PARK CITY COUNCIL WORK SESSION NOTES
SUMMIT COUNTY, UTAH
MARCH 27, 2008

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

Tom Bakaly, City Manager and Mark Harrington, City Attorney; Craig Sanchez, Director of Golf; and Clint Dayley, Golf and Parks Superintendent

1. Council questions/comments. Candace Erickson pointed out that the signal sequence activated during evening hours seems to be malfunctioning at Deer Valley Drive and Park Avenue; staff will explore this problem with UDOT. Jim Hier discussed the Chamber's Strategic Planning Committee meeting where updating the ten year old economic analysis for tourism was discussed. He felt it appropriate to participate in the study. The Park City Heights Annexation was continued at the Planning Commission meeting. He discussed business from other meetings he attended over the past two weeks including Ski Utah, Democratic Caucus, Talisker's affordable housing committee, HMBA, Chamber Executive Committee; Patty Limerick's leadership presentation, and the State Building Code Committee. Mr. Hier also made a presentation to the Ambassadors and updated the Council on Peace House plans to expand. Liza Simpson relayed that the Art Advisory Board has selected the art work for the police facility and noted that WALC met. She commended the Human Resources Department on its great job of organizing the police chief recruitment. Roger Harlan also commented on Ms. Limerick's entertaining presentation which was well attended. He read a list of WALC's priorities and reported on School District business. Joe Kernan pointed out the dangerous situation on the runaway truck lane on Marsac Avenue because snow has not been removed. He suggested that staff work with UDOT or Talisker about assuming maintenance for the truck lane. He spoke about a trail connection to the Park and Ride Project and Jim Hier clarified that it is being considered as part of the design. There are right-of-way and environmental issues but the committee feels that pedestrian and bicycle access to the facility is important, acknowledging that the funding has not been identified.

2. Golf Plan for 2008. Craig Sanchez stated that an increase in fees in not contemplated this year and explained that the stakeholders committee reconvened to review budget, current capital projects and preliminary discussions on a renovation project. The course is an enterprise fund, solely supported by user fees and he pointed out that the numbers in his staff report represent the fiscal year beginning July 1 and are not seasonal. He stated that revenues improved from last year at 12.8% and expenses were 11.6% under budget compared to a slight increase over last year at .07%. Rounds for the fiscal year were up, with the exception of season pass play because of the length of the playing season to November. Tracking no-shows and grandfathering season passes have also helped revenues. He relayed that other state and county courses intend on raising fees this season.

Clint Dayley noted that the mounds from the drainage project will be landscaped and the #18 tee box project will be constructed this year. Directional signs are contemplated, the restrooms will be remodeled and RAP Tax funds are being pursued. In response to a question from the Mayor, Mr. Dayley relayed that the mounds were tested and the soils are clean. He emphasized that the 45 year old course has not experienced a major overhaul and there are long-term economic benefits of providing a quality facility. The renovation will result in positive environmental benefits because of a new irrigation system, stream and water improvements to prevent erosion, and energy savings with new technology. Supporting a world-class, multi-seasonal resort is one of the City Council's priorities.

Mr. Hier expressed the importance of maintaining the quality of our golf facility and to further delay improvements would be fiscally irresponsible. Mr. Sanchez explained that the plan is to close nine holes so the work can be comprehensively performed, turning the course into a nine-hole course for a couple of years. Mr. Hier believed it would more disruptive to piecemeal an upgrade by working on a couple of holes a season. Candace Erickson felt that the restrooms should be addressed whether or not grant monies are secured. Joe Kernan pointed out that the golf facility was highly rated in the recreation survey and the scope of improvements was discussed. Craig Sanchez explained the $2.6 million place holder in the capital projects plan and the projected $1.2 million in foregone revenue because of the anticipated decrease in play during the renovation. Roger Harlan asked about the negative impacts of providing only nine holes of play and Mr. Sanchez felt that the long term aesthetic, economic and environmental benefits should outweigh the temporary inconvenience. The goal is to become a *greener* golf course. Dana Williams supported staff recommendations and is pleased with the direction. Craig Sanchez noted that in consideration of disruptions with the recent hotel construction, the committee is recommending a time frame of about three to five years before beginning the renovation but other projects, like the restrooms, will be addressed this year.

Prepared by Janet M. Scott, City Recorder

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
MARCH 27, 2008

I ROLL CALL

Mayor Dana Williams called the regular meeting of the City Council to order at approximately 6 p.m. at the Marsac Municipal Building on Thursday, March 27, 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; Phyllis Robinson, Public Affairs Manager; Matt Twombly, Project Manager; Gary Hill, Budget Manager; and Max Paap, Special Events Manager.

II COMMUNICATIONS AND DISCLOSURES FROM COUNCIL AND STAFF

Joe Kernan disclosed that Talisker Corp is among his recycling customers. He also welcomed Diane Foster on the City's sustainability team. Roger Harlan stated that his daughter participated as a vendor during the 2007 Park Silly Sunday Market season.

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

1. Park City Golf Course – Resident Ruth Gezelius stated that the community is very lucky to have a municipal golf course located on the entry corridor of the City. Without this visual open space and other adjacent open space parcels, the entrance would not be nearly as attractive. Upgrades to the course is money well spent.

2. Stanton Subdivision – Alan Schueler, 9 Prospect Avenue, stated that the Planning Department has bungled this project (9 Hillside Avenue) and others that he has been associated with. As an adjacent property owner he was *sucked into* the process five years ago and in May 2005, an application for a remodel with additions at 9 Hillside Avenue was approved but appealed by residents in the neighborhood, including him, Paula McGee and Peter Marth. There are many issues, but their main concern is meeting the condition to restore the existing barn structure. All efforts to appeal this through the Historic Preservation Board were worthless and the Historic District Guidelines were dismissed. Issues relating to compliance with the Land Management Code, General Plan, Sensitive Lands Ordinance, and HR-1 zoning were ignored by the HPB and never addressed be anyone again. The proposed remodel was approved in July or August with the condition that the house and barn be restored. He understood that the house and barn were to be elevated to accommodate installing a foundation, the overall height of the buildings would not change, and the rock wall be left in tact. However these conditions were not part of the HPB's approval and the neighborhood feels it has been lied to. Those buildings have been demolished, removed by a backhoe, and thrown into a dumpster and only the end walls were saved. He emphasized that the foundation walls have not been preserved, the height of the barn is higher and he doesn't understand why staff has to fight the neighborhood every step of

the way in the process. He alleged that Planner Kirsten Whetstone ignored all input from citizens and favored the applicants who are from out of town. She was willing to permanently destroy the character of their neighborhood, take away their views, and waste five years of their lives dragging them through a fruitless process. No rule of law was ever followed. It is insulting to him to pay the staff member's salary. Mayor Williams asked Mr. Schueler to summarize as his remarks are getting too personal. Alan Schueler asked why the building permit was not revoked when the building was demolished as it is not consistent with the conditions of approval. He complained about the number of stop work orders he received in renovating his house for things like putting in a fence post, moving a piece of siding, placing rocks too close to the street, and replacing his front door. He stated that they met with HPB Chairman David White. The building should come down to a proper height and he really has a problem with staff favoring a guy from Tampa over locals. Mr. Schueler stated that he understands that an affordable housing project on Marsac Avenue may be coming on board next. They were encouraged to meet with Talisker who also prefers building housing at Quinns Junction rather than Marsac. He asked that property owners have the ability to meet with their elected officials and Talisker over this issue. If he is going to be lied to and told that his opinions or the codes don't matter, and it's going to be built anyway, he would rather hear it from Council members. Mayor Williams requested a report on this project.

Paula McGee, adjacent property owner, stated that they cited the Historic District Guidelines and LMC (at meetings) but were *shot down* time after time. She complained about exceeding the height of the historic barn which doesn't exist anymore and the fact that they are being told by staff that the new structure is not higher when it clearly is four or five feet higher. When she asked why they were not re-noticed when the property changed ownership last year, she was told by Kirsten Whetstone that the plans had not changed. She does not believe that is true because the approved plans for the shed roof height is lower or the same height as the house. She felt this whole situation is ironic as Alan Schueler has done a wonderful historic renovation on his residence but seems to get his hands slapped a lot more than other property owners.

Denise Kent, 9 Prospect Avenue, stated that there is a disconnect with the plans on file and reality. She distributed overlay photographs of the shed and the new structure to illustrate the difference in height which is not acknowledged by the planning staff. Her photos clearly show that the old and the new heights are not the same. This shows an incredible lack of understanding or perhaps a lack of math.

Peter Marth, 27 Hillside Avenue, stated that he is extremely disappointed in staff and the City in particular for letting this asset be thrown into a dumpster. He asked about the lack of oversight and stated that they went through a public process where everything was given to the applicant. They had to *fight like hell* to get what's there and within two months after Council directed staff to preserve rock walls, the applicant wanted to put a 30 foot hole in the wall for access to the garage which changes the entrance to the house which is not allowed. The project has been a complete failure because of staff and Council manages staff. He emphasized that this incredible structure is gone because there was no oversight. Why should residents do the right thing if Council can't? This should never happen again; these are important assets to the town. Residents don't seem to matter and it's terrible.

Peter Roberts, 14 Prospect Avenue, agreed with previous comments. He reminded Council members that they are elected by and work for the people of Park City. Staff works for the Council and what get's lost is that staff has its own agenda which is *spoon fed* to the Council. He encouraged Council to grab the reins of government and manage staff. The demolition of the shed is a loss to the City which is too bad.

Peter Marth alleged that the real estate agent represented and sold the property as a vacant lot even through two historic structures sat on it. The real estate community should be part of the solution.

Jim Hier expressed his support of an analysis of the events and recalled the discussion at the Planning Commission level four or five years ago. He stated that although he is glad the neighborhood has approached Council it would have been much better sooner when there was an opportunity to save the structure. Discussion ensued between Mr. Hier and members of the audience. Candace Erickson explained how difficult it is for the Council to know what's going on in all parts of Old Town as things can change very rapidly. She encouraged the neighborhood to communicate with Council members. Peter Marth felt there should be a dedicated enforcement officer to monitor projects.

IV WORK SESSION NOTES AND MINUTES OF MEETING OF MARCH 6, 2008 AND MARCH 13, 2008

Roger Harlan, "<u>I move approval of the work session notes and the minutes of the meetings of March 6 and March 13, 2008</u>". Joe Kernan seconded. <u>Motion unanimously carried</u>.

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

1. <u>Consideration of approval of a construction contract to BMCI, in a form approved by the City Attorney, in the amount of $49,999 for the Recreation Building and City Park Court lighting project</u> – Mayor Williams noted his discussions with the sustainability staff on concerns he had with the project. He encouraged members to consider amending the City's green policy because as written because only buildings are subject to

efficiency guidelines. Matt Twombly explained that the project dates back to 2006 and was identified as a high priority because of safety reasons. It is contemplated to program the volleyball court for tournament play beyond daylight hours and the lights will be programmed to turn off at 10 p.m. The lighting plan was designed by the contractor for the Recreation Building. Staff solicited bids and the lowest responsible bid is BMCI at $49,999. Recognizing Council's commitment to sustainability, Mr. Twombly stated that staff will work with the contractor to ensure that the design is as efficient as possible. Roger Harlan pointed out that timers are not fail-safe and in some instances, citizens have had to call to report the problem. Matt Twombly explained that the ball field lights are manually operated while these lights will be on a timer to comply with the 10 p.m. cut-off time. The Mayor invited public input.

Carey Gross, Little Bessie Avenue, asked when the lights at the Junction are turned off and Mayor clarified that this discussion deals with City Park. She then asked about time restrictions for both locations because of light pollution. Mr. Twombly explained that the softball field lights are manually turned off and as a basic rule; lighting is turned off by 10 p.m. The Mayor interjected that it is unlikely that a game would be stopped at 10 p.m. Matt Twombly explained that the policy identifies 11 p.m. as the cut-off time, and events are scheduled in City Park to end by 10 p.m. Ms. Gross asked what set timeframe contributes to light pollution, and Ms. Erickson explained that the City has an ordinance and the duration is not as impactful as the amount of light and the fixtures used.

Jim Hier, "I move that we authorize the City Manager to execute a construction contract, in a form approved by the City Attorney Office, with BCMI Electric Inc in the amount of roughly $50,000". Roger Harlan seconded. Motion unanimously carried.

2. Consideration of consent to the Historical Society to apply for a Historic District Grant for structural improvements to 528 Main Street, Park City, Utah – Jonathan Weidenhamer explained that the Historical Society requests permission to pursue a Historic District grant to fund a project to stabilize the footings and foundations. The cost is estimated at about $44,000 and the Historical Society will apply for half of that amount. The City, as the property owner, must provide consent so it is eligible to be reviewed by the Historic Preservation Board. He added that to staff's knowledge, there is no other City project that has applied or been awarded a grant, but based on the level of support provided in the past to the Historical Society, consent is recommended in order for the application to move forward.

Jim Hier felt that even though this is a City building, the Historical Society is funding the renovation, and it is appropriate for the Council to allow the grant application to proceed. Joe Kernan expressed concerns that approving the award may deplete the grant fund and Budget Manager Gary Hill interjected that he is pretty certain that the Historic

District Grant Fund is appropriated on an on-going basis. Mark Harrington explained that analyzing the fund balance and the merits of all requests is a function of the HPB and if the request is denied, Council may want to determine if assigning additional resources is needed. Jim Hier, "I move we authorize the Park City Historical Society to proceed with the grant application and modify that just a tad before that grant is finalized, so we have the opportunity to review their deliberations and findings on it prior to the authorization of the grant". Joe Kernan seconded. Candace Erickson stated that she has no issue with the request for consent because in her mind this is a private enterprise just like any other home owner. The whole thought behind the grant program is to help underwrite the high costs of renovation. The City and the Historical Society entered into a 99 year lease and the Historical Society has to maintain the building. She hopes that the HPB views the application as a request from the Historical Society and not from the City. The City Manager suggested that staff update Council on the status of the grant application in the event it is denied so there is an opportunity for members to call-up the decision. Jim Hier feels this direction is consistent with his prior motion. Motion unanimously carried.

3. Consideration of approval of a Purchase, Sale and Lease Agreement, in a form approved by the City Attorney, with Gordon Cummins for the acquisition of two acres located on SR248 in the amount of $500,000 – Tom Bakaly explained that the proposal includes a real estate contract for the purchase of two acres on SR248 and a lease of the property to the seller for two years at a rate of $24,000 per year. The two year lease-back element will offset the purchase price to $452,000. It is recommended that the purchase is funded through the CIP until a final determination is made so allowed uses are flexible. The Mayor invited public input.

Adam Worshire asked why the City is leasing the land rather than buying it outright. Tom Bakaly reiterated that the City is purchasing the property but leasing it back to the current owner for a two year period.

Candace Erickson, "I move we approve the purchase of two acres of land from Gordon Cummins as stated in the staff report". Roger Harlan seconded. Motion unanimously carried.

4. Consideration of request from Talisker Corp to provide up to eight affordable unit equivalents through acquisition of existing market units – Phyllis Robinson explained that the request from Talisker is to allow the fulfillment of eight affordable housing units through the acquisition of existing market rate product. The decision tonight is limited in scope to the purchase of existing units and next week, amendments to the housing phasing plan and financial guarantees will be considered by members. Option F of the housing phasing plan allows the developer to acquire and deed-restrict existing market units and places final approval on the Housing Authority which is the seated Council.

She added that Talisker requested the ability to purchase 22 condominiums in one building in Prospector Square that is equivalent to approximately eight affordable unit equivalents. Acquisition of these units would bring Talisker's AUE total to 15 which would fulfill the obligation for the initial 150 certificates of occupancy and would address the immediate deficiency. Ms. Robinson acknowledged that this proposal would not contribute to an increase in the overall number of affordable housing units, but staff supports this proposal for a few reasons. These units are for sale and within a nightly rental zone; they currently provide an affordable product but there is no guarantee this would continue. The housing obligation requires that the units be deed-restricted for a minimum term of 40 years with rent and price caps. The units range in size from 295 to 350 square feet and rent is proposed at approximately $433 per month.

She added that priority would be given to people living and working in Park City and specifically to employees generated in the Empire Pass development area. Further preference will given to those with combined household incomes of about $36,000; all other conditions are consistent with elements outlined in the housing resolutions currently in place. David Smith explained that the units have been inspected by the City as well as an independent contractor hired by Talisker to ensure that the housing complies with codes. The Mayor opened the public hearing.

Ruth Gezelius, Prospect Avenue resident, complimented Talisker for introducing this proposal to the City Council. The Prospector Square units are conveniently located near bus stops for service to the grocery store and the ski resorts, which are the town's major employers. Because of the rental rates and size of the units, tenants don't have to get roommates and there is adequate storage on site.

Bob Berube, 2015 Prospector Avenue, stated that he is in constant contact with the Building Department regarding over-occupancy issues in his building. There is no storage space and he alleged that there are many issues with the Deer Valley employee housing in an adjacent building which now has a live-in monitor. He suggested that a Talisker employee live on site to control the behavior of the occupants.

Bill Hummer, 32 Prospect Avenue, explained that over the past two months the neighborhood has been meeting with Talisker to look at alternative solutions for employee housing other than Marsac Avenue. They are very encouraged by this effort and view this as reducing potential density at the Prospect Avenue/Marsac Avenue area which is very much appreciated.

John Sands, manager of Prospector HOA, agreed with Mr. Berube's comments with regard to monitoring occupancy and following the rules of the HOA, but encouraged the purchase of the units.

With no further comments, the public hearing was closed.

Candace Erickson believed the proposal is an easy buy-out for Talisker and obligations should have been met earlier. She expressed concerns about solving Talisker's problems by displacing current workers renting these units. This is not the answer. Talisker was asked to provide new housing for their employees, acknowledging that acquiring existing units is an option. Jim Hier stated that Talisker will honor existing leases and current tenants will be given preference for renewing leases. David Smith, counsel for Talisker, explained that there are several tenants who have lived there a significant amount of time and Talisker will honor the leases. Ms. Erickson clarified her position that Talisker is not creating new space for the many employees who will be hired to service associated development and she felt that new units should be constructed in future phases.

Liza Simpson suggested that the priorities probably need to be amended to identify a preference to existing tenants in the Prospector Square Condominium units and then to Talisker employees. Mr. Hier added a caveat that existing tenants will need to qualify for residency and Roger Harlan pointed out that some tenants may experience a drop in rent. He asked for assurances that the units will be adequately managed as conditioned and that the City will not assume that responsibility. Phyllis Robinson clarified that the existing deed restrictions for other projects requires an annual certification by the developer to the City with regard to compliance with deed restrictions. There can be a rental element included and she pointed out that income is not an absolute but a preference to qualify tenants. Staff can work with the applicant to create a set of documents to respond to the City but Ms. Robinson emphasized that she would like to keep the responsibility clearly on Talisker to provide verification information.

Joe Kernan stated that he appreciates Ms. Erickson's comments about creating new affordable housing, but pointed out that the affordable housing plan provides acquisition of units as an option which he supports. He asked if a tenant would be asked to leave for exceeding the income level and Ms. Robinson explained that salary is an initial qualifier with the hope that as someone makes more income, he or she will look for other housing opportunities. Mr. Kernan emphasized that any upgrade may come at a significantly higher cost. There was discussion about the standards outlined in the 1999 housing resolution which were designed to meet complex federal regulations. Jim Hier advised that any deviations to the housing plan would require amending the Flagstaff Development Agreement. He felt the developer is aware that this request is an anomaly and the odds of approving a similar proposal are slim. He suggested dedicating joint work session time with the Planning Commission on existing affordable housing policy, how it is administered and rules and regulations outlined in the ordinance. In response to a question from Joe Kernan, Mark Harrington advised that the phasing plan contains a list of options and next week's review will address requirements for on-site housing. With regard to Option F, acquisition of market units, members may want to add language to clarify when this may or may not be acceptable to the City Council acting as the Housing Authority.

Mayor Williams stated that he understands Ms. Erickson's concerns, but pointed out that many units are being purchased and removed from affordable rental stock; simply capping rental rates is an overall improvement to the employee housing problem. He is appreciative that Talikser has acted on this initiative because in the long run, it provides more affordable housing and accomplishes goals for everyone. Liza Simpson expressed that she believes the developer understands that the possibility of this option being favorably considered again is very slim and asked for clarification on square footage and the actual affordable unit equivalent total. David Smith stated that he will have final figures from the appraiser tomorrow. There was discussion about having specific numbers but Mr. Hier felt the purpose of this session is whether the acquisition option is acceptable to the Council.

Joe Kernan, "I move we approve the request from Talisker to provide these purchased units to meet some of their requirements for affordable housing". Jim Hier seconded. Roger Harlan felt the number of units should be identified in the motion and the Mayor asked that Mr. Kernan be more specific. Joe Kernan, "<u>I move we approve the request from Talisker as written in the staff report</u>". Jim Hier seconded. <u>Motion carried</u>.

Candace Erickson	Nay
Roger Harlan	Aye
Jim Hier	Aye
Joe Kernan	Aye
Liza Simpson	Aye

VI OLD BUSINESS *(Continued from a previous meeting)*

<u>Consideration of approval of the third amendment to the Park Silly Sunday Market Master Festival License</u> – Max Paap explained that this is a request to amend the Master Festival License for the Park Silly Sunday Market, as conditioned, to be held on Main Street between Heber Avenue and 9th Street on successive Sundays in June, July, August and September 2008. On February 3, 2008, the City Council reviewed and continued action on the proposed third amendment and asked that the applicants further address and provide details on an operation plan (transit and parking), the reopening of the street from 9 p.m. to 8 p.m., and the level of public safety presence required within the expanded venue. The Police Department recommends staffing the venue with officers at all times because of the size of the crowd, presence of a beer garden, amplified music, and a substantial road closure. Mr. Paap continued that the

applicants and staff worked on an operation and logistics plan to load in and out the venue in a more efficient manner. PSSM worked on a sign plan to attract visitors to the south end of Main Street. The parking plan involves prohibiting parking on a portion of Park Avenue between 9th Street and Heber Avenue and creating more space for buses. Some of the parking north of 9th Street will be dedicated to vendor parking which will allow easier load in and out for the participants and will also direct market patrons further up the street. Mr. Paap stated that a transit plan was also explored. The Main Street trolley will travel in a counterclockwise pattern and passengers will be carried up the street. PSSM is still requesting hours of operation between 10 a.m. to 5 p.m. and clearing the street by 7 p.m. Alternatively, the City Manager recommends that the hours of operation be set from 10 a.m. to 4 p.m. and to reopen the street by 6 p.m. Staff feels that a two hour load-out can be accomplished by implementing the vendor parking plan and having more control of 9th Street will expedite dismantling the event. Mr. Paap emphasized that maintaining a two hour load-out will reduce staff time and return traffic flow and normal bus operations sooner. The applicants are requesting a waiver of police and building fees which are typically addressed in long term city services agreements not MFLs, but the City Manager has offered to waive half of the amount of fee waivers which is within his purview.

Jewels Harrison, applicant, stated that she would like to clarify what PSSM is bringing to the table, and the Mayor cautioned her and the audience to address only the items before Council. Ms. Harrison continued that the community elements of PSSM include sustainability featuring non-profit groups, free kid's activities and free entertainment. The vision is to grow and expand the experience of the inclusive quality of community and to create world-wide recognition of Park City, Utah as the place where local, national, and international causes are brought to light with the spirit of celebration and connectivity. Many of their goals are consistent with Council goals.]

She relayed that 41% of the time, it took them three hours or longer to clear the street and 60% of the time, it took two hours and forty five minutes or longer. This year, about 10,000 lbs of weight has to be secured; in addition 19 directional a-frame signs outside of the venue, 23 directional a-frame signs within the venue, nine large entrance signs, four weighted donation boxes, 40 tables, 120 chairs and benches, 26 canopies, six zero weigh stations and stage equipment all need to be installed. Sorting and removing around 8,000 lbs of all recycling and compost materials occur each week. Ms. Harrison believed that preparing for more guests, helping drive foot traffic up Main Street, and operating a larger venue this season will require three and a half to four hours to reopen the street. But perhaps with a well trained staff, they could have Main Street open in two hours and the entire street clean and ready for traffic in three hours. Ms. Harrison stated that they have not received any concerns from lower Main Street merchants or the HMBA on the amount of the time the street will be closed and there is access to parking that leads directly to Main Street businesses and restaurants. Max Paap stated that he attended the HMBA meeting where there was consensus to endorse the hours of 10 a.m. to 4 p.m.

Applicant Kimberly Kuehn relayed that they are working with the HMBA to collaborate with Main Street businesses to make the event a street festival. She believes that closing at 3 p.m. or 4 p.m., eliminates a segment of potential patrons; 3 p.m. is the highest attendance hour. Gaining two additional hours may attract more people to Main Street restaurants and retail stores. The total sales on Main Street in 2007 were 10% higher compared to 2006; total sales tax on Main Street in 2007 was up 16% from 2006; restaurant sales tax up 2% in 2007 compared to 2006; and lodging sales were up 1%. She spoke about solutions like cooperative advertising with merchants and incentives for lodging and dining. Ms Kuehn felt confident about a good working relationship with the HMBA. The Mayor opened the public hearing.

Jeff Ward, HMBA, stated that he agreed with some of Ms. Kuehn's comments and there is strong support of the PSSM on the street. However, he acknowledged member concerns about competition and displacement of business and as a Board, trying to find a workable solution. The original decision to keep the hours the same was revisited by the Board on Tuesday. They liked the idea of working more closely with PSSM but felt that the event should grow incrementally. The HMBA Board amended its position to advance the hours of 10 a.m. to 4 p.m.

Billy Williams, one of the owners of Butchers Chop House, stated that the impacts of PSSM have been very positive for their restaurant. Sunday business increased almost 20% on market Sundays and he felt that it is important to extend the hours if the greatest number of people are arriving at the 3 p.m. hour. This event helps them tremendously; it increases the tax base and gives people something to do in Park City on Sundays.

Sandy Geildorf, HMBA Executive Director, felt that everyone agrees that PSSM is good for Main Street from a community, cultural and social standpoint. It brings a lot of energy to the street on Sundays which was missing. The HMBA has a responsibility to listen to its membership and to explore concerns. Last year, there was no empirical method to measure the economic impact of the market and she assured all businesses that the HMBA will work with the City and the Chamber so that good information is produced and can be analyzed. The HMBA will program the street for sidewalk sales and outdoor music to benefit upper Main Street businesses.

Lisa Christoffersen, co-owner of Christof's, stated that the operation of the PSSM was very positive for their restaurant and business increased 85% on those Sundays. She believes that most visitors walk all of Main Street and doesn't understand how the market could negatively affect upper Main Street that dramatically. She is glad the market is here.

Doug Hollanger, Park City Clothing, stated that his store on upper Main Street has been in business for 15 years and he has never had a problem with his Sunday business in the past. He believes PSSM has been good for lower Main Street but last summer was his worst season ever and if this is repeated, he will have to close on Sundays. PSSM patrons did not walk upper Main Street.

Emerson of Zona Rosa, 501 Main Street, stated that the PSSM increased the restaurant's sales on Sundays. The busiest time of day was from 3 p.m. onward and the extended hours will be better for the dinner crowd.

Rayette Belcher, Southwest Indian Traders, stated that there was a slight decrease in her business on Sundays last year. She does not want PSSM to turn into another Art Festival and suggested that vendors be split up so some can set up in the Brewpub lot if this is going to be an on-going event. She expressed her opposition to changing the hours.

Jill Christoffersen, co-owner of Christof's, emphasized that there are many events held on upper Main Street, like the Car Show and Arts Festival which do not benefit lower Main Street businesses. PSSM began on and was embraced by lower Main Street and should not be moved. A beer garden was set up in front of their restaurant which seems like it would be in direct competition with Christof's but it was actually good for their business.

Adam Worshire, 745 Quaking Aspen Court, stated that he enjoyed the PSSM which brought him to Main Street. He suggested marketing upper Main Street in the market area to unify business owners.

Beth Moon expressed her support of PSSM and felt that the level of marketing and advertising is significantly more than any other business owner does and commended the work they have done.

Anita Wolf, PSSM volunteer and Snyderville Basin resident, explained that she surveyed many visitors and residents who never ventured from the Basin into town on Sundays but were doing so in droves last summer to attend the PSSM. She felt that the market would be a bigger attraction if the hours are extended, and the HMBA has a tremendous opportunity to harness this energy with collaborative and innovative marketing programs.

Mike Sweeney, stated there are about 400 underground parking spaces in his structure and approximately 30 parking spaces on lower Main Street that are available. There is no real reason why merchants on lower Main Street would be worried about the duration of the street closure and he felt it would be reasonable not to force a three hour restriction. He disclosed that he joined the PSSM Board in January and he believes that attracting more people to Main Street for a longer period of time are good things for the entire street and Park City.

Bruce Larrabee, mid-Main Street purveyor of art, stated he could view many of the PSSM vendors as direct competition with his craft but he doesn't have that opinion. His sales from 2006 to 2007 were up 40% but he believed the PSSM had no effect on his retail business. A two hour time limit to dismantle the street seems unrealistic and he felt more time should be allowed.

Carey Gross, first time 2008 PSSM vendor, felt that extended hours will better accommodate family outings, especially the dinner hour and supported the 10 a.m. to 5 p.m. request.

Julie Doer-Aaronson, PSSM applicant, felt that the event will improve as years go by and if the hours are extended to 5 p.m. there will be a natural flow from the market to the rest of the street. It can work for the entire street as long as there is constant communication to create unity which is absolutely possible.

Alex Gross, felt that one of the most important things in business is differentiation and right now Main Street competes with Redstone, the Outlet Stores, and the Quarry. PSSM creates competition on Main Street which is not a bad thing because it makes businesses become more innovative. If businesses owners can not tap into this opportunity, maybe they're not innovative enough.

With no further comments, the public hearing was closed.

Candace Erickson believed that the PSSM accomplished what it set out to do by bringing more people to Main Street who probably would not be there for any other reason. However, she felt that patrons did not travel to upper Main Street. She referred to Ms. Kuehn's earlier testimony and acknowledged that *average* sales grew on Main Street. Reported increases of 31% with other businesses on Main Street reporting losses indicate that a significant number of sales occurred in the PSSM event area. That means that businesses on upper Main Street who are paying high rents are not making money on Sundays. Ms. Erickson expressed concern about this but was thrilled that the HMBA is working with PSSM on marketing the whole street. She agreed with the HMBA that changing the hours should be incremental and supports the 10 a.m. to 4 p.m. recommendation, the Park Avenue parking plan, but not providing free parking in the Brewpub lot or waiving all fees. Joe Kernan stated that the 10 a.m. to 5 p.m. operation makes sense and agreed with Jill Christoffersen's comments about many events and parking being located on upper Main Street. The Museum and Egyptian Theater are also on upper Main Street and it is not appropriate for the Council to control the festival in an effort to make it equitable. The focus should be making it as successful as possible. He did not agree with providing free parking at the Brewpub but could support the transit plan, fee waivers, and a three hour load-out. Ms. Erickson interjected that if it takes three hours to clear out the street, she doesn't have a problem with it if the merchants on lower Main Street are not concerned. Roger Harlan relayed his appreciation of the energy demonstrated by the applicants and he did not feel it is their burden to be responsible for upper Main Street, even though they have volunteered to do so. He supports the 10 a.m. to 4 p.m. duration and did not agree with providing free parking at the Brewpub or the fee waivers. He discussed and encouraged the use of the trolley. The expansion of the market area is also fine and three hours is okay to clear the street.

Liza Simpson stated that the reason she continued this at the last meeting was to encourage PSSM and the HMBA to work cooperatively together and expressed her appreciation of these efforts. She supports the 10 a.m. to 4 p.m. time with a three hour load-out. She is thrilled with the transit plan and happy with the expansion to 9th Street, but not supportive of free parking in the Brewpub lot or fee waivers. Jim Hier endorsed the 10 a.m. to 4 p.m. time, but no free parking at the Brewpub lot. It was clarified that the City Manager will waive 50% of the fees and Mr. Hier continued that he can not support waiving the remainder of the fees. He discussed the plan to restrict parking on the west side of Park Avenue and suggested limiting parking on the east side of the street for the load-in and load-out activities. The sign plan should be effective but further restricting parking on the east side will force patrons up the street and may alleviate traffic congestion. Max Paap assured members that staff will continue to explore vendor parking.

Mayor Williams summarized majority consensus to be no free parking at the Brewpub lot, no further fee waivers and amending operating hours from 10 a.m. to 4 p.m. with a three hour load-out, although he personally felt that this could be accomplished in less time. Additionally, members support a revised parking plan.

Jewels Harrison addressed the closing time and relayed that they found that the crowd dispersed at 3 p.m. and part of the solution is the trolley traveling up the street and better marketing of Main Street. Ms. Erickson stated again that incremental change is a better strategy. Ms. Harrison explained opportunities for using the market as outreach to the community, including a forum for the City Council. Roger Harlan, "<u>I move approval of the third amendment to the Park Silly Sunday Market Master Festival</u>

License with the alterations that the Council has outlined this evening". Candace Erickson seconded. Motion carried unanimously.

VII ADDITIONAL DISCUSSION – AGENDA ITEMS

VIII 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 4:30 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; and Mark Harrington, City Attorney. Roger Harlan, "I move to close the meeting to discuss litigation and property". Jim Hier seconded. Motion carried unanimously. The meeting opened at approximately 5:30 p.m. Roger Harlan, "I move to open the meeting". Joe Kernan 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