PARK CITY COUNCIL WORK SESSION MINUTES
SUMMIT COUNTY, UTAH
MARCH 7, 2013

Present: **Mayor Dana Williams; Council members Andy Beerman; Alex Butwinski; Cindy Matsumoto; Dick Peek; and Liza Simpson**

Diane Foster, Interim City Manager; Bret Howser, Special Projects Manager; Heinrich Deters, Trails and Open Space Manager; Jon Weidenhamer, Economic Development Manager; and Matt Cassel, City Engineer

Sandra Morrison, Noah Levine and Ben Masamino, Park City Historical Society; Steve Rush, Kevin Keystone and Debby Mounteer, Rocky Mountain Power

1. Council questions/comments. Liza Simpson reported on the breakfast meeting with the School Board and County on Monday. She also attended the Fire Board and Lodging Association meetings; the Lodging Association is interested in more information on the nightly rental software the City is exploring. Cindy Matsumoto attended one of the Library visioning community input sessions and thanked staff for organizing both meetings. Alex Butwinski spoke about a luncheon where Bob Wheaton complimented the City about keeping Deer Valley Resort well informed on projects of interest. He attended a few legislative events and the quarterly breakfast meeting. Andy Beerman joined Mr. Butwinski for the ULCT lunch this week and attended the community input meeting about the Library which was well-attended. Mr. Beerman added that Mr. Wheaton also talked about the potential of a gondola in Old Town, the inter-connect of the resorts and the future of Park City. Ms. Simpson noted that the Soils Commission is continuing its work. The Recreation Advisory Board met and divvied up visioning tasks into subcommittees, including an emergency alert program for parks. Mayor Williams spoke about his trip to Oregon last week.

2. Legislative update. Diane Foster reported that because this year's session is going so well, there won't be ULCT meetings next week. As of yesterday at noon, the City was watching four bills and the billboard bills are going to Interim Session for discussion. A trails bill with imminent domain only affects second and first class cities. Ms. Foster addressed SB66, Referendum Bill, and expressed the City's opposition to HB88 which would allow landowners to opt out of a zoning map. Bret Howser stated that SB167 has passed the House and allows for master liquor licensing and frees up more licenses. HB228, removal of the Zion's curtain, has passed the House but may be held up in the Senate. HB136 increases the minimum mark-up on liquor sales by the DABC and at this point, may be dead. He reported that HB218 allows restaurant patrons to order a drink if they indicate *intent* to purchase food and this bill has passed the House. HB271 relates to alcohol revenue transferred to education which failed in the House but returned to the House calendar with amendments. Diane Foster interjected that the Valentine bill proposes that patrons purchasing a drink in a hotel, for instance, can openly carry the drink within the confines of the establishment. Discussion ensued on teachers with guns in classrooms.

3. Walkability update. Heinrich Deters explained that staff is returning to discuss walkability funding and project updates. Staff addressed Council about six months ago regarding a possible second bond issuance. At that time, several members wanted more information on the project list associated with the $4 million allocated in the *Dans to Jans Project*. He asked Council about its commitment to continue to fund walkability projects and all members were supportive. He relayed that in FY2009, Council adopted a project list which identified $13.1 million and he asked if members want to fund up to this amount or fund up to the $15 million remaining, which is staff's recommendation. He pointed out that Option 2 is a $5.3 million bond issuance which would cover the adopted project list from FY2009. Option 3 is $5.3 million plus $1.8 million that is unallocated, taking the bond issuance to $7.1 million. In response to comments from Alex Butwinski, Mr. Deters clarified that the pathways are estimated at $400,000 but there are right-of-way, design and construction costs in the pedestrian tunnels.

He continued to explain that Option 2 would cover expenses already approved in the FY2009 project list. He noted that the City has expended all of the funds from the first bond and has encumbered $420,000 in additional costs and at a minimum, staff is asking to cover these costs. Staff is also recommending that $7.1 million be utilized on five projects, but $6 million be allocated to the Dans to Jans Project based on the SR224 corridor study cost estimates. The other option discussed by Council members six months ago was just allocating the $4 million for Dans to Jans and to support some of the WALC projects that weren't funded. Unfunded projects include the Marsac sidewalk and the pathway by Richardson's Flats.

Mr. Deters asked how much to bond for and for what projects. The Mayor understood that this would be the last issuance of bond proceeds but there could be a lot remaining in the $2 million contingency. Mr. Deters explained that the SR224 study evolved from original Council direction to obtain more accurate cost estimates. The corridor study involves traffic, transit and walkability resulting in shared costs.

Alex Butwinski asked if the bond can be crafted to restrict proceeds for WALC projects and for clarity on time frames. Mr. Deters explained that the difficult project is going to be the Jans/Cole Sport underpass which will require a year to plan, design and construct but he felt it can be accomplished within the next three years. Mr. Butwinski feared bonding for the money, delaying the projects, and spending the proceeds on other projects. Nate Rockwood explained that the bonds will be written specifically for walkability and cannot be used for anything else. They will be used within a three year time frame because the City would not want to bond for something further out than three years.

Liza Simpson relayed that the SBWRD has a lot of infrastructure under the intersection and Mr. Deters indicated that staff has already met with the District and the study was shared. She felt it makes sense to bond for the full amount given that another tunnel is proposed. Andy Beerman stated that he is comfortable bonding for the full amount. He asked if Council's decision to wait at the last work session was a good decision. Nate Rockwood responded that the market stayed pretty stable but is starting to pick up now but waiting the last six months has not hurt the City. The City refunded some water bonds and structured them so the City will qualify for bank qualified bonds which represents big savings. Staff will return with a reimbursement resolution on the additional resort cities sales tax monies and he recommended leveraging that for six months and then bonding.

Cindy Matsumoto asked about the three year time line and Nate Rockwood explained that using funds after three years may result in penalty payments. He felt confident that it will be spent. She asked about construction impacts and Mr. Deters clarified that the goal is to work with adjacent property owners and to keep construction off of the roadway for the pathway project along Park Avenue. In some areas, the Park Avenue Condominium residents are concerned about preserving privacy but the goal is to separate the entire path. The old pathway will be removed.

Mayor Williams expressed concern about moving ahead with the bonds and not having easements in place. Jon Weidenhamer emphasized the intent to move ahead as soon as possible. Mr. Deters spoke about working with the Park Avenue Condominium owners from the onset. All members were supportive of bonding for the full amount.

4. COSAC special projects. Heinrich Deters explained that COSAC's role is to provide recommendations to Council for acquisition of open space. In the past, Council has asked that conservation easements and deed restrictions be reviewed by this board and management, regulation, and wildlife corridors are all issues related to open space. Andy Beerman felt that COSAC's diverse membership may be able to tackle some of these issues and might be better qualified than Council members. Alex Butwinski commented on board members becoming very invested in their recommendations and it may not be a good idea to expand COSAC's role. Liza Simpson agreed that board members can become passionate about their recommendations but suggested that COSAC members share their thoughts on ancillary issues. It is a great group and she is open to them having discussions on other issues identified in the staff report except funding priorities, and open space stewardship versus property acquisition. Mr. Deters pointed out that the board has questions about monitoring being covered with acquisition costs. Diane Foster interjected that the group understands that there is about $15 million available for open space over the next several years.

Mayor Williams felt a joint meeting with COSAC would be helpful, but pointed out that the City has never purchased land that hunting was allowed on or land with deed restrictions. Andy Beerman felt that this originated with the discussion on Risner Ridge and having COSAC take a closer look; this is what staff is following up on. Mr. Butwinski suggested that COSAC discuss these issues but not return with firm recommendations but rather the pros and cons of an issue. Dick Peek viewed COSAC as an advisory committee to help Council flush out real estate transactions. Extended review should be articulated to bring to a study session. Heinrich Deters pointed out that RAB no longer deals with open space and trails so no advisory committee for open space exists to flush ideas and invite public input. Having an advisory committee meeting with groups and reviewing options helps the process by having educated, vetted advice. Mr. Beerman felt like these are fairly complex issues and advisory boards are created by Council for advice. The Council doesn't have to accept recommendations but there is an opportunity to dig deeper into these issues than Council is able to do. Members expressed support and Diane Foster clarified that the direction is for qualitative discussion rather than a firm recommendation. Alex Butwinski confirmed that is what he wants. Liza Simpson suggested that a joint meeting be held in a couple of months after COSAC has time to consider this among members.

5. Historical Society request to the City to provide archiving solutions. Diane Foster explained that Dick Peek, as liaison to the RDA, and Cindy Matsumoto as liaison to the Library Board gave direction to staff to explore this request. Staff is trying to understand the City's needs and after meeting with the Historical Society now understand that they are actually looking for archive space. She asked that Council narrow the scope of what staff is investigating because it will take resources to look at everything. At the end of March or early April, staff will be returning to Council with plans for the Library and she asked if members would be more comfortable making a final decision after receiving this information. She referred to the staff report and the feedback needed from Council.

In terms of the Historical Society's total need of 4,500 square feet, the Mayor emphasized that amount is not available at the Library. Sandra Morrison estimated it is half a floor. Mayor Williams stated that the Library is not an option because there is not enough room unless the City bumps other community services. Jon Weidenhamer interjected that the Library staff has prioritized its needs and on March 28, staff will have more information about storage capacity. The City has its own archived files stored next to the Historical Society's storage at the Library and it is anticipated that everyone will have to move. Diane Foster pointed out a table in the packet which is an inventory of square footage and what is stored there. The Historical Society currently has 543 square feet and at a minimum, that would be their request to store the material on a long term basis. The preference is at the Library but the Historical Society is open to considering the Sprigg's Barn, a new building, etc. She stated that staff felt it important to bring Council a range of options and the dream is to put all of the square footage identified on Page 30 of the staff report together in one particular space. Ms. Foster again referred to the policy questions in the staff report because answering them will help drive the discussion.

Liza Simpson referred to Exhibit C identifying current square footage needs at 1,690 but the dream storage is three times that number. Dick Peek emphasized that it is not storage but archive space. Ms. Foster explained that the 4,500 square feet includes work stations, classrooms and a room for archive expansion. Alex Butwinski understood that there are 350 visits to the archives a year and Sandra Morrison clarified that those are unique trips to the history library at the Museum. Mr. Butwinski didn't feel that 350 trips are compelling and there should be some evaluation of how much money the City wants to spend on accessibility. He felt that 4,500 square feet is a huge request. Sandra Morrison emphasized that 4,500 square feet is part of their vision and pointed out that there is no professional development place in the West and there is the potential of bringing in experts and holding workshops on preservation.

Andy Beerman indicated that he likes the idea of combining resources for a Library history room and having the Museum run the program. Archiving materials, like newspapers, seem appropriate at the Library. He agrees that it will be difficult to accommodate all of the Museum's needs but there are opportunities that make sense. Cindy Matsumoto hoped the Library people in the audience are not worried about losing 4,500 square feet.

Sandra Morrison stated that the Historical Society is here because they don't have a solution and 4,500 square feet is their vision for the future. They are looking for a 10 to 20 year solution. Ms. Matsumoto relayed that the ideal would be to have it all in one area and another goal would be a place for access to archives. Ms. Morrison stated that they have been operating for 30 years with collections and archives in multiple locations but it is inefficient. The history library is only open Monday through Friday so there is no accessibility to the public on the weekends.

Cindy Matsumoto spoke about the community center concept and wants it to be vibrant and well used. If there is space in the Library for a history room she would like to see if the Museum and Library could work together on the archives because they share them now to a certain extent. Maybe there is a Park City history room that the Museum and the Library manage in another building. She wants the buildings used to their maximum. The Library will already have classrooms which could possibly be shared.

Library Board Chair Ben Masamino explained that he has learned that libraries and museums can really work together and one of the things they noticed was that the Library was going to have a history room. The Museum has a history room and archives at the Library. He asked why can't we combine those two resources and make them accessible to everyone. The 4,500 square feet is an ideal space but the Historical Society is not here to take 4,500 square feet from the Library because they realize that the space is precious and finite. He explained that they were asked by the City for their wish list. We will probably land somewhere in between and having the Library and Museum working together is the way to go. Diane Foster understood that the archives will not be freely accessible to the public and there needs to be a staff person there and Mr. Masamino agreed because they are delicate items. Ms. Foster stated that she just wanted to distinguish between the history room and a climate controlled protected section. He pointed out the request for freezer storage as well. This may look daunting to Council and it may appear that the Historical Society is asking for too much but when it comes down to it, we can all work and use this space together.

Liza Simpson believed that a robust history room is appropriate at the Library that people have access to and is far more comfortable putting the responsibility of archived material squarely on the Historical Society's shoulders. Part of her statement is based on space constraints but part of it is based on liability concerns and the Historical Society probably doesn't want staff in two locations. The priority for the Library is that it be a library and community center which lends itself to being *a little too messy* for a Museum. She felt that the needs of the Library and current tenants have to be flushed out before considering any other ancillary uses inside those walls. She personally doesn't feel that holistically it is a good fit because of the level of activity contemplated there which does not seem compatible with the culture of museum and archived objects that need to be protected.

She asked what the City's storage needs are and Jon Weidenhamer indicated that he believes it is about 600 cubic feet and it is not anticipated that it will grow significantly in the future. IT has formulated some options to reduce the need for space through about $85,000 worth of scanning, etc. Cindy Matsumoto interjected that there could be a partnership on the cold storage. Liza Simpson stated that she is not objecting to considering ways to assist the Historical Society in the future but she is very committed to the approach for the Library expansion. Meeting current and future Library needs is very important to her and the whole idea of the Sprigg's Barn is interesting.

Dick Peek pointed out the goal of keeping Park City, Park City. A way to do that is to maintain a good community feel of the present based on our history and having our history available to the public. He doesn't view this as a problem for the Library and some content is not available at the Library or on-line. The idea of creating a center for archive training is an intriguing economic development idea.

Ms. Simpson pointed out that public access to the archives over the weekend is really a staffing problem. Cindy Matsumoto expressed that she would like to see public facilities well utilized. Andy Beerman stated that he would like to see the history room stay at the Library which is important to the community. He would like to hear from the Library and Museum about improving the history room. Sandra Morrison explained the books in the history room at the Library are exactly the same as what is in the research library at the Park City Museum. Right now the difference is that the library is staffed for people actively researching topics. The history room at the Historical Society is self-service and they are hoping to digitalize a lot of materials.

Jon Weidenhamer spoke about returning to Council with the architect and some options. He is pretty confident that the we will not be able to provide the level of service described in the existing footprint to begin with and it is likely there will be a conversation about potential additions or expansions and associated costs. He is hearing from members about support for some common space which is going to be really tough within the existing footprint.

Diane Foster suggested returning to Council with a full discussion of the Library and then revisit this request. She felt that Mr. Weidenhamer is struggling with trying to integrate this request into the current design. Liza Simpson stated that if the City is struggling with accommodating the needs of the Library, the last thing she wants in the Library is any kind of storage that doesn't need to be at the Library. Storing the Friends of the Library books for the annual book sale makes sense to her, but storing departmental files and Museum material does not make sense. Jon Weidenhamer stated that the Records Officer is working on clearing the City files out of the space.

Dick Peek asked about closing the mezzanine to obtain more floor space and Jon Weidenhamer explained that there is no plan to create another floor but an addition is possible. Alex Butwinski felt that Museum operations should be staffed by Museum employees and he asked that the Legal Department explore liability concerns. Changing the outside of the building is not one of his choices. He encouraged the Historical Society to request something more appropriately sized to allow for some growth, calculate the square footage, determine where it would fit, and what the space is currently being used for.

6. Rocky Mountain Power expansion/relocation. Phyllis Robinson explained that this discussion began with Council in November 2012 and Council last discussed the expansion on January 24, 2013. At that time, staff presented to City Council the option of lowering the height of the substation by configuring it horizontally by taking 30 feet off the top. More ground area will be covered by the facility but it reduces the height impacts. The design was presented in two formats, one at 1555 Iron Horse Drive as well as at its existing location. At that meeting, Council asked for more information regarding access options for 1555 Iron Horse Drive and an update on the project costs. This information is included in the staff report. She highlighted the potential cost savings to be realized if there isn't any additional land that needs to be acquired by RMP. Staff reviewed with Council the potential of using tax increment financing to help fund the move and/or a public/private partnership. The City is working with RMP against their deadline of having an operationally enhanced substation by September 2015. She explained that one of the factors that is really pushing this project forward is the one year lead time that RMP needs just for ordering equipment. Staff is looking for direction on moving onto the next steps of the project and is not asking Council this evening to make a decision on the location of the substation. There is a lot of information that needs to be gathered and analyses conducted on economic, land use, and timing feasibility.

Ms. Robinson stated that one of the most urgent piece is to continue to move forward with the community development area analysis. We are now at a point where we will incur additional expenses while not substantial, and staff wants to check in with Council to continue to move in the direction of further analyzing the feasibility of moving the substation to 1555 Iron Horse Drive. She reiterated that staff is not asking Council to finalize the location of the substation as there is a lot of work to do over the next 30 to 45 days and critical decision points will be identified. Staff is anticipating returning to

Council in late spring to hold a public hearing and take formal action. While Council will be giving direction on the preferred location, the application will be filed by RMP and the Conditional Use Permit process will be held before the Planning Commission. Under that process, the Planning Commission would be looking at mitigation measures. She reiterated that the City Council will not be making a decision tonight. The direction of the substation, upcoming critical decision points and next steps will be covered this afternoon.

Matt Cassel explained that staff has identified four items which are deal-breakers. The first one is the CDA analysis which is a 30 day out decision on its feasibility. Access for Iron Horse Apartments is the second consideration which needs to be resolved in the next 30 days. Thirdly is determining cost-sharing clarifying the responsibilities for portions of the project which has a 60 day decision deadline. The last piece is the public hearing contemplated in June. Phyllis Robinson interjected that at the first two meetings, design options were reviewed.

Cindy Matsumoto expressed her appreciation of the concise timelines and critical decision points. She understood that RMP needs a two-year lead time to order equipment and asked if it varies at each low profile location. Ms. Robinson explained that by moving the substation, everything must be ordered and by keeping it in place, some additional equipment is needed. She clarified that there is a one-year lead time requirement. Steve Rush referred to the potential time needed to complete the CUP process before the Planning Commission, ordering the material and actual construction which gets RMP to the September 2015 deadline in a hurry.

Alex Butwinski commented that regardless of the location, the existing equipment does not work. Matt Cassel advised that if the substation remains at the existing site, that some equipment will be used and other equipment will be added. If the substation moves, all of the equipment will be new. Kevin Keystone, RMP, explained that some equipment can be used at the existing site but the remaining will be removed. If the new site is selected, all of the equipment will be new. Discussion ensued on providing power throughout the construction period. Alex Butwinski asked who will pay for the additional equipment and Mr. Keystone explained that the low profile costs for equipment are basically the same, but the acquisition of land adds costs. RMP absorbs equipment costs. Ms. Matsumoto referred to the low profile renderings and noted that the 30 foot poles are not visible. These pieces should be clearly identified so that expectations are realistic. The Mayor opened the floor to public input.

Marlene O'Hara, Prospector Square Property Owners Association, asked if a study has been done about how this will economically impact Prospector.

Someone from the audience expressed that he thought that staff would review the report page by page to point out changes from the last meeting. Mayor Williams relayed that that was not the intent of the work session but rather the review of the CDA, access and the public hearing date.

Cindy Matsumoto asked that the CDA be explained to the public. Nate Rockwood stated that much like a redevelopment area, a CDA is a Community Development Area designated to be developed and have community benefit. The area would be defined with specific project costs associated with it. Much like a RDA, the City would be able to adjust property and sales taxes to a certain point and realize the tax increment from the development to incentivize the project to happen. In this instance, the City would be providing the developer with the opportunity to fund the project, including the required pieces of the substation move that would allow the project to happen and in doing that the developer would cover a portion of the cost of the move. Through the tax increment that was realized, the City is able to incentivize the developer or rebate a portion of those costs committed upfront. He believed that the CDA is a good way of putting a lot of the risk onto the developer to actually make the project a success. The development agreement would become a part of the CDA and the amount of increment coming back to the developer would be capped at a certain amount. Ms. Matsumoto asked if the people in the area would be paying higher property taxes or sales taxes. Mr. Rockwood explained that the CDA would not raise property or sales taxes.

Irwin Kraigman, property owner, stated that the cost to move the substation is $11.4 million. Moving the substation is the developer's desire and basically it is a land swap situation. The developer would like to get control of the property as it exists and wants the substation moved so the property can be developed. This is a land swap deal between RMP and the developer. They will be getting control of that piece of land in a similar manner that they have control of other pieces that they have purchased. This is really an acquisition of land and he sees no reason why the City should be paying a nickel for the $11.4 million cost to move it. The same with any kind of tax advantages or rebates or anything of that nature in a similar manner that the City did not pay anything for the developers when they purchased other land and one big question is has the developer presented to the City a comprehensive overview of exactly what they want to do with that land specifically. He agrees with tax incentives for people who develop land that will benefit the County but we don't know what he is going to do with this land. All that is happening now is for him to acquire land with nothing.

Mayor Williams interjected that his comments are inaccurate. The City Council held three joint meetings with the Planning Commission in terms of arriving at design guidelines for the area. The evaluation of the development includes a substantial amount of community benefits and a series of *gives and gets*. He believes the City has a general feel of the desire of the community, the developer and the Planning Commission because there has been a lot of work done. He felt that there is a unique opportunity to get certain things we need as a town in that area and the relocation is one of those trade-offs in order to achieve that.

Irwin Kraigman expressed that one of the problems he has is that the decision to move the substation or leave it where it is has to be relatively quick. The development and how it is going to work is going to take a lot more time. Once the City commits to $11.4

million to move it, it may be too late. RMP came up with one hell of a display about what they are going to do and how did this project go from 144,000 square feet to 725,000 square feet which was in the latest staff report. This piece of land is miniscule in terms of the overall plan that the developer is talking about. The developer is responsible for upfront costs but we're going to give the money back to him through tax breaks and incentives. This is land acquisition and we should be able to see what is planned for the area. He understands that the developer needs to follow the guidelines in order to be compensated but the problem is we don't have guidelines set up yet. If the plant is moved is there a responsibility from the developer to do what they are told. If he owns the land, we can't tell him what he has to do. The Mayor interjected that we do have that ability through the MPD process.

Andy Beerman understood that the CDA contains specific guidelines and criteria to assure that the developer follows those requirements before any rebates are awarded. Mr. Rockwood confirmed this is correct and added that the CDA would include the development plans and if they are not followed, the City can deny payment and a CDA would not be issued without a development plan.

Mr. Kraigman stated that once the Council commits to the plan, the substation cannot be put back if things don't work out. Cindy Matsumoto understood that the tax increment from the development will pay the developer back. If he never develops anything, there will never be a tax increment and he will not get money back which is the guarantee that something will be built. The General Plan will dictate what gets built as well as the foundation of the partnership which has an element of trust. She emphasized that $11 to $15 million is not the cost to move the station. Phyllis Robinson interjected that $11.4 million is the total development cost associated with moving the station, undergrounding power lines, landscaping, retaining walls, access, etc. If the substation remains at its current location with the low profile design it would be less but the cost of undergrounding is about half that cost. There will be some level of mitigation required through the CUP, the actual mitigation may be in excess of what those requirements might be and the existing site might cost $6 million with undergrounding the lines.

Cindy Matsumoto agreed that the cost to move the substation should fall to the developer but it isn't $11 million. Mr. Kraigman argued that it is about the difference between the two. Ms. Robinson advised that the actual cost of the move to the new site for just the substation itself is about $3.7 million which Ms. Matsumoto is referring to as far as developer's cost versus additional community benefit cost. Mr. Kraigman commented on a number of things and the Mayor explained that the CDA analysis will answer many of his questions and Nate Rockwood emphasized that the CDA will not increase property taxes. The Mayor noted that the number of poles will be reduced in the area. Cindy Matsumoto asked about tax benefits mentioned by Mr. Kraigman and Ms. Robinson clarified that there was some discussion about the potential for property tax abatement as a tool which is no longer an option. Mr. Kraigman referred to the tax rebate and Mr. Rockwood again explained that the developer will be reimbursed the increment portion the development is producing.

Mr. Kraigman expressed that the development will greatly improve the neighborhood and spoke about pedestrian access. Phyllis Robinson stated that a link to the proposed Bonanza Park area plan will be placed on the website which may address many of his questions. Thomas Eddington added that the City has some conceptual plans for the area which are already on the website. Bob Derber complained that they are conceptual and the Mayor invited him to the microphone.

Bob Derber again complained that the plans are conceptual after five years. We have a lot of options here and we could simply help RMP provide low impact equipment and we could bury what we need to bury to allow the differences in location. Burying poles is not necessarily a component of the overall project. They are not related or dependent on the other. He heard that this would be a net positive to the community but he feared that if we assume any increment in tax based upon an improvement, as something we can give away as a net positive, he is concerned because that is not a net positive to us. This development here was already something that had residential and commercial both requiring City services and in that context, giving away the future incremental tax does not necessarily tell him there is any net positive anywhere. If we want to as a City give someone $11 million to help out their development, then let’s just do that. Let’s not pretend we’re going to CDA or RDA it so that we can reallocate future taxes. He spoke about subdividing his 300 acres where he had to install sewer, streets, etc. and no one helped him out. Mr. Derber stated that he likes what Mr. Fischer has proposed here and what he is doing. He likes Bonanza and the assistance he has given the community but it’s not (worth) $11 million. Before we do the game, let’s make sure we understand what the value is. Mr. Derber stated that he likes Bonanza but doesn’t like paying for it in a way that is not direct in telling him exactly what he is paying for because at this particular junction, he pays with future money.

Liza Simpson apologized that her response to his email was so brief because she would have loved to go through every single step with him because she feels his concerns are valid. However, what Council is here to do tonight is to direct staff to do exactly the financial analysis he is asking for.

Scott Welling, Prospector Square Property Owners Association, asked if the financial analysis will include the proposed revenues realized. Liza Simpson explained that the City has contracted with a consultant who is a specialist in CDAs and she believes it will be comprehensive. Nate Rockwood confirmed that it will be a comprehensive analysis of all potential revenues. Mr. Welling pointed out that it hasn’t been developed yet or what the uses will be and he asked how the numbers can be analyzed. Mr. Rockwood responded that the CDA is specifically geared toward a project. He agreed that there is no way you can do a CDA without having a specific plan of what the project is going to include which is a required component of state law. All of that will be comprehensively housed in the CDA which will go through a public process showing exactly what the

CDA is, what the project is, and what potential revenues are expected. Liza Simpson assumed that some of that is based on the types of uses. Nate Rockwood added that the CDA requires the project to follow the General Plan, the plan established for the area, as well as an impact analysis of the community.

Mr. Welling stated that his perspective is as a property owner and a representative of owners in Prospector Square, that Prospector Square will be debilitated by the project. Values and rents will plummet and accordingly revenues to the City will decline. As a part of this analysis, the detriments to the community need to take into account as a net outcome for the decision to make the expenditure of public monies. He asked how that analysis can be done. Ms. Robinson stated that the City hired an extremely competent individual who is the leader in the state. It is not a staff driven analysis and will be the very first piece in terms of the critical path analysis to come back to Council with a decision of the economic impacts. He asked if there is a commitment to study Prospector Square. She suggested that he meet with her and Nate Rockwood to discuss the contract with the consultant so that his concerns are addressed.

Andy Beerman felt that it is speculative that it will decrease property values rather than benefit Prospector. The CDA consultant might be able to describe how it will affect surrounding districts and that question might be answered. Mr. Welling acknowledged that it might be and likewise the question is how much revenue is to be projected from the development in our lifetimes. When is the money going to be restored because this is enhancing one developer’s objectives without the numbers to know whether or not it is a rational decision for the City? It is driven by a time crunch with RMP’s needs to increase its facility and this compression has a chance of redounding to the detriment of both his constituency in Prospector Square and into the community at large and the elected officials will be gone by the time the outcome of this investment is known. The Mayor asked if his concern is that the tenants in the area are going to be leaving to go to Bonanza. Mr. Welling believed that it will drive rents down because of the attraction of a new development which will detract from Prospector owners to fill buildings and be competitive.

Scott Welling commented that the actual alignment of the access that needs to be created for Iron Horse for the residential component that is already there is a bridge across Poison Creek and one of the parking lots in Prospector Square that will dump out onto Prospector Avenue. That would be a potential access point for Iron Horse. He understands that part of the benefit of this development is to address the cluster at Prospector and Bonanza. Realigning it across one of Prospector’s parking lots will take parking places away from his subdivision which will require negotiations including imminent domain which may drag on for years. The outcome of that alignment is unknown and it may create a worse problem because people existing from Iron Horse and Fireside aren’t going to go directly to that intersection.

Mary Wintzer, property owner, stated that she has brought up the impacts on all of the planning and walkability that was done before. She feels that moving the substation puts it on one of our two entry corridors. We want Bonanza Park to succeed but there will be a dead spot with that long brick building and it could be hidden more if it remains where it is. She referred to Messrs. Derber's and Welling's comments and stated that nothing is wrong with competition but we want to feel relieved that the competition is fair and more knowledge and understanding is needed. She commended Council for conducting studies. There is no firm read that the economy is on an upswing and this is very prudent. The Mayor asked if she sees a benefit with the poles gone and Ms. Wintzer stated that they have lived with them for so long. She encouraged members to think about all of the work done for the tunnel and bike path and to have the substation there seems to create a dead spot without people. This seems like a huge sacrifice for the area.

Linda Bellamy, Iron Horse property owner, stated that she is concerned about property values depreciating with the installation of the substation. Debby Mounteer, RMP, relayed that research reveals that living near a substation has not affected property values. Ms. Bellamy asked the price to expand the substation if it were to remain at its current site and it was pointed out zero with no low profile or burying lines. Diane Foster reiterated that of the $11.4 million about $5.6 million is the cost of undergrounding the lines. There is approximately a $3 million difference between the options. Ms. Bellamy expressed fear of her property being devalued and brought up refinancing concerns. Liza Simpson stated that this was brought up at a prior meeting but it is not a problem.

Steve Rush, RMP, stated that the number one goal is to provide reliable power on schedule so that by September 2015, RMP is meeting the needs of the community. RMP is being placed in an odd position because normally a substation would not be relocated but expanded on site. The City has asked them to look at this concept over a period of a couple of years and it is important that they work closely with the City Council and the residents to reach the best outcome.

Dean Berrett, Prospector Square Property Owners Association, recalled when the Bonanza area was a very small portion of Prospector Square. He is uncertain if that has changed but assumed that the CDA would include the entire boundary. There are unique challenges to Prospector Square and the *significant impact grid* says walkable, live and work, diverse, and open space which actually applies to all of Prospector Square. He asked if Bonanza Park guidelines should be extended to Prospector Square who should be more of a player. He is unsure of the nature of the negotiations with Prospector Square on the timetable but it may have to do with Lot G which is not included in the area of Bonanza Park but is an important area with regard to improving development constraints and traffic flow on Prospector Avenue. There are varying elevation changes between Iron Horse Apartments and the parking lot and a bridge would seem to be very expensive. As a taxpayer, he would like to understand the CDA. If the probability of success of this Bonanza Park area is so great, we have an $11.4 million nut to crack. If that were $7.7 million with the probability for success over a 20 year period that would make him feel a little bit better. He encouraged keeping the substation in place and applying the Park City *Gucci* standards.

Michael Barille, resident, briefly explained his planning background and thanked the Council for taking this project on in a deliberate fashion looking at all the issues. He felt it is a good thing that the Prospector Square owners have taken an interest. RDAs and CDAs have a long history of enhancing developments and neighborhoods which will play out in the analyses. He suggested that there be options where that CDA boundary is drawn, options for physical connections both pedestrian and vehicular between Prospector and Bonanza Park, and how to integrate those neighborhoods more to take advantage of all of the other opportunities that could come from this so that there is an increase in the economic vitality of both neighborhoods. The existing condition with Bonanza Drive is that it is bit of a load between the two neighborhoods which is one of the reasons why there isn't more use from bed base. Prospector has existing restaurants and entertainment which could be extended to the Bonanza Park area. Those kinds of synergies could be developed with a little bit of additional planning.

Henry Sigg, owner of Lot 48 A-B Prospector Square, stated that to Mr. Welling's point, if the criteria is expanded for the new development into Prospector, the playing field is level. It allows for redevelopment on the part of private development. He is glad to see that access is one of the key points of moving the substation and encouraged that the access is clearly defined before the decision is made. Those things should be defined explicitly.

An unidentified gentleman from the audience asked if other locations were considered that wouldn't affect residents and it was pointed out that six locations were examined.

Liza Simpson stated that she felt the City should move forward with the CDA analysis. Dick Peek criticized the viewpoint on the low profile building rendering so that eye level is at ground level looking up at a 30 foot structure. Thomas Eddington explained that the view is a little above ground level. Dick Peek stated that the main reason he thinks the substation should not be moved is the entry corridor trumps most everything. He believed that motorists will actually be looking down over the wall into the substation. He referred to the site plan pointing out that when exiting the tunnel, you will be 15 feet down looking straight up. Right now, it is an area that is proposed to be redeveloped but close to our densest residential area. He doesn't support this site and agreed with Mr. Sigg's comments about the bridge. Cindy Matsumoto stated that she would also like to see a better perspective of the low profile building and the proposed towers marked. She supports going through the CDA analysis, studying access and cost sharing. Andy Beerman stated that he is good with moving forward with further analysis and is supportive of having different perspectives for the concept. See public input in the regular meeting minutes.

Prepared by Janet M. Scott, City Recorder

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH,
MARCH 7, 2013

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 7, 2013. Members in attendance were Dana Williams, Andy Beerman, Alex Butwinski, Cindy Matsumoto, Dick Peek, and Liza Simpson. Staff present was Diane Foster, Interim City Manager; Mark Harrington, City Attorney; Michelle DeHaan, Water Quality Manager; Mat Evans, Planner; and Tricia Lake, Prosecutor.

II COMMUNICATIONS AND DISCLOSURES FROM COUNCIL AND STAFF

None.

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

Rocky Mountain Power expansion/relocation:

Mike Todd, long-time resident, stated that a lot has been said in the work session. He owns property in the area and is not afraid of growth and the development will be a good thing but it needs to be responsible and to take into account all citizens and how they are affected. When we met last time, this was the only rendering the public saw and it is the most ideal spot to take the photograph and he wants to see the least ideal spot and was expecting to see that tonight. The on-line packet made reference to the fact that these were only illustrative but with today's technology we can see exactly what this is going to look like from a variety of views. The meeting was referred to previously as public input yet there's been no distribution of the agenda. He feels quite confident that the vast majority of those affected by this proposed move are not even aware of it. He has asked and will continue to ask to please direct the staff to send a notice to all affected property owners within 500 feet of the area which most cities in the state do. The only reason it hasn't been done is because this isn't an official public hearing of the Planning Commission. But this train is moving down the track and the public needs to know about it so please direct staff to communicate with all of the owners involved so that everyone is aware of the proposal. A women commented at the last meeting about diminished values and he read a quote from the January 24th staff report, "The substation would also have negative impacts on the surrounding area for about a 200 foot radius, a distance of just over half of the standard City block in length. This affects an area of approximately 7.5 acres after accounting for non-productive land, e.g. square feet that would be necessary for right-of-way and open space requirements, the remaining buildable area with negative development impacts from the substation remaining in place are approximately four acres." He stated there is no question whether the substation will have a negative impact on the area. The staff has indicated in its own report to you that the substation will have a negative impact where it is now and will have a negative impact on the location where it is moved to. It is absurd to think that it's not going to have a negative impact. He felt we should be talking about how to minimize the negative impact or eliminate it. If it is moved it will impact hundreds of residential units. The City is basically taking from the poor and giving to the rich. There needs to be ways to eliminate a taking from anyone and at least preserve the value of people's existing investments. When the developer purchased that property, he knew the substation was there. When we purchased our property, we also knew the substation was there and thought it would not be moved. For many of us, this is our largest single investment and we're depending upon it both now and into retirement. For the developer, it is just another project.

He stated that he is in favor of Bonanza Park being developed, but this can occur without moving the substation which is the lowest cost way for the City to proceed and should if the impacts can be fully mitigated and addressed for those who it will affect. He is not afraid of new development or where rents will go. This needs to be on a level playing field and there needs to be no negative impacts to someone else. Don't take the investments people have made to line the pockets of another developer. Be fair. Either leave the substation where it is or spend equal effort analyzing leaving the substation where it is as what is being spent on moving the substation. Mr. Todd suggested adding a roof to the substation.

Matt Kelly, resident, stated that he has real estate experience. The relationship between the existing neighborhoods will create synergy. There are different quality levels with regard to properties and he believed that Prospector rents will at least stay where they are because the new project will probably have more costly construction and result in higher rents. He believed that Bonanza Park and Prospector will work well together. There is plenty of business in both categories to go around. Mr. Kelly believed that businesses will be willing to spend higher rents in Bonanza and Prospector will do fine.

Craig Kraigman complained that the City has not factored in the cost of roads and other expenses in moving the substation. It really isn't $6 million and it could be up to $9 million when other elements are factored in. Diane Foster clarified that the $11.4 million includes the bridge and other public improvements.

With no further comments, the public input session as closed.

IV NEW BUSINESS

1. <u>Consideration of authorizing the City Manager to enter into a contract with Water Research Foundation (WRF), in a form approved by the City Attorney, for a tailored collaborative project evaluating the water distribution system in the amount of $200,000 with $175,000 in funding from WRF</u> – Michelle DeHaan explained that the title of the project is Metals Accumulation Release within the Distribution System - Evaluation of Mechanisms and Mitigation. The focus of the project is threefold to better understand

metals accumulation and release mechanisms to avoid events with colored water in the Thaynes Canyon area that has occurred in the past few years. This is also a pilot test to compare the effectiveness of three pipe cleaning techniques including high velocity flushing, swabbing, and ice pigging. The third part of the project is to develop costs for each of the techniques for budgeting purposes. She emphasized that this is the first side by side comparison within the U.S. Other parties involved in this project include several branches of the EPA, Utah Department of Drinking Water, Utah State University and the WRF. The Mayor commended Ms. DeHaan for procuring the matching funds. He invited public input; there was none.

In response to a question from Alex Butwinski, Ms. DeHaan explained that the City will be providing $200,000 and WRF will pay $175,000 in matching funds. Liza Simpson, "I move that we authorize the City Manager to enter into a contract with Water Research Foundation in a form approved by the City Attorney for a tailored collaborative project evaluating the water distribution system in the amount of $200,000 for said project entitled Legacy of Manganese Accumulation in Water System's Assessment and Consequence Remediation and Prevention". Dick Peek seconded. Motion unanimously carried.

2. Consideration of Ordnance approving an extension for the approval of the 508 Main Street Subdivision Plat Amendment, located at 508 Main Street, Park City, Utah – Mat Evans explained that this is a request for an extension to record a subdivision plat which was approved in 2011. The applicant asked that it be extended before the expiration of the deadline to record but unfortunately the encroachments agreements were not secured for the original plat and the planner for the project left the City before scheduling the matter. The main issue with the extension is that the applicant has been unable to secure an agreement with the adjacent property owner for the encroachment agreements which were a condition of approval on the original plat. The encroachment permit issue will be reviewed by the Planning Commission within the next couple of months. Staff is asking the Council to approve alternative language for Condition of Approval No. 2 regarding the extension which he prepared and distributed to the Council. Liza Simpson disclosed that she is a tenant at 510 Main Street and has no financial interest in the building or control over the encroachment permit.

Mat Evans stated that staff is recommending that the extension is granted. He read the suggested Condition No. 2, "The applicant shall record the plat amendment with the Summit County Recorder no later than February 12, 2014. If recordation has not occurred by February 12, 2014, the approval of the plat will be void." In response to a question from Liza Simpson, Mr. Evans advised that typically one year is granted not two years.

She pointed out that the staff report states that both buildings encroach on each other but when looking at the plat, there doesn't seem to be an encroachment of 510 onto 508. Mr. Evans believed that probably is the case, but this is the information the applicant gave the City. Staff has noted the discrepancy. Ms. Simpson asked that someone get back to her with information. Cindy Matsumoto understood that the historic structure is encroaching on the newer building. Mr. Evans noted that the applicant is asking that this requirement be removed as a Condition of Approval and the Planning Commission will consider this matter. The subdivision needs to be recorded because the lots still need to be combined and there is a HDDR approval. Andy Beerman asked why the property owners can't resolve this and Mr. Evans stated that he doesn't know for sure but there is no incentive for the adjacent property owner to sign the encroachment agreement. The Mayor opened the public hearing; there was none and the public hearing was closed.

Dick Peek, "I move to approve the 508 Main Street Subdivision Plat Amendment extension of approval according to the Findings of Fact, Conclusions of Law and Conditions of Approval, as amended". Liza Simpson seconded. Motion unanimously carried.

3. Consideration of an Ordinance amending Title 8, Chapter 3 of the Municipal Code of Park City, Utah to include the prohibition of reselling ski lift tickets – Prosecutor Tricia Lake recommended that Council pass an ordinance prohibiting the reselling of lift tickets. Deer Valley Resort and Park City Mountain Resort both contacted the City about enacting an ordinance. The Police Department is prepared to investigate and enforce this law. The Mayor asked members if they were contacted by concerned citizens. Cindy Matsumoto disclosed that she had a conversation with someone against the ordinance and the Mayor stated that he received four or five calls about this. Ms. Lake explained that if the ticket is being sold for profit it is a crime but if the ticket is sold for the same price, it is not a violation. She acknowledged that multi-day packages are sold at a discounted per day price and determination of a violation is based on usage and whether there was ultimately a profit realized.

Liza Simpson suggested that the wording skiers and snowboarders be changed to individuals mentioned in the recitals which Ms. Lake agreed is a good idea. The Mayor opened the public hearing.

Jenny Smith, PCMR, thanked members of Council for their support to help reel this problem in.

Bob Wheaton, Deer Valley Resort, also extended his appreciation to Council and staff. This really helps the resorts.

With no further comments, the public hearing was closed.

Andy Beerman, "I move we approve the Ordinance amending Title 8, Chapter 3 of the Municipal Code of Park City, Utah to include the prohibition of reselling ski lift tickets as amended". Alex Butwinski seconded. Motion unanimously carried.

V ADJOURNMENT

With no further business, the regular meeting of the City Council was adjourned and another closed session convened.

MEMORANDUM OF CLOSED SESSION

The City Council met in closed session at approximately 1:30 p.m. Members in attendance were Mayor Dana Williams, Andy Beerman, Alex Butwinski, Cindy Matsumoto, Dick Peek, and Liza Simpson. Staff present was Diane Foster, Interim City Manager; Clint Coffee, Water Manager; Tom Daley, Deputy City Attorney; Jonathan Weidenhamer, Economic Development Manager; Hugh Daniels, Emergency Operations Manager; Phyllis Robinson, Public Affairs Manager; Matt Cassel, City Engineer, Thomas Eddington, Planning Manager; Nate Rockwood, Budget Manager; and Mark Harrington, City Attorney. Liza Simpson, "I move to close the meeting to discuss personnel, property and litigation". Alex Butwinski seconded. Motion carried unanimously. The meeting opened at approximately 3:30 p.m. Alex Butwinski, "I move to open the meeting". Andy Beerman seconded. Motion unanimously carried.

The City Council met again in closed session after the adjournment of the meeting at approximately 6:45 p.m. Staff present was Mark Harrington, City Attorney. Cindy Matsumoto, "I move to close the meeting to discuss personnel". Alex Butwinski seconded. Motion carried unanimously. Liza Simpson, "I move to adjourn the meeting". Cindy Matsumoto 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, City Recorder

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