment or submit comments to the Board on items not included on the agenda. No comments were given. Chair Beerman closed the public input portion of the meeting.

WORK SESSION

1. Discuss Park City Mountain Base Area Development - Affordable Housing Mitigation Plan:
Jason Glidden, Affordable Housing Manager, and Kristin Williams and Nick Blayden, PEG, presented this item. Glidden reviewed the background of the development in Park City Mountain Resort which included housing for 80 employees. In 2015, there was a Master Planned Development (MPD) amendment that required 23 beds or the completion of the total housing obligation. Williams stated there were architectural changes to Parcel B which would result in very nice community housing. Phase One would include replacing up to 800 day-skier parking spots, an enhanced transit center, and the housing program. Blayden stated there would be 65 commercial units and 20 residential units. They worked with Vail and Deer Valley to create uses that would work for the City. There would be 48 condos on Parcel B. There would also be three eight-bed dorm style rental units. He explained the price breakdown based on employee income.

Glidden stated the rent calculations met the requirements. He reviewed the Council's feedback from the October 13, 2020 Housing Authority meeting and thought Williams and Blayden addressed the Council's concerns. He explained PEG proposed providing a letter of credit based on the 23-bed requirement. Williams stated the 800 parking spots would be built in an eight-month period and the housing would be constructed after that. They anticipated the project to be completed in two years and noted nothing else would be constructed until the housing received certificates of occupancy.

Board Member Worel referred to Page One, Line Three of the Housing Mitigation Plan and asked if “affordable” should have been used instead of “attainable,” to which Glidden affirmed. Board Member Worel asked if there were enough employees at Vail that could afford the for-sale units. Williams stated the employee calculations were based on base area employees, but it was opened up to the broader base area. She thought there was value having a variety of AMIs for the rentals and for-sale units.

Board Member Worel asked Glidden how long an individual would be required to stay in a City rental unit. Glidden indicated people were in those units a minimum of six months, per the Housing Resolution. Williams stated employees for the winter season would be here six months, but there was a good summer season, so some employees were here year-round. If there were extra beds, they would open beds to nonprofits that needed help in the summer.

Board Member Gerber asked if the for-sale units would be available to only employees at the base or to area employees in general. Williams stated priority would be given to the base development employees, then Park City Mountain Resort (PCMR) employees, and then the community in that order. Board Member Gerber asked how many units would be rented. Blayden stated 60 units and the three dorm style units would be rented and the rest would be for sale. Board Member Gerber asked if this met the needs of the resort or would more units be needed. Williams stated they were following the guidelines and keeping the project onsite, per the City's request. They were hopeful this project would be an inspiration to other employers to help with employee housing.

Board Member Joyce thought there should be a commitment from PEG, in addition to having a certificate of occupancy, to have the units ready to rent or sale before constructing the market rate units. Board Member Doilney agreed with Board Member Joyce. He commended PEG for their commitment to housing.

ADJOURNMENT

REGULAR MEETING

I) ROLL CALL

Attendee Name	Status
Mayor Andy Beerman Council Member Max Doilney Council Member Becca Gerber Council Member Tim Henney Council Member Steve Joyce Council Member Nann Worel Matt Dias, City Manager Margaret Plane, Special Counsel Michelle Kellogg, City Recorder	Present via technology
None	Excused

II) SWEARING IN CEREMONY

1. Police Swearing-In Ceremony for Officer Brandon Smalling, Sergeant Danielle Snelson and Lieutenant Robert McKinney, & Accreditation Presentation by Utah Chiefs of Police Association:
Val Shupe, Utah Chiefs of Police Association, stated Park City Police Department had taken the 185 steps to become accredited. The standards included complying with City, State and Federal policy. There were only 13 accredited cities in the State and there were others working towards accreditation. He congratulated Chief Carpenter and his staff for accomplishing this accreditation. Chief Carpenter thanked Captain Phil Kirk, Malena Stevens, and Chelsea North for their efforts in getting this accreditation.

Mayor Beerman swore in a full-time police officer, Brandon Smalling. Danielle Snelson was being promoted to sergeant and Robert McKinney was promoted to lieutenant, and they were sworn in as well.

III) COMMUNICATIONS AND DISCLOSURES FROM COUNCIL AND STAFF

Council Questions and Comments:
Council Member Joyce indicated the State was doing a great job getting the population vaccinated. Council Member Worel read part of an update from Janna Young, Deputy County Manager, that indicated there were no new COVID cases for those over 70 years old in last 35 days. She also indicated 30% of Summit County residents were completely vaccinated. She noted the State did not allow counties or cities to maintain a mask mandate after the State ends its mandate on April 10th.

Mayor Beerman congratulated Julia Collins for receiving the Utah Transportation Planner of the Year award. He noted yesterday was National Transgender Day and Visibility. He indicated an LGBTQ+ website was launched and a task force was in place for this group. He knew there was concern that the mask mandate was ending, and not all were vaccinated and he encouraged all to continue wearing masks.

Staff Communications Reports:

1. Electric Mountain Bike Courtesy Tag Update:
Council Member Gerber was surprised to see people from the Wasatch Front applying for tags without including a reason for wanting a tag. Deters stated staff was analyzing which applicants did not answer the optional question. Plane stated there was a privacy issue regarding medical issues so staff made that question optional.

2. Monthly Budget Report - February 2021:

3. 2021 Utah Legislative Bill Tracker Report:

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

Mayor Beerman opened the meeting for anyone who wished to comment or submit comments to the Council on items not included on the agenda. No comments were given. Mayor Beerman closed the public input portion of the meeting.

V) CONSIDERATION OF MINUTES

Consideration to Approve the City Council Meeting Minutes from March 11 and 18, 2021:
Mayor Beerman referred to the March 18th minutes, Page Two, Line 30, and indicated solar panels would be going live, but not in 2023. The City should start building in 2023.

Council Member Gerber moved to approve the City Council meeting minutes from March 11 and 18, 2021 as amended. Council Member Doilney seconded the motion.

RESULT: APPROVED
AYES: Council Members Doilney, Gerber, Henney, Joyce, and Worel

VI) CONSENT AGENDA

1. Request to Authorize the City Manager to Execute a Three-Year Contract Agreement for Brainier Learning Management Software, in an Amount Not to Exceed $83,556.00, in a Form Approved by the City Attorney:

Council Member Gerber moved to approve the Consent Agenda. Council Member Doilney seconded the motion.

RESULT: APPROVED
AYES: Council Members Doilney, Gerber, Henney, Joyce, and Worel

VII) NEW BUSINESS

1. Consideration to Amend the Phasing Plan for Quinn's Junction Partnership Annexation Master Plan Development, Located at 4001 Kearns Boulevard:
Alex Ananth, Senior Planner, presented this item and reviewed the history of this MPD. She noted the MPD was amended once in 2013 to build out the film studio space. The applicant now requested to amend the MPD phasing plan so they could build the hotel and postpone the construction of Phases Three, Four, and Five.

Council Member Doilney asked if the parking for Phase Two was underground, to which Ananth affirmed. Council Member Worel asked if it would be an administrative change if the use changed. Ananth stated it could be an MPD change, and it would come to Council for consideration. She noted the application for a MPD change was withdrawn.

Council Member Joyce stated the hotel was originally allowed to be a part of the campus because it was part of the film studio and everyone would stay on the campus. He expressed concern because if the other phases were planned to be office and residential, a hotel wouldn't be allowed there. There was a difference between having an integral campus and now these separate components. Ananth indicated the old phasing plan was vague. Justin Keys, attorney for developer, stated there were only two phases in the original plan: the film studio and everything else. The developer thought a phased plan would be good for the community. The hotel was requested at this phase to accommodate film projects. He indicated they had a vested right to build a hotel. Although it would be a support to the film studio, it wouldn't be limited to that use. There were many allowed uses that could be put on this site. He thought affordable housing would be beneficial to the community as well.

Council Member Joyce stated this was part of a complex development and he wanted to make sure that any change would be seriously researched against the original intent. Council Member Doilney agreed with Council Member Joyce's concern and thought if the hotel was approved, it raised the bar of completing what was originally agreed to.

Council Member Worel stated during the original MPD process, it was decided that other uses on the property would need to be complementary to the film studio. If the current developer was considering a change of use for the film studio, that would need to be a consideration for the Council. Keys stated there was no intention of changing the use of the film studio.

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

Council Member Henney questioned the phasing of the buildout and thought the phasing was disrupting the intent. He had concerns with separating a hotel from everything else. Harrington reviewed there was initially only one potential buyer for the entire site, but they did not purchase the property. The property could be broken up into different phases. This request was swapping the hotel phase. Council Member Henney thought phasing was part of the approval and he asked what authority the Council had to approve or deny the phase proposal. Harrington stated there was some discretion, but it couldn't be arbitrary. The intent was relevant, but there were phases in the original MPD and a hotel was part of the planned phases. He thought staff could condition the approval to ensure there was a tie between the hotel and the film studio. Council Member Henney was more concerned that the hotel should be tied to the other phases. Mayor Beerman stated Council had concern with building a hotel only to have a change in use for the film studio. He asked if Keys had concerns about a change in use. Keys stated his clients were happy to build the hotel and he didn't think that would impact their decision. Gary Crandall, developer, indicated they were ready to present the hotel last year. Keys came to him with the idea of affordable housing for part of this site to fill a community need. He spent last year drawing up plans for the affordable housing proposal, but it was different from the original plan and was rejected, so they went back to the original intent and proceeded with the hotel.

Mayor Beerman stated the previous owner had problems with the development, but Crandall was a good partner to work with. Council Member Joyce supported the proposed phasing, and asked if Harrington and Ananth would include in the conditions of approval the acknowledgement the hotel was approved as part of the media creation campus and use changes to any of the other buildings that would not be supportive of the media creation campus should be considered a substantive change to the MPD and should require analysis to parking, traffic, impacts, etc. Harrington stated that could be added as Condition 10 subject to approval of form by the City Attorney.

Keys stated the agreement itself was confining, so this was one more statement saying the City would hold the developer to the agreement. He thought if a use would be allowed in the CT zone then it would be allowed under the MPD. Harrington stated that it was not specified. It was a use that could be applied for under the MPD, but unless it was defined in the use agreement section of the controlling documents and the MPD, it would be considered an amendment.

Council Member Joyce moved to amend the phasing plan for Quinn's Junction Partnership Annexation Master Plan Development, located at 4001 Kearns Boulevard with an additional requirement that there is documentation of the fact that this was being approved with the understanding that this was part of the original campus MPD and changes in use to any of the other buildings would require serious inspection and opening the MPD in a form approved by the City Attorney. Motion failed for the lack of a second.

Council Member Worel didn't like piece meal planning. With an MPD, the plan should be known. She agreed with Council Member Doilney the hotel would raise the bar for the rest of the MPD. Council Member Joyce agreed, but the hotel phase was exactly what was originally proposed, just in a different order. Council Member Doilney was concerned that the hotel was the one piece that was part of the bigger change they were requesting. Crandall stated the hotel was discarded when they started planning affordable housing, and he wondered what it was about the hotel that was complementary to the new proposed design. Council Member Joyce stated there was more density, with market rate housing with some affordable housing and commercial, and there would be a lot more traffic. A hotel supporting a film studio campus would not add to the traffic problem.

Crandall stated with the new proposal, there wasn't an increase in density and the traffic would have dropped 45% in peak hours. They worked with staff, Harrington, and Dias on the new design as well as with the community. Keys added there were over 100 affordable units in the project.

Council Member Joyce stated the City wanted affordable housing with no extra density and he didn't want to close that door if the developer was willing to discuss it further. Keys was happy to have the conversation, although previous discussions felt hostile. Harrington stated the group was great to work with and the City was willing to have further discussions on affordable housing. He stated this hotel plan would hold the development to the original intent. The alternative plan was more of a redevelopment plan and he was open to discussions.

Council Member Joyce moved to amend the phasing plan for Quinn's Junction Partnership Annexation Master Plan Development, located at 4001 Kearns Boulevard with an additional condition of approval, including documentation of the fact that this was being approved with the understanding that this was part of the original film studio campus MPD and any changes in use, phasing, or to any of the other buildings would require application for a substantive amendment and opening the MPD for review by the City Council, in a form approved by the City Attorney. Council Member Doilney seconded the motion.

RESULT: APPROVED
AYES: Council Members Doilney, Henney, and Joyce
NAYS: Council Members Gerber and Worel

Council Member Worel stated she was interested in making the parcel a win-win and she welcomed a discussion with the developer. She commended Crandall for being a good community partner. Council Member Gerber agreed and indicated this was an opportunity for the City to turn this parcel into a benefit to the community.

Sid Ostergaard, Elliott Workgroup, indicated this project was needed so future generations could live here. He believed it would benefit the community.

2. Consideration of a Fee Waiver Request by the National Ability Center (NAC) in the Amount of $296,955.50:

Brittany Buchanan, Building Department Inspector Supervisor and Dave Thacker, Building Official, presented this item. Thacker stated the NAC requested a $296,000 fee waiver. Staff requested Council approve half the amount to align with other requests. Then, as he looked at the Fee Waiver code, he noticed it restricted Council from waiving water impact fees. So the revised staff recommendation was to waive $109,722.02 which was 37% of the impact fee cost. He noted staff met with Meeche White to discuss the revised recommendation.

Buchanan stated the request was for outdoor areas, a recreation center and equestrian center. White reviewed the NAC was a renowned leader in adaptive sports and the facility set a standard in the industry. In 2017, over 7,000 people were served. Many of those served were veterans with Post Traumatic Stress Syndrome (PTSD). Programs were offered at affordable rates, and she indicated participant fees covered 20% of the actual costs.

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

Council Member Doilney was proud to have the NAC in Park City. Council Member Worel thanked White for her vision for the NAC. She thought the NAC was integral in helping the City integrate.

Council Member Henney moved to approve a fee waiver request by the National Ability Center in the adjusted amount of $109,722.02. Council Member Worel seconded the motion.

RESULT: APPROVED
AYES: Council Members Doilney, Gerber, Henney, Joyce, and Worel

3. Consideration to Extend the Main Street Dining Deck Program in 2021, and Authorize the Mayor Execute Updated Leases of City Property/Rights-of-Way with Ten Main Street Restaurants, in a Form Approved by the City Attorney:
Jenny Diersen, Special Events Manager, presented this item. She reviewed the terms of the 2021 lease, including reinstating the 2019 terms of charging $2,160 per parking space used for the dining deck, requiring two meal services per day, having a term from April 12 to October 30, and removing the dining decks for the Arts Festival unless arrangements were made with the Kimball Art Center.

Council Member Gerber asked how the decks worked being so close together. Diersen indicated the decks would be reviewed with the Engineering Department to make sure there were no traffic problems. Council Member Henney asked if decks were removed for the Arts Festival in the past. Diersen stated some were removed based on fire lane requirements.

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

Council Member Doilney favored the April opening for dining decks and asked if that could be a permanent change in future years. Council Member Joyce stated he liked the dining deck program.

Council Member Joyce moved to extend the Main Street Dining Deck Program in 2021 and authorize the Mayor to execute updated leases of City property/rights-of-way with ten Main Street restaurants, in a form approved by the City Attorney. Council Member Gerber seconded the motion.

RESULT: APPROVED
AYES: Council Members Doilney, Gerber, Henney, Joyce, and Worel

4. Consideration to Adopt Resolution 04-2021, a Resolution Authorizing the Issuance and Sale of Not More than $16,500,000 Aggregate Principal Amount of the City's Industrial Revenue Refunding Bonds, Series 2021 (United States Ski and Snowboard Association-USSA) to Refund Certain Outstanding Bonds of the City which were Issued to Refinance the Costs of the Acquisition, Construction, Furnishing, Equipping and Improvement of Land and a Building for Use as a Training and Office Facility for the USSA; and Related Matters:
Mindy Finlinson, Finance Manager, reviewed the history of this bond and indicated USSA issued the bond to take advantage of the City's tax exempt bonding ability. Repayment and the liability responsibility were completely on USSA. Randy Larsen, Bond Counsel, stated it was a discretionary use of the City to help nonprofit organizations cut costs. This resolution would authorize the bond and a public hearing would occur on April 29th.

Council Member Worel asked if the City did this with any other nonprofit. Finlinson stated this was the only conduit between the City and a nonprofit. Larsen stated there was no limit, but this was the only one the City had done. Council Member Gerber asked how much the organization would save using this method. Larsen estimated savings would be in the hundreds of thousands of dollars.

Mayor Beerman opened the public hearing.

Brooke McAffee, USSA Chief Financial Officer, via Zoom thanked the City for its time in this matter.

Mayor Beerman closed the public hearing.

Council Member Joyce asked what was being approved tonight. Larsen stated Council would vote on the resolution that would authorize public notice of a contestability period. Final bond documents would be prepared.

Council Member Gerber moved to adopt Resolution 04-2021, a resolution authorizing the issuance and sale of not more than $16,500,000 aggregate principal amount of the City's Industrial Revenue Refunding Bonds, Series 2021 (United States Ski and Snowboard Association-USSA) to refund certain outstanding bonds of the City which were issued to refinance the costs of the acquisition, construction, furnishing, equipping and improvement of land and a building for use as a training and office facility for the USSA; and related matters. Council Member Doilney seconded the motion.

RESULT: APPROVED
AYES: Council Members Doilney, Gerber, Henney, Joyce, and Worel

5. Consideration to Adopt Resolution 05-2021, a Resolution to Adopt Affordable Housing Guidelines and Standards for Park City, Utah, and to Repeal and Replace Resolution 25-2020 in its Entirety:
Elyse Kats and Jason Glidden, Affordable Housing Department, presented this item. Kats stated this resolution would add HOA fee language to the Housing Resolution. She indicated there were two approaches to set HOA fees, one was on square footage and the other based on the initial list price ratio by dollar. The resolution would also limit the HOA fee annual increase with a cap at 4% without petitioning the Housing Authority. An amendment would also be made to include AMI levels up to 80% as affordable.

Council Member Henney asked if both methods of assessing an HOA fee would be used. Kats indicated both methods would determine a fee and the lower fee of the two would be implemented. He asked if this applied to rentals, for-sale, or all units. Kats stated in a 100% affordable complex, they had the option of having their own HOA. Council Member Henney asked if the City had a role in that situation. Kats stated the independent HOAs would only come to the Housing Authority if they raised the fees higher than the cap. Council Member Henney asked how the HOA fee fit into the affordable equation for getting people into the affordable units. Glidden stated clarity was added in the definition of affordability to address that issue.

Council Member Gerber referred to the reference made about seed funds and asked if the City currently provided seed funds for most HOAs. Glidden stated the City had provided seed funds to help with capital when it was the developer of a project. Council Member Gerber asked if there was a formula used to determine the seed fund amount. Glidden indicated a study would be performed to determine what capital would be needed. Council Member Worel asked how the seed money figured into the subsidy for affordable housing. Glidden stated that had not been part of the subsidy in the past. Council Member Worel thought that seed money should be calculated as part of the overall cost.

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

Council Member Joyce thought the amendment was a good step in addressing HOA fees for affordable housing and mixed housing. He asked how affordable HOAs would pay for big maintenance items such as reroofing units. He hoped the fees would include reserves for long-term expenses. Mayor Beerman requested a future addition that would include a HOA reserve study upfront.

Council Member Joyce moved to adopt Resolution 05-2021, a resolution to adopt Affordable Housing Guidelines and Standards for Park City, Utah, and to repeal and replace Resolution 25-2020 in its entirety. Council Member Worel seconded the motion.

RESULT: APPROVED
AYES: Council Members Doilney, Gerber, Henney, Joyce, and Worel

VIII) ADJOURNMENT

With no further business, the meeting was adjourned.

Michelle Kellogg, City Recorder

Special Service Contract Overview

Special Service Contract History

- FY03-FY18 – Two-year contracts (various service categories)
- FY19 – One-year contracts (various service categories)
- FY20 – Two rounds of one-year contracts (broken up into regular services & social equity services)
- FY21 – REVAMP

Revamp Goals

- Work to ensure more alignment with resource allocation and Council's current goals/priorities
- Be more dynamic, proactive, deliberate, flexible
- Define services that Council feels are essential to fund in the foreseeable future
- Alignment with Social Equity strategic plan and resource allocation

SSC Revamp

	Dept. Service Contracts	Special Service Contracts	
Purpose	Additional services that enhance or amplify a department service	Regular services that Council wants to fund in the foreseeable future	Social equity services as defined by Council
Process Cycle	4 Years	4 Years	2 Years
Administered by:	Departments	SSC Subcommittee	SSC Subcommittee
FY22 Budget Amt	$130k	$250k	$250k
Contracted out through FY24	Yes	Yes	No

Department Specific Service Contracts

Service	Organization	City Department	Contact	Annual Budget
Trails Management	Mountain Trails	Trails/Open Space	Heinrich Deters	$25K
Waste/Recycling	Recycle Utah	Sustainability	Celia Peterson	$50K
Sister City Admin	Park City Sister City	Executive	Minda Stockdale	$8.5K
Legal Mediation	Mountain Mediation	City Attorney	Mark Harrington	$15K
History and Visitor Services	Park City Museum	Economic Development	Jonathan Weidenhamer	$25K
Housing	TBD	Housing	Jason Glidden	$15K

***RFP administered by respective departments. Budget Dept provides guidance and is used as a resource.**

SSC (Regular)

Service	Organization	Annual Budget
Safe Haven	Peace House	$40K
Medical Treatment	People's Health Clinic	$40K
Medical Treatment	Jewish Family Service	$10K
Food Pantry	Christian Center	$10K
Emergency Assistance	Christian Center	$30K
Emergency Assistance	Jewish Family Service	$10K
Emergency Assistance	Holy Cross Ministries	$10K
Education	PC Tots	$50K
Education	PC Education Foundation	$50K

SSC (Social Equity) Potential Categories

Category	Description
Housing	Facilitate a range of affordable and quality housing opportunities that meet the life cycle needs of persons at all economic levels.
Education (**already covered in special service contracts)*	Provide students with learning and enrichment opportunities outside of the regular school day to help overcome disparities
Inclusion	Strive for cultivating a community that engages diverse perspectives, differing ideas, and individuals from different backgrounds to help define policy and practice and help shape culture
Workforce Development	Innovative programs that focus on augmenting education, language, job skills, job finding, and resume building needs for those from lower to middle economic backgrounds.
Community Art & Culture	Support for the investment in arts and culture to sustain and develop this segment of the City's economy through cultural tourism.

***This list is based on categories used in the FY20 RFP**

Typical Timeline

March - Issue RFP

April - Submission Deadline

May - SSC subcommittee reviews, scores, and makes funding recommendations on proposals

June - SSC subcommittee makes recommendation to Council

Impacts of a Delay

- A fall RFP would give more time for things to “normalize” in the community
- Nonprofits might have a better idea of services they can provide
- Minimize fundraising fatigue for nonprofits overwhelmed by Covid

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Next Steps

- FY22 RFP distributed in the spring or fall depending on council discussion
- FY24 – Regular service contracts expire, up for renewal FY25-FY28

Capital Fund Considerations

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Capital Fund – A&C-Related Considerations

Council has inquired about potential tradeoffs within the Capital fund if the full scope of the Arts & Culture project proceeds. Assuming the use of ARST as presented on February 25, then:

The Capital Improvement Fund can sustain historic burn rate expenses, excluding major new project expenditures such as open space, housing, etc.

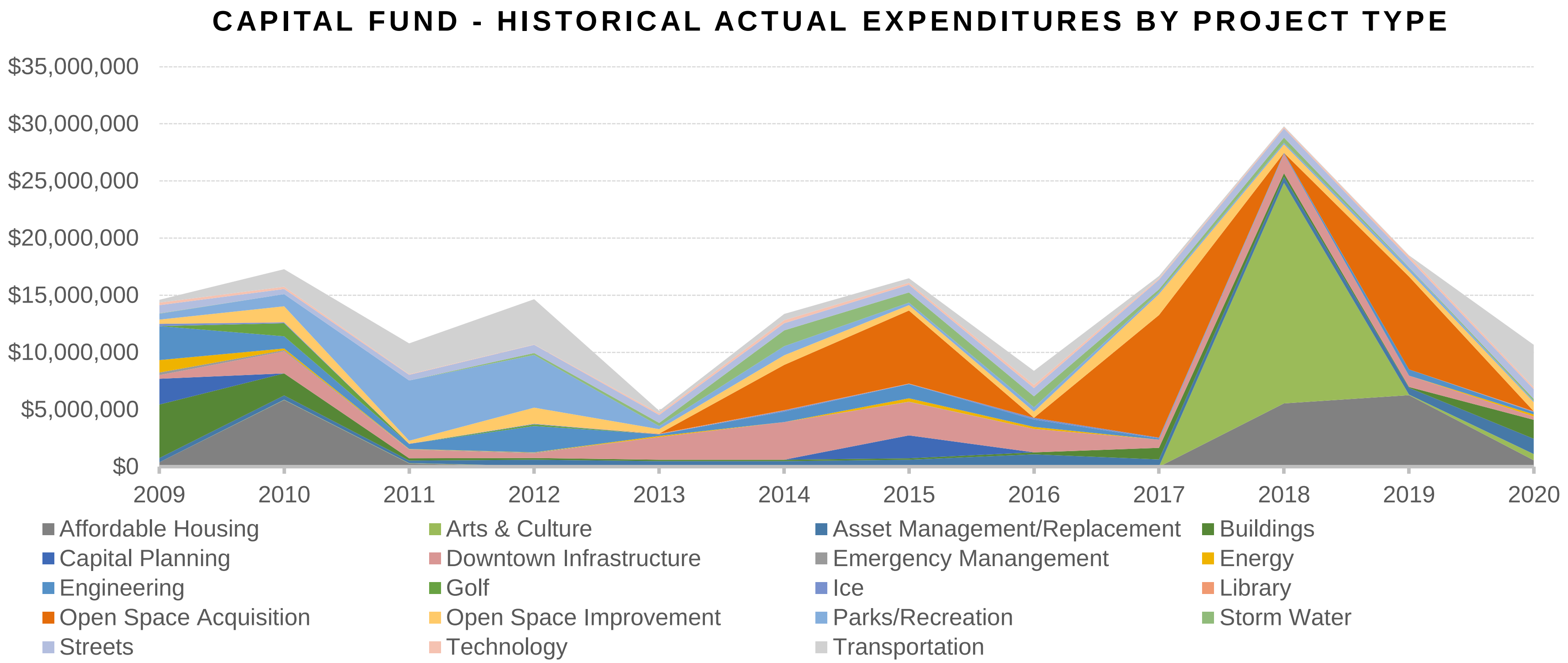
1. **The Capital Improvement Fund will not be able to provide its historical level of support for open space acquisition**
    1. This results as funding capacity that was historically used for open space (excluding funds derived from general obligation bonds) would be deployed for Arts & Culture
2. **Funds set aside for affordable housing would be spent at Arts and Culture to build affordable housing.**
    1. The full scope of the A&C project uses the existing affordable housing pipeline funds to build affordable housing
    2. Staff also notes that the affordable housing pipeline appears unfeasible as the AMI rent range Council has recently discussed (30-60% range) does not generate enough revenue to sustain a housing pipeline rental model

In the following analysis, Staff computed the historical average annual burn rate of all Capital Fund expenses since 2009, then projected those forward at a 2% annual inflationary increase while layering the expense and revenue profile incurred by A&C on the fund if Council were to pursue the full scope of the A&C project.

Source: Park City Municipal Corporation. As of March 24, 2021.

Capital Fund – Historical Spending

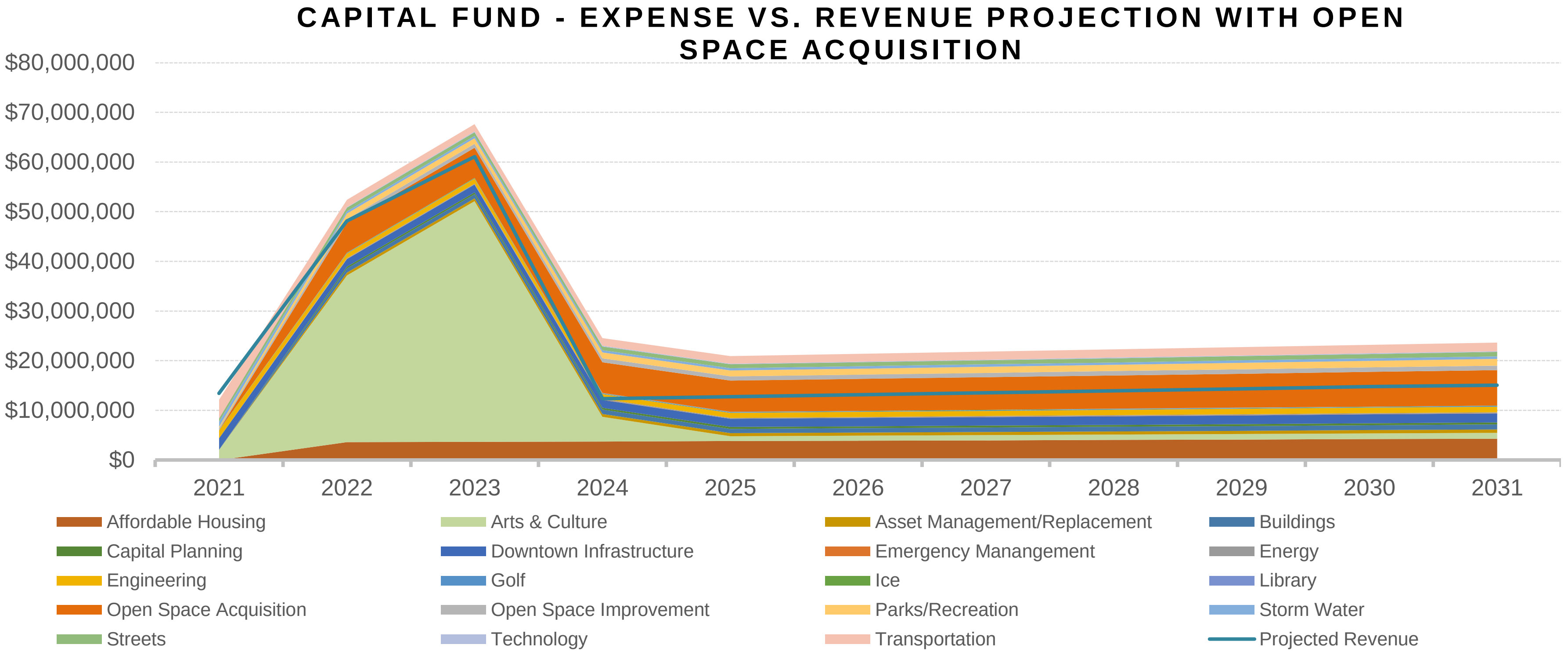
The Capital Fund’s primary expenditures since 2009 have been **land for Open Space, Affordable Housing and A&C.**



Source: Park City Municipal Corporation. As of March 24, 2021.

A&C Relative Value

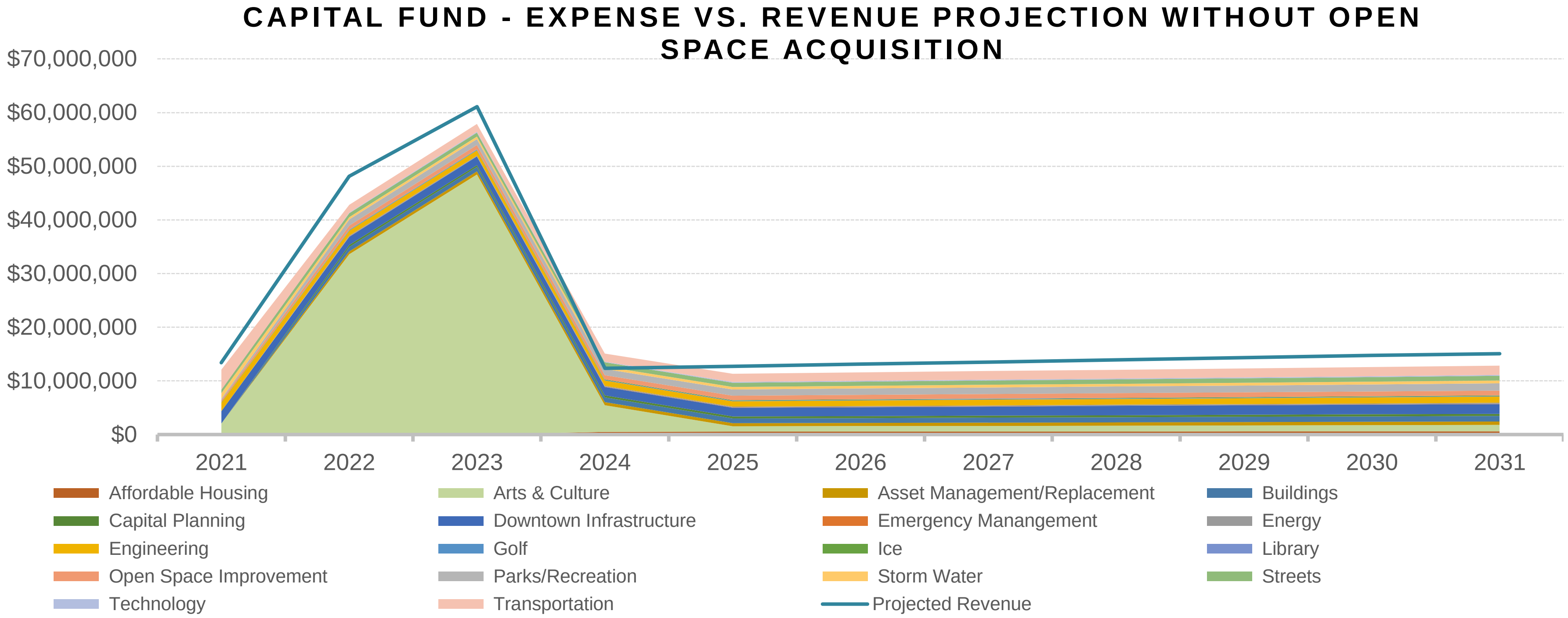
If we build the full scope of A&C, can we sustain our historical average annual capital spending? **No.**



Source: Park City Municipal Corporation. As of March 24, 2021.

A&C Relative Value

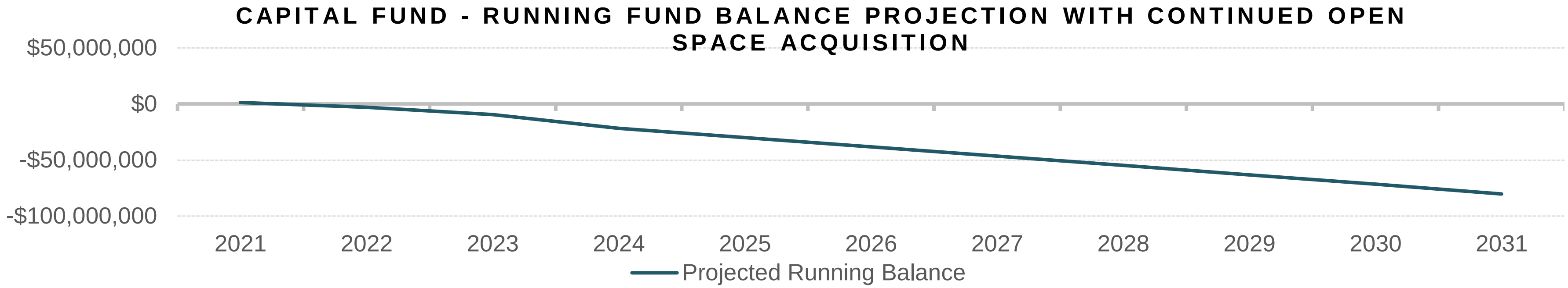
What are we losing? We lose the ability to do more **Open Space Acquisition and Affordable Housing on our own balance sheet. Yet, all other historical sources of expense in the Capital fund would be supportable alongside the Arts & Culture project.**

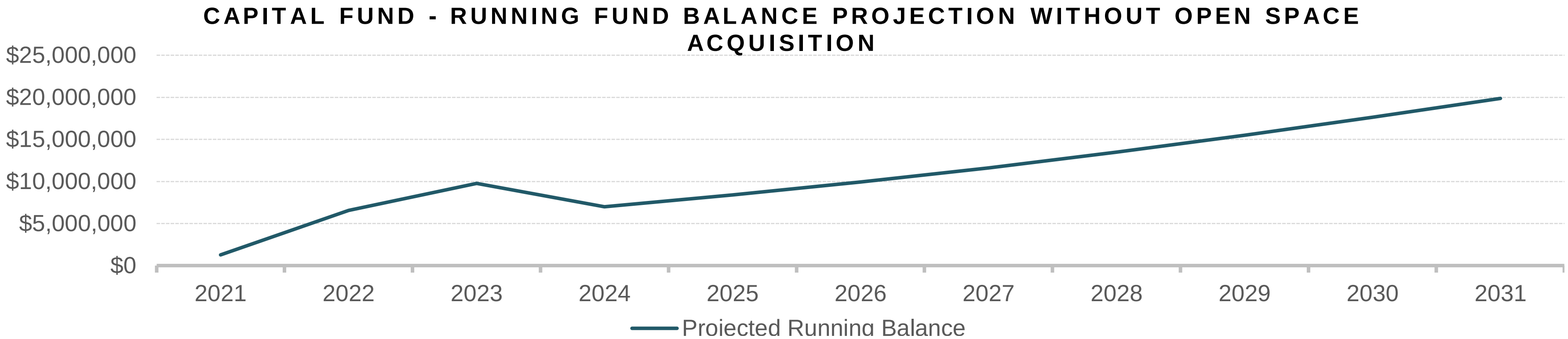


Source: Park City Municipal Corporation. As of March 24, 2021.

A&C Relative Value

We can sustain the Capital fund alongside A&C if we exclude future Open Space acquisition and allow affordable housing to only utilize the funds it generates from A&C rents.



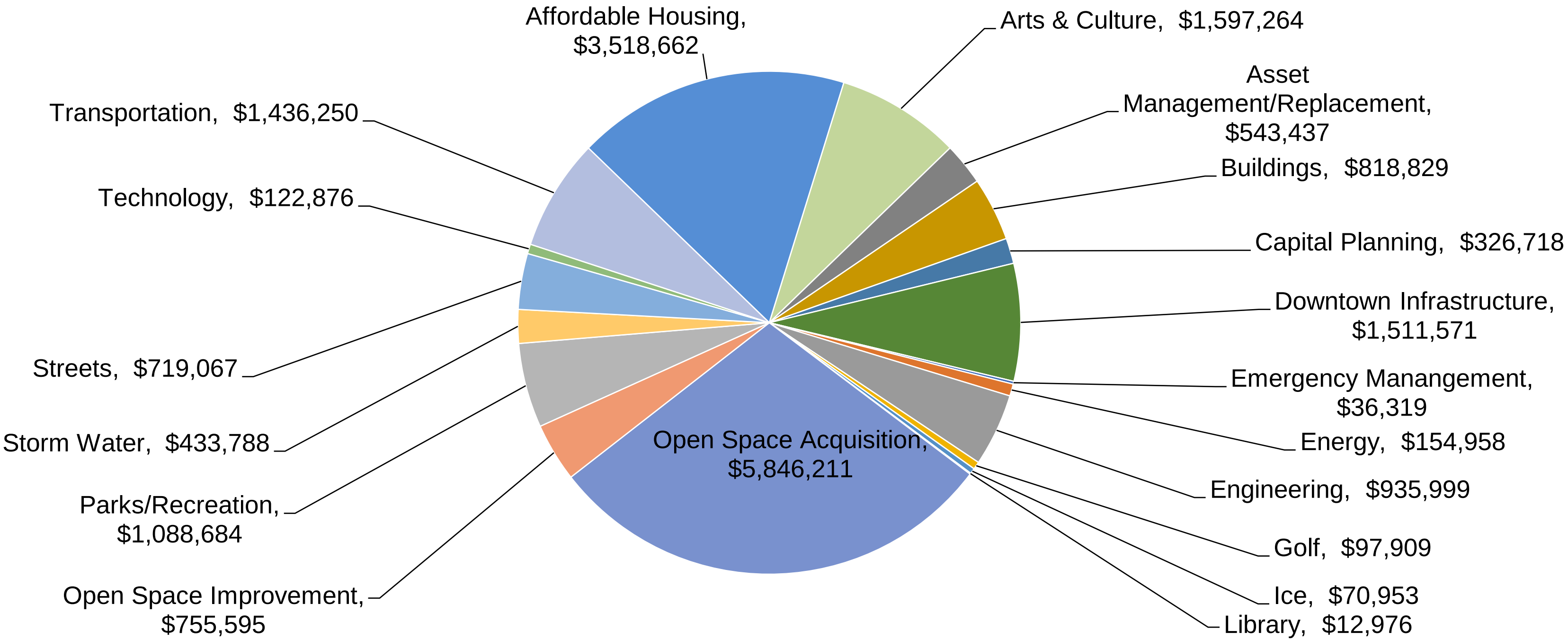


Source: Park City Municipal Corporation. As of March 24, 2021.

A&C Relative Value

Why? Open Space has been a large source of historical expenditure. We would not be able to sustain our past levels of purchases if we do A&C.

Capital Fund - Historical Average Annual Spend - FY 2009 - 2020



Source: Park City Municipal Corporation. As of March 24, 2021.

A&C Relative Value

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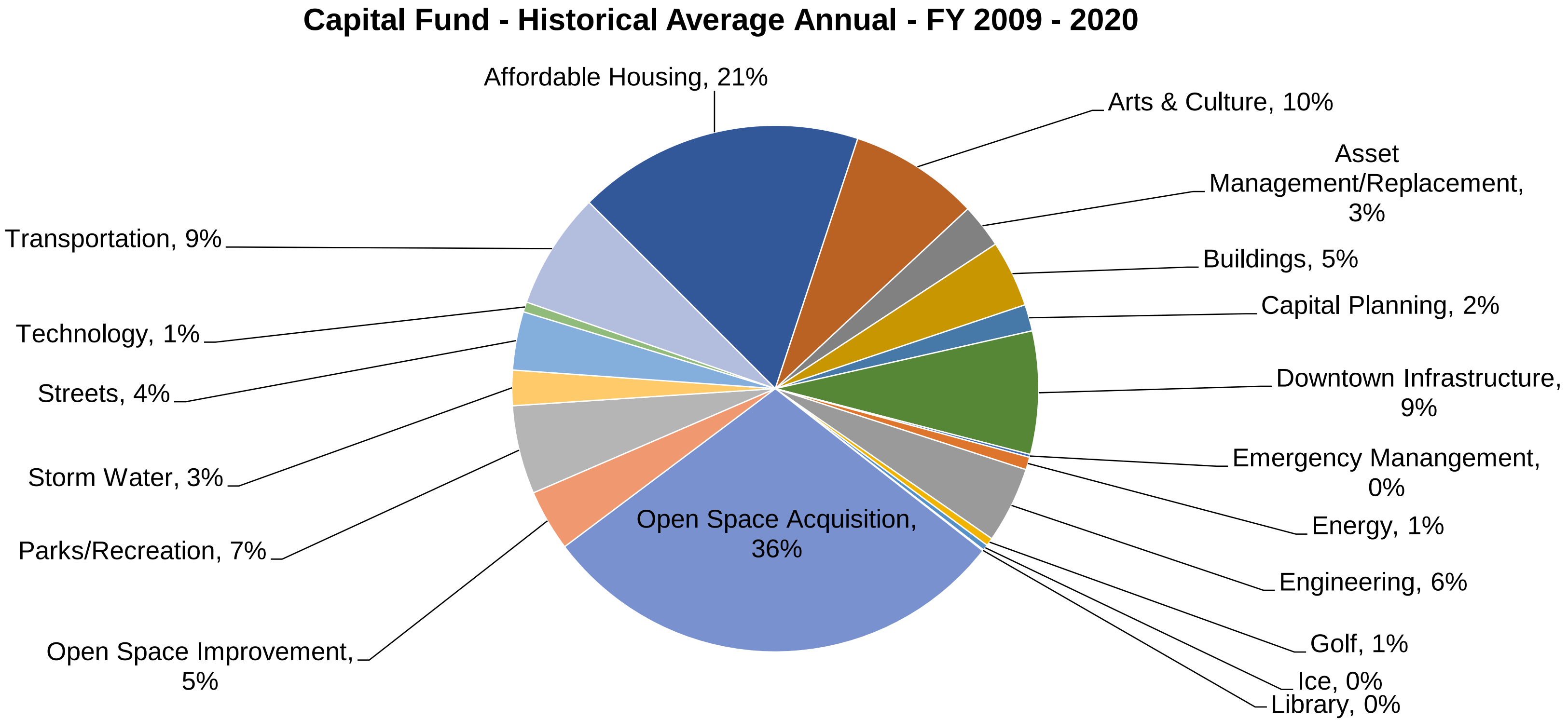
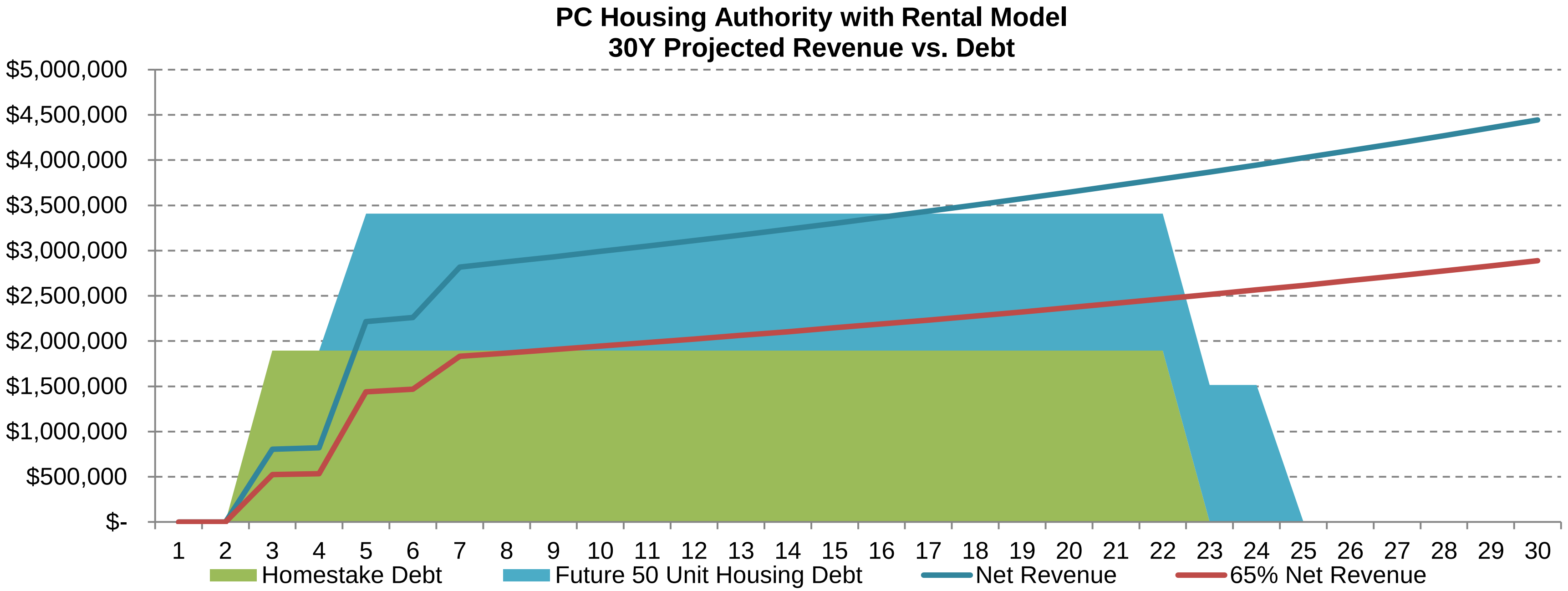


Source: Park City Municipal Corporation. As of March 24, 2021.

A&C Relative Value

Why? The AMIs that Council has described targeting **(30-60%)** in affordable housing rentals prevents the rental model from working. **We cannot generate enough revenue to bond for future projects. Note, these AMIs levels don't work in the rental model regardless of project order under their current expense scope**. Public/Private partnerships provide a sustainable way forward.



Source: Park City Municipal Corporation. As of March 24, 2021.

Capital Fund + LPA RDA

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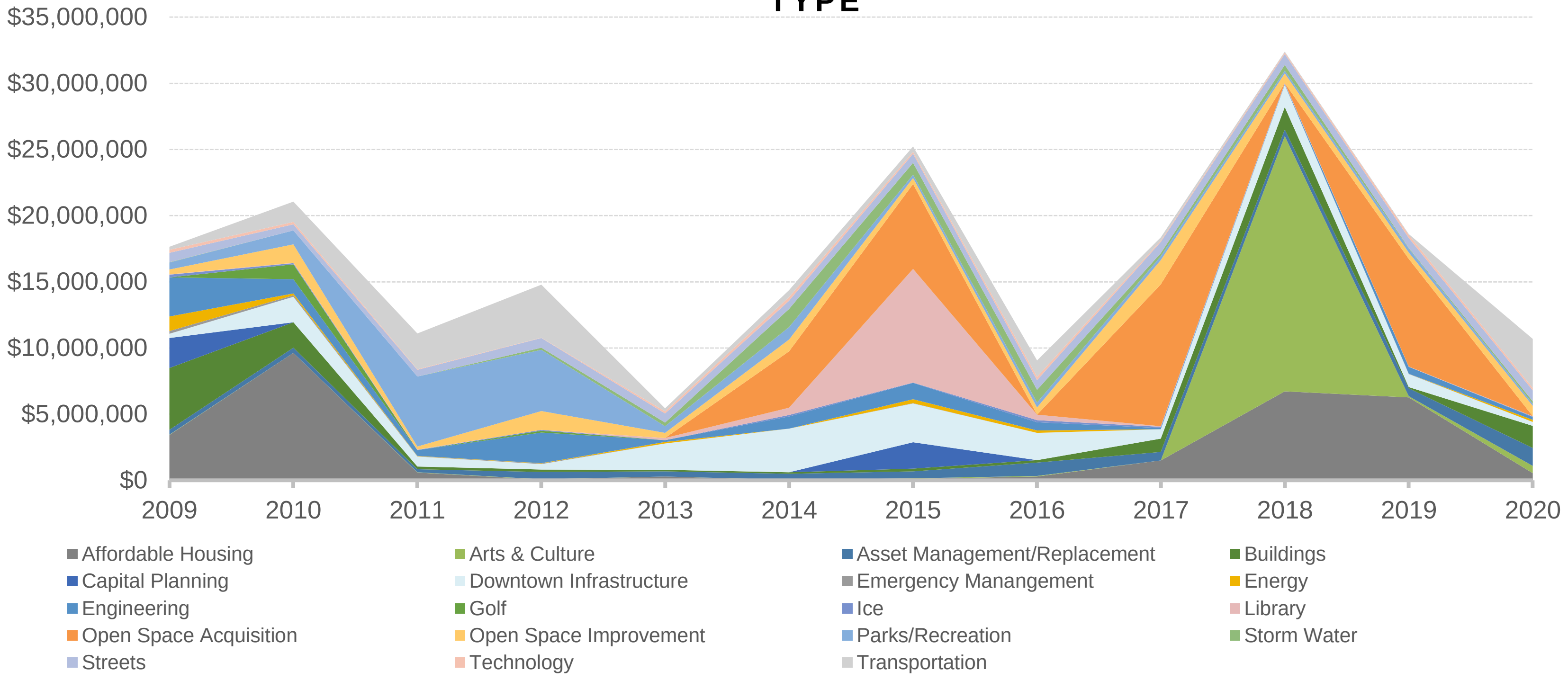
Capital Fund – Historical Spending

The Capital Fund's primary expenditures since 2009 have been **land for Open Space, Affordable Housing and A&C.**

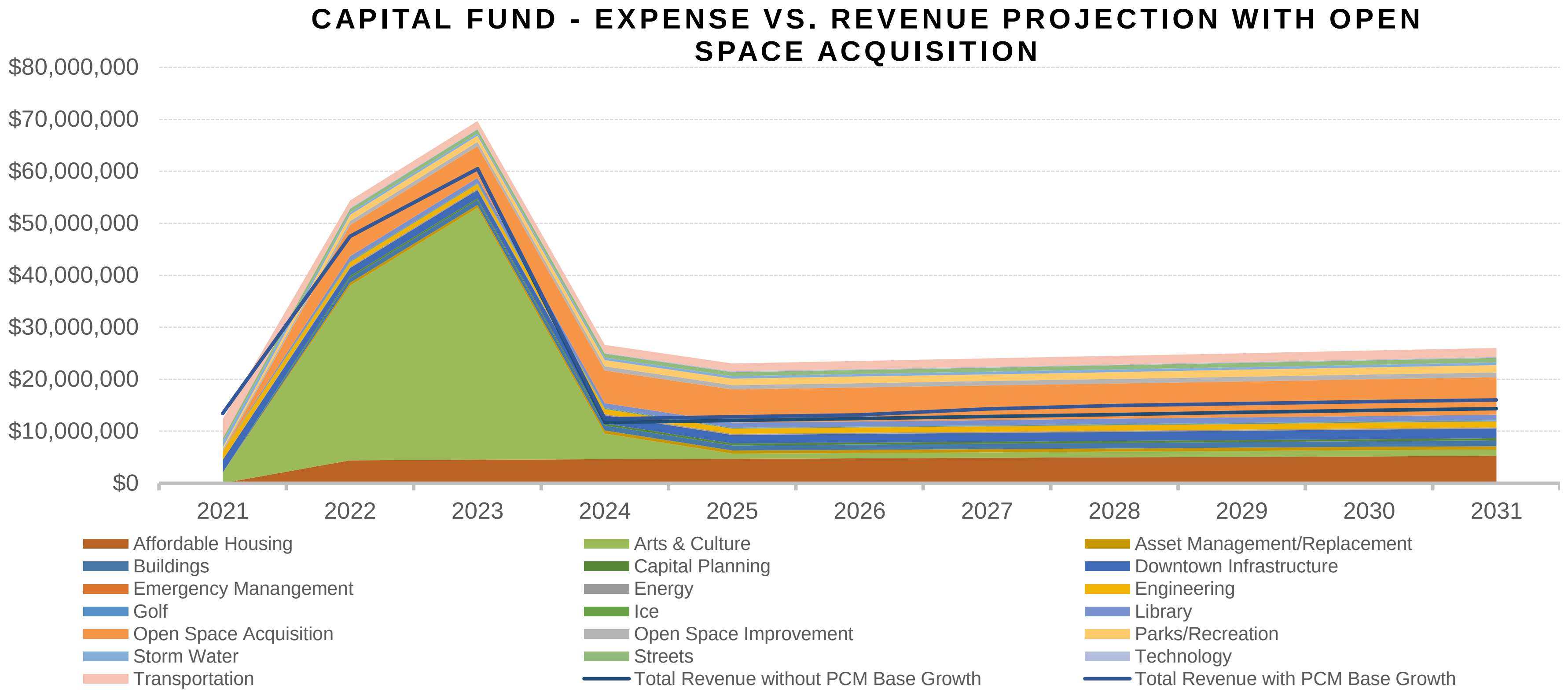
CAPITAL FUND - HISTORICAL ACTUAL EXPENDITURES BY PROJECT TYPE



Source: Park City Municipal Corporation. As of March 31, 2021.

A&C Relative Value

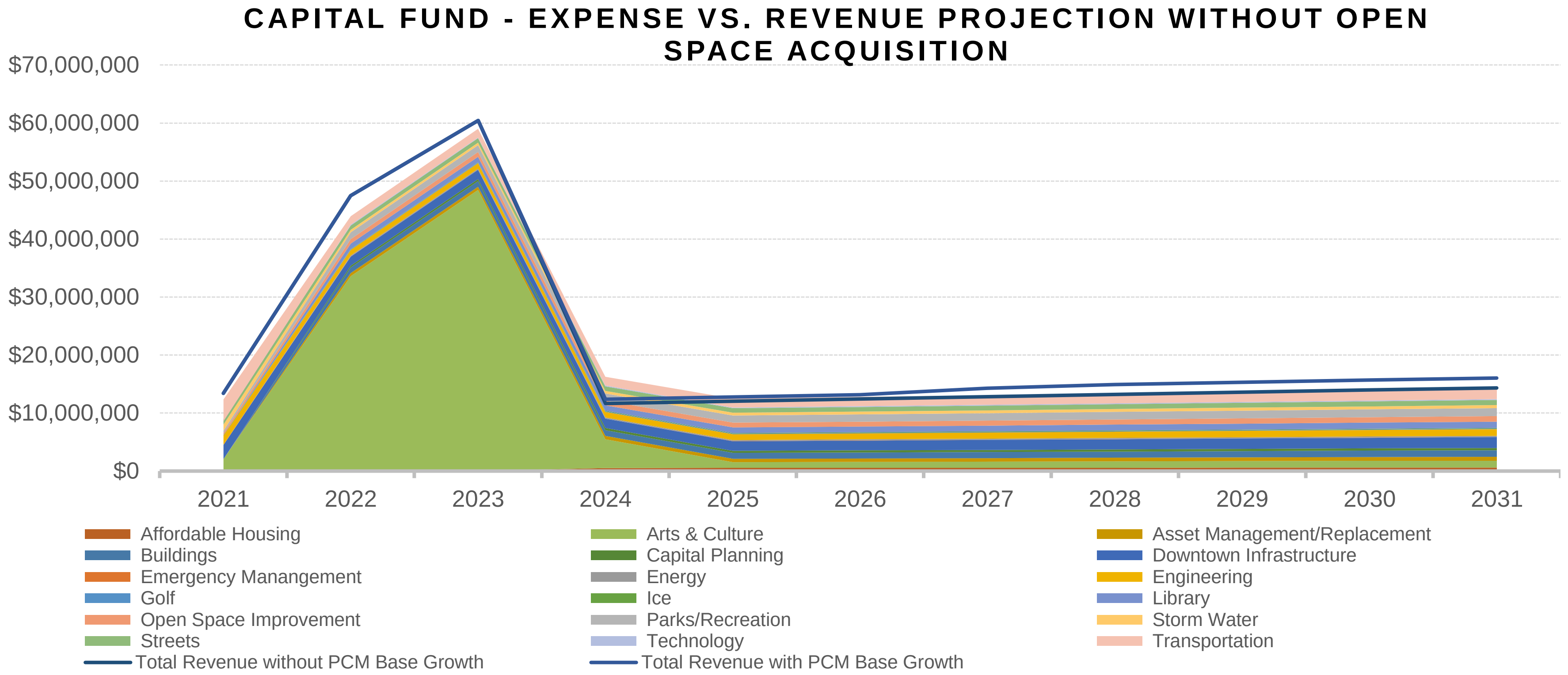
If we build the full scope of A&C, can we sustain our historical average annual capital spending? **No.**



Source: Park City Municipal Corporation. As of March 31, 2021.

A&C Relative Value

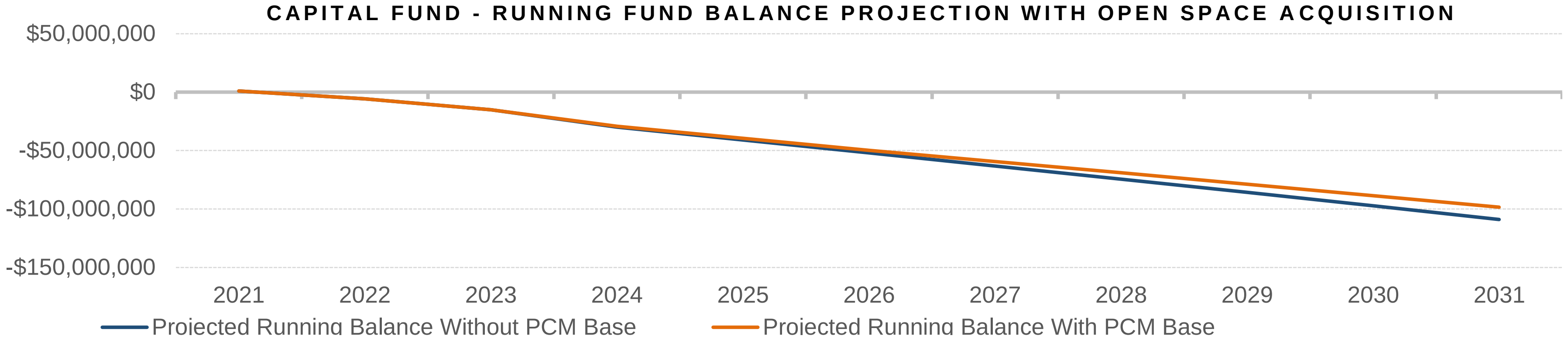
If we build the full scope of A&C, can we sustain our historical average annual capital spending? **No.**

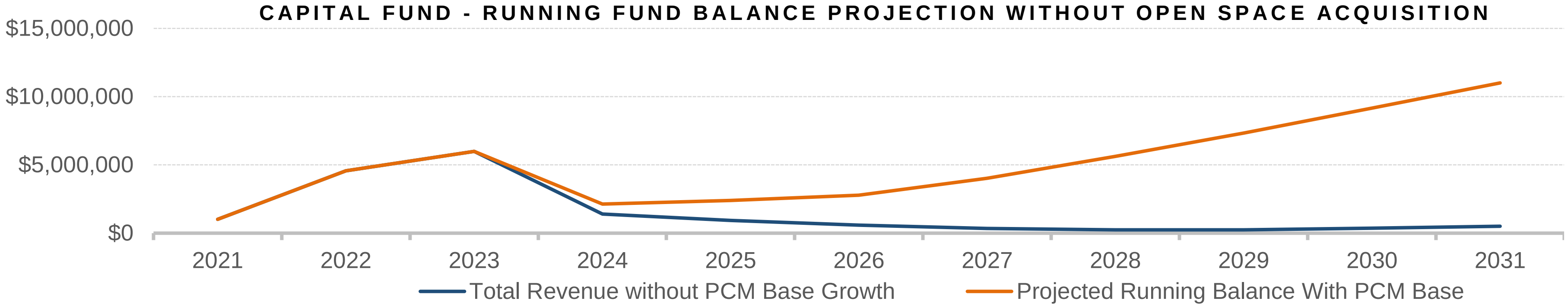


Source: Park City Municipal Corporation. As of March 31, 2021.

A&C Relative Value

If we build the full scope of A&C, can we sustain our historical average annual capital spending? **No.**

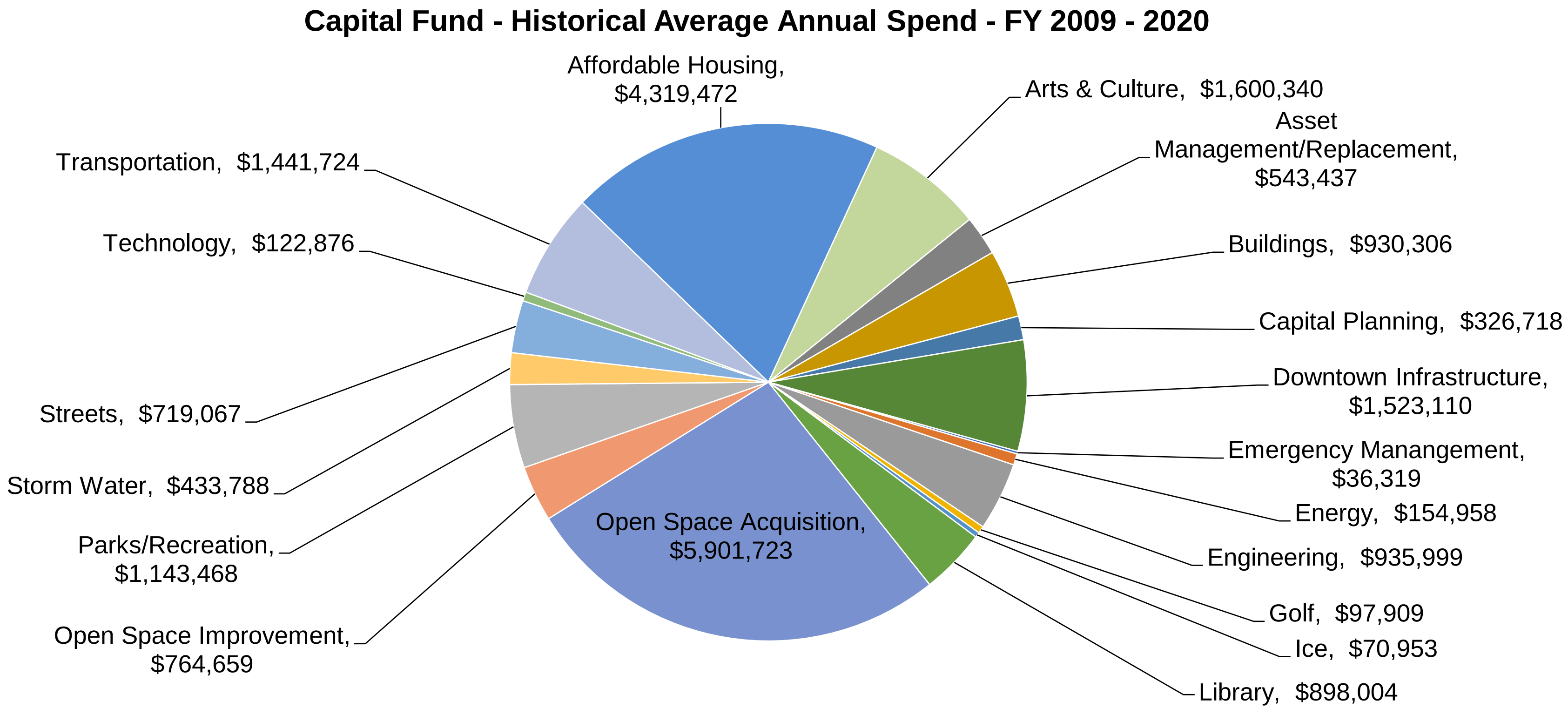




Source: Park City Municipal Corporation. As of March 31, 2021.

A&C Relative Value

Why? Open Space has been a large source of historical expenditure. We would not be able to sustain our past levels of purchases if we do A&C.



Source: Park City Municipal Corporation. As of March 31, 2021.

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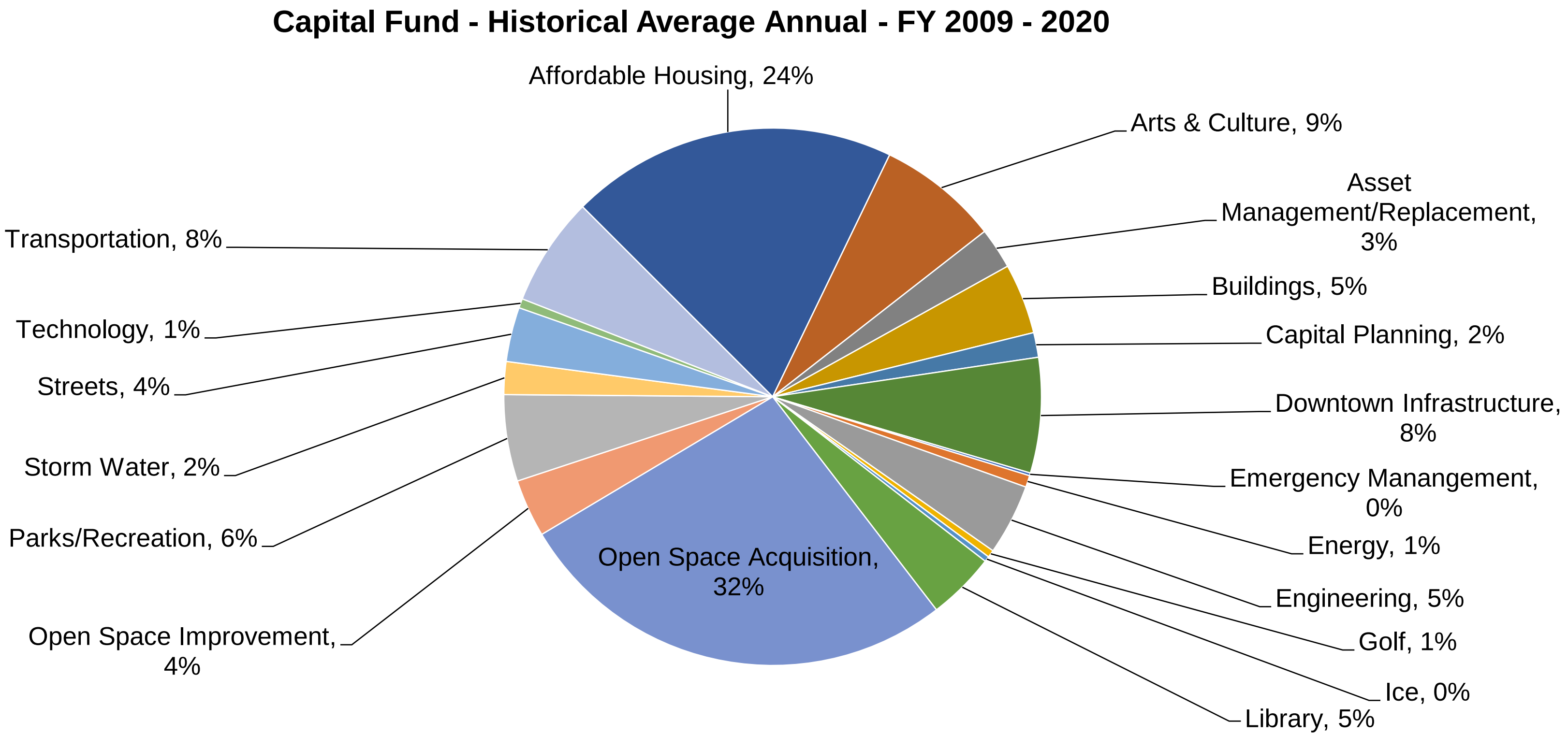

Source: Park City Municipal Corporation. As of March 31, 2021.

PEG Development Housing Mitigation Plan Work Session

April 1, 2021

Housing Mitigation Plan

- Section 3 of the 03-17 Housing Resolution states the purpose of the resolution and why the City requires Housing Mitigation Plans for large developments.

  SECTION 3. PURPOSE. The purpose of this Resolution is to ensure that new development <u>does not adversely affect the supply of affordable housing</u> in the City and to maintain the social, economic and political fabric of Park City's community character. It is intended that the requirements <u>imposed herein are roughly proportionate and reasonably related to the impacts of the Development</u>.

Housing Mitigation Plan

- The 2017 Housing Resolution allows several options to fulfill a housing obligation listed below in order of preference:

  1. Construction of unit(s) on the site on which the development is proposed;
  2. Construction of the unit(s) within the Park City corporate limits provided such land, site or structure had not been previously deed-restricted for affordability;
  3. Dedication of existing units within Park City corporate limits provided such units have not been previously deed-restricted for affordability and meet current energy efficiency requirements;
  4. Construction of units outside Park City, but within the Park City School District boundary as it stands on January 1, 2015;
  5. Conveyance of land within the Park City School District boundary as it stands on January 1, 2015, provided such land has not been previously deed-restricted for affordability; or
  6. Payment of Fees in Lieu of Development.

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Park City Resort Background

- The 1998 Development Agreement requires the Developer to construct or provide deed-restricted offsite housing for 80 PCMR employees
- Outstanding obligation of 23 beds from the development of parcel A (Marriot, Legacy Lodge)
- From 2015 MPD Amendment: Prior to any new application
  - Outstanding obligation must be satisfied with off-site housing, or
  - Amend the Housing Mitigation plan, and
  - Submit a completion bond or letter of credit in a form approved by the City Attorney
- Any new applications must meet guidelines of current resolution

PEG Proposed HMP

Summary of proposed Housing Obligation according to PEG (Exhibit B):

- 23 beds outstanding from the 1998 DA
- 65.97 AUE's required by new commercial development
- 20.85 AUE's required by new residential development

Summary of PEG's proposal to meet the Housing Obligation:

- Three dormitories of 8 rooms each, totaling 24 beds; and
- Eighty-Six - 1, 2, and 3 bedroom condominiums ranging from 575 to 1,832 sqft.
- AUE's required by commercial will be rental units.
- AUE's required by residential will be for sale units.
- A total of 161 beds provided (23 outstanding and 138 new)

Background

The Housing Authority provided the following feedback during the October 13, 2020 work session.

Off-site vs. On-site Housing –Housing Authority was not opposed to having the housing requirement satisfied on-site.
Dorm Style Housing – The Housing Authority requested site plans for further evaluation.
Independent Calculation – The Housing Authority agreed that additional information was needed to justify the proposed independent calculation.
Phasing – The Housing Authority wanted further review regarding the outstanding obligation of 23 beds and how they could be satisfied before any additional development within the MPD.
Bond – Housing Authority indicated interested in PEG addressing the bond requirement in the 2015 CUP approval.

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Issues

Dorm Style Housing

To satisfy the outstanding housing obligation of 23 beds, PEG proposes to construct three dorm style housing. The units are designed to house eight employees per unit. PEG provided two samples from other projects.

Eligibility and Selection Process

PEG has included an outline of the prioritization system for unit eligibility. The three dorm style units will be reserved for seasonal employees working at the new base development to rent. The rental and for-sale units will be offered to the new base development employees first, then offered to the rest of the Resort employees. If units remain un-rented, they will be offered to employees of other commercial businesses located at the Resort base.

Issues

Independent Calculations

PEG offered additional information and analysis based on existing operations in both Park City and other mountain resorts in their plan to justify the independent calculation.

Phasing

PEG proposes to construct all affordable units (including the outstanding obligation of 23 beds) on-site in the first phase after "occupancy" of the proposed parking structure. The affordable units will be built concurrently with market-rate units in lot B, but PEG is proposing that none of the market rate units receive Certificates of Occupancy prior to affordable unit completion.

Issues

Bond/Letter of Credit

PEG proposes providing a letter of credit for $2,598,000. This amount is calculated based on the square footage of the three dorm style units necessary to satisfy the outstanding obligation of 23 beds (see calculation below).

Proposed Square Footage for 23 beds = 6,000
Number of Affordable Unit Equivalents (6,000/900) = 6.667
Current Fee In-lieu per unit = $389,700
Letter of Credit Amount (6.667 X $389,700) = $2,598,000

Questions/Feedback

While this item is not up for approval, the applicant and staff seeks questions and feedback regarding the proposed Resort Base Housing Mitigation Plan.

4001 Kearns Blvd.

Request to Amend the Phasing Plan

City Council April 1, 2021

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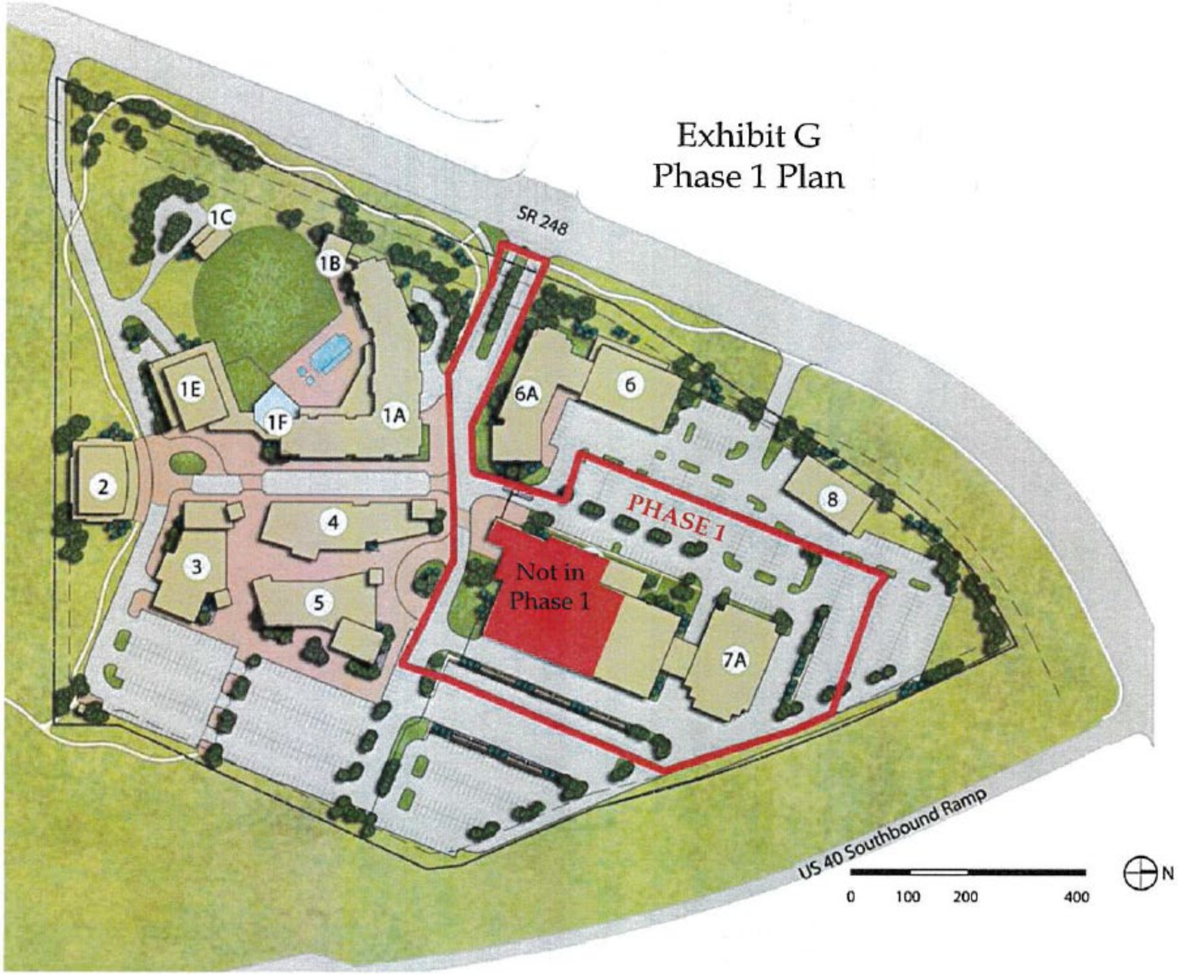
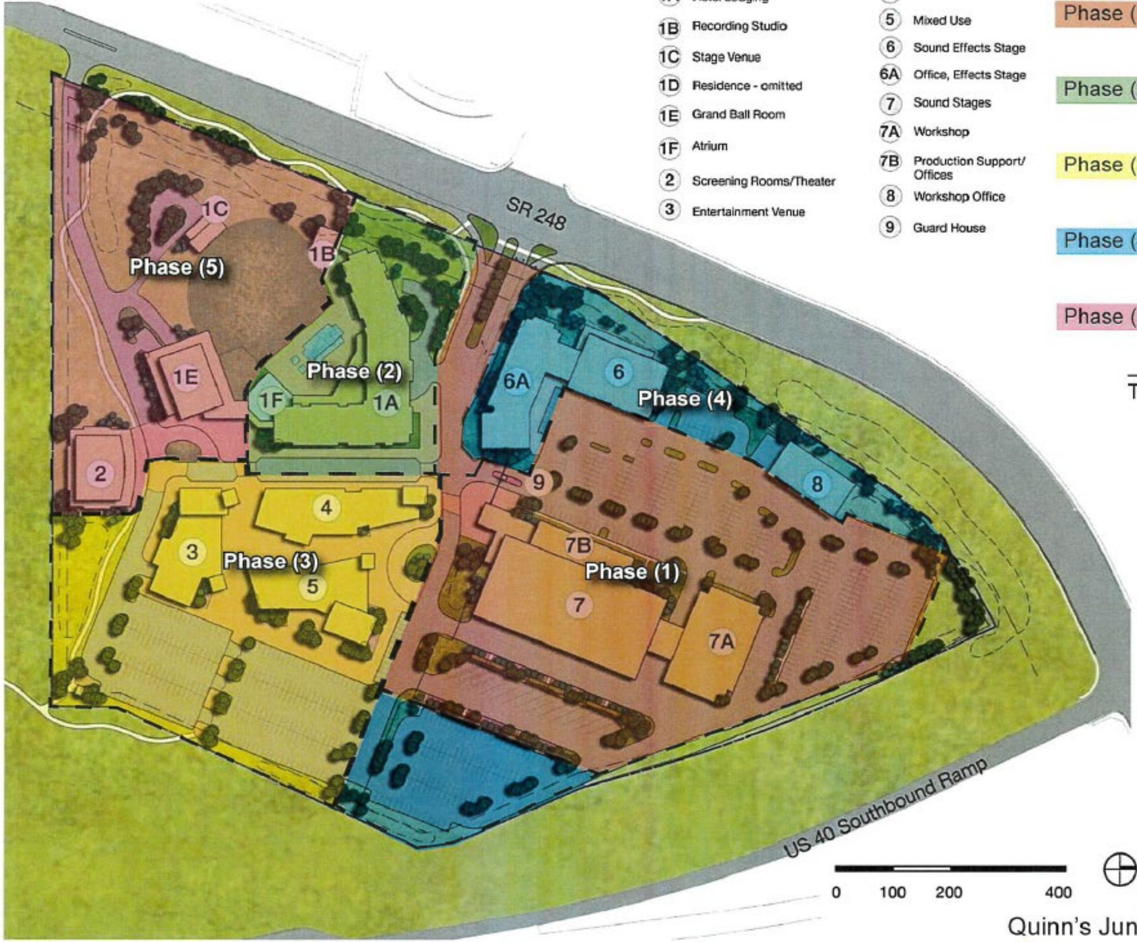
Exhibit G
Phase 1 Plan





Building Legend

- 1A Hotel Lodging
- 1B Recording Studio
- 1C Stage Venue
- 1D Residence - omitted
- 1E Grand Ball Room
- 1F Atrium
- 2 Screening Rooms/Theater
- 3 Entertainment Venue
- 4 Mixed Use
- 5 Mixed Use
- 6 Sound Effects Stage
- 6A Office, Effects Stage
- 7 Sound Stages
- 7A Workshop
- 7B Production Support/ Offices
- 8 Workshop Office
- 9 Guard House

Development Data:

Phase (1)	91,425 sf
Phase (2)	112,000 sf
Phase (3)	73,475 sf
Phase (4)	62,900 sf
Phase (5)	34,200 sf
Total :	374,000 sf

Quinn's Junction Phase Plan

NAC Fee Waiver

March 18, 2021

Update to Staff Report

- Initial request and recommendation with Water Impact Fees
  - Fee Waiver - $296,955.50
  - Staff Recommendation - $148,478.27
  - Waiver request of 50% of total fees

- Updated recommendation without Water Impact Fees (LMC)
  - Fee Waiver - $296,955.50
  - Staff Recommendation - $109,722.02
  - Waiver recommendation of 37%

Background

- The NAC submitted fee waiver requests for the following permits:
  - **Equestrian Building Expansion (BD-18-25848)** – Fee Waiver request was submitted on June 22, 2020. Almost one full year after the C of O was issued on July 30, 2019.
  - **New Recreation Center (BD-18-26227/BD-18-26229)** - - Fee Waiver request was submitted on June 24, 2020 after the Temporary C of O was issued on February 4, 2020.
  - **Parking, Emergency Roadways, Archery Range, Camping Areas (20-1254)** – Fee Waiver was submitted on January 21, 2021. The permit was issued on October 22, 2020.
  - **Total Fee Waiver amount: $296,955.50**

Staff's Recommendation

- Staff is recommending a fee waiver of $109,722.02.
  - This is reflective of previously granted fee waivers, the projects public benefit, the applicants need for the waiver and the other City funding support already provided.

National Ability Center Input

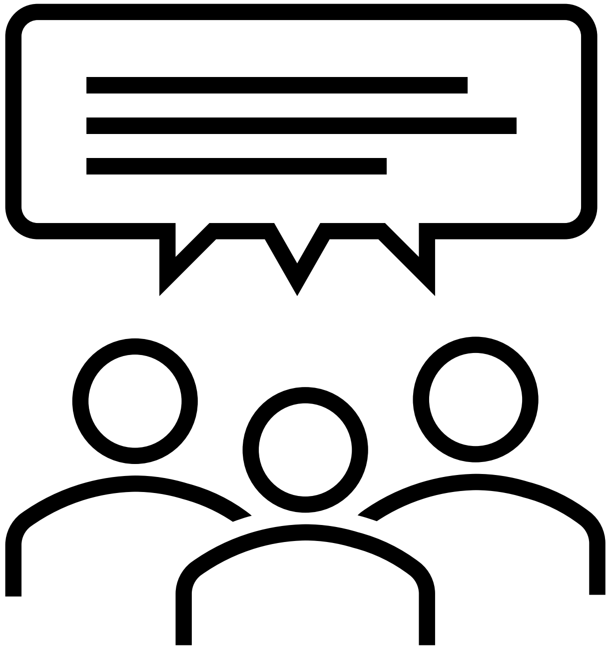
NATIONAL ABILITY CENTER

- **The National Ability Center is a world renown leader in adaptive sports. Our facility is like no other and sets a standard in the industry.**
- **In 2019, we served over 7,000 individuals with disabilities providing over 37,000 experiences and lessons. For people with recent injuries or suffering with PTSD, these experiences were life changing.**
- **This past winter we served 75% of our typical ski lessons.**
- **2,800 people traveled from out of state to Park City for the NAC in 2019 and approximately 50% stayed in public lodging.**
- **We have close to 350 participants from Park City.**

National Ability Center Input

- **Over 30 families moved here because of the Center.**
- **Participant fees only cover 20% of the cost to provide our services. This year alone we have provided over $500,000 worth of scholarships.**
- **More importantly the presence of the National Ability Center and all our participants has helped make Park City a disabled friendly community. People with disabilities are an integral part of our community with housing, Lucky Ones Café and other integration into the workplaces. The City has stepped up with 100% accessible buses and the para-transit system are all a part of the Park City identity.**
- **PC is a community that cares about its citizenry and our success is a testament to that important value.**

Questions/Comments



Housing Resolution- HOA Fees

April 2021

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Recommendation

- Hold a public hearing and consider adopting Resolution 05-2021 to repeal and replace Park City's existing Housing Resolution 25-2020.

Summary

- **Housing Resolution 25-2020** was adopted November 12, 2020 with considerable changes
  - <u>This resolution would add HOA fee language to promote affordability for those in affordable and attainable units</u>
- **Proposed Changes**
  - **Setting Initial HOA Fees by either:**
    - **Par Value**– HOA fees based on initial list price ratios by dollar
    - **Size-** HOA fees based on square footage of units
  - **Annual HOA Fee Increase Limits-** Creating a limit to the rate at which HOA fees can increase annually
  - **AMI Levels** – Redefining target AMI levels

HOA Fee Background

- Affordable housing should require no more than 30% of a household’s income
- Housing costs should include rent or mortgage, basic utilities, and any Homeowners or Condo Association Dues
- HOA and Condo dues were discussed in the last Housing Resolution, Council requested additional research be done prior to including this language.
- Staff has conducted extensive research and contacted local HOA management firms.
- New language regarding HOA fees has been created based on the information gathered.

Setting Initial HOA Fee

- **Size –** base HOA fees on a square footage ratio

OR

- **Par Value –** base HOA fees on an initial list price ratio by dollar

Figure 1: Demonstrating Size Based HOA Fees

Affordable Unit Identifier	Unit Sqft	Total Complex Sqft	Unit % of Total Sqft	Total Budget	Total Monthly Budget	Budget Multiplied by Sqft Ratio
Unit 1	500	5000	0.1	$ 12,000	$ 1,000	$ 100
Unit 2	750	5000	0.15	$ 12,000	$ 1,000	$ 150
Unit 3	1000	5000	0.2	$ 12,000	$ 1,000	$ 200
Unit 4	1250	5000	0.25	$ 12,000	$ 1,000	$ 250
Unit 5	1500	5000	0.3	$ 12,000	$ 1,000	$ 300

Figure 2: Demonstrating Par Value Based HOA Fees

Affordable Unit Identifier	Unit Value	Total Complex Value	Unit % of Total Value	Total Budget	Total Monthly Budget	Budget Multiplied by Value Ratio
Unit 1	$ 250,000	$ 2,000,000	0.125	$ 12,000	$ 1,000.00	$ 125
Unit 2	$ 450,000	$ 2,000,000	0.225	$ 12,000	$ 1,000.00	$ 225
Unit 3	$ 500,000	$ 2,000,000	0.25	$ 12,000	$ 1,000.00	$ 250
Unit 4	$ 600,000	$ 2,000,000	0.3	$ 12,000	$ 1,000.00	$ 300
Unit 5	$ 200,000	$ 2,000,000	0.1	$ 12,000	$ 1,000.00	$ 100

Limit HOA Fee Annual Increases

- Annual increases should be no more than 4%
- To ensure this rates keeps up with inflation, staff contacted property management companies to learn that average annual increases range from 1 to 3.5%, but never are over 4%
- If annual increases need to go beyond these limits, then the HOA can petition to the Housing Authority.

Limit Special Assessments

- Special assessments be limited to repairs and renovations that address health, safety, and affordability issues for the HOA.
- If special assessments need to go beyond these limits, then the HOA can petition to the Housing Authority.

AMI Levels

- The current housing resolution states that affordable units must be between 50-80% AMI
- Staff recommends that AMI levels below 50% should be included to include all low-income households

Figure 3: Demonstrating AMI Levels

	Family Size				Rent	
% of AMI	**One**	**Two**	**Three**	**Four**	**1 bedroom**	**2 bedroom**
30%	$ 23,919	$ 27,336	$30,753	$ 34,170	$ 597	$ 683
50%	$ 39,865	$ 45,560	$51,225	$ 56,950	$ 1,139	$ 1,281
80%	$ 63,784	$ 72,896	$82,008	$ 91,120	$ 1,822	$ 2,050

*this is at today's values and will change each year

Recommendation

- Hold a public hearing and consider adopting Resolution 05-2021 to repeal and replace Park City's existing Housing Resolution 25-2020.

- **Proposed Changes**
  - **Setting Initial HOA Fees by either:**
    - **Par Value**– HOA fees based on initial list price ratios by dollar
    - **Size-** HOA fees based on square footage of units
  - **Annual HOA Fee Increase Limits-** Creating a limit to the rate at which HOA fees can increase annually
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