PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
MARCH 2, 1995

PUBLIC NOTICE IS HEREBY GIVEN that the City Council of Park City, Utah will hold its regularly scheduled meeting at the Marsac Municipal Building, 445 Marsac Avenue, Park City, Utah for the purposes and at the times as described below on Thursday, March 2, 1995.

AGENDA

Closed Session

2:30 p.m. Litigation

Work Session

4:00 p.m. Council questions and comments
4:20 p.m. Grant application process and review
4:40 p.m. Entry corridor improvements
Review of regular meeting
5:10 p.m. Meeting questions/comments
5:30 p.m. Affordable housing recommendations

Regular Meeting

6:00 p.m.

I ROLL CALL

II PUBLIC INPUT

III MINUTES OF MEETING OF FEBRUARY 16, 1995

IV CONSENT AGENDA

1. Lease agreement with William Melbourne Armstrong and Herbert S. Armstrong for Golf Course Property

2. Services agreement for water resources investigations (excavation of Keetley test well) with USGS in an amount not to exceed $65,000

V ORDINANCE

Ordinance amending Title 12 of the Municipal Code of Park City, Utah regarding banners over public property

VI RESIGNATIONS AND APPOINTMENTS

1. Appointment to the Planning Commission for a term expiring February 1999

2. Two appointments to the Historic District Commission for terms expiring February 1997

VII REPORTS FROM COMMISSIONS AND BOARDS

VIII COMMUNICATIONS FROM COUNCIL AND STAFF

IX PUBLIC HEARING

Resolution repealing Resolution 8-93 and adopting affordable housing guidelines and standards for Park City, Utah - and

Resolution directing staff to implement a housing action plan for Park City, Utah

X ADJOURNMENT

Posted: 2/28/95 noon

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
MARCH 2, 1995

I ROLL CALL

Mayor Brad Olch called the regular meeting of the City Council to order at approximately 6 p.m. at the Marsac Municipal Building on Thursday, March 2, 1995. Members in attendance were Brad Olch, Ruth Gezelius, Roger Harlan, Shauna Kerr, and Leslie Miller. Lou Hudson was excused. Staff present were Toby Ross, City Manager; Jerry Gibbs, Public Works Director; Meg Ryan, Planner; Myles Rademan, Public Affairs Director; and Jodi Hoffman, City Attorney.

II PUBLIC INPUT

The Mayor invited the public to comment on any matter of City business not scheduled on the agenda. Hearing none, the public input session was closed.

III MINUTES OF MEETING OF FEBRUARY 16, 1995

Ruth Gezelius, "I move approval of the Minutes of the meeting of February 16, 1995 as presented". Leslie Miller seconded. Motion carried.

Ruth Gezelius	Aye
Roger Harlan	Aye
Lou Hudson	Absent
Shauna Kerr	Aye
Leslie Miller	Aye

IV CONSENT AGENDA

Ruth Gezelius, "I move approval of Consent Agenda Items 1 and 2". Roger Harlan seconded. Motion carried.

Ruth Gezelius	Aye
Roger Harlan	Aye
Lou Hudson	Absent
Shauna Kerr	Aye
Leslie Miller	Aye

1. Lease agreement with William Melbourne Armstrong and Herbert S. Armstrong for Golf Course Property - See attached staff report.

2. Services agreement for water resources investigations (excavation of Keetley test well) with USGS in an amount not to exceed $65,000 - See attached staff report.

V ORDINANCE

Ordinance amending Title 12 of the Municipal Code of Park City, Utah regarding banners over public property - See attached staff report. The Mayor invited the public to comment.

Tracy Cheatham, stated that he is not representing the Presbyterian Church but is a member. He noted that last year and this year, the church applied for banner space for Easter which was turned down. He felt that the four qualifications for eligibility are for the benefit of businesses and government and the "small people" of Park City are regulated out of participating. He asked for an explanation of why churches are denied and criticized proposed criteria, specifically the inclusion of "governmental". Jerry Gibbs, Public Works Director, commented that currently staff looks at the benefit to the community as a whole and promoting the resort nature of the town when evaluating eligibility; church services or neighborhood meetings do not fall under that criteria. "Governmental" was added to allow a banner for the opening day of school or Fire Safety Week, which are community events, but under the current ordinance would not be allowed. Roger Harlan suggested that if there were no other scheduled banners, to allow a banner advertising an Easter service. Mr. Gibbs stated that if the service were held at the Ski Area and open to the community, it would be resort in nature. Discussion ensued regarding the interpretation of a resort activity. Leslie Miller suggested that criteria be resort or community, but not necessarily both. Shauna Kerr explained that the banner space on Park Avenue is intended to inform visitors. For a neighborhood event, the better method would be a flier. Ms. Kerr continued that it is a privilege to use the banner space, and if the categories are all inclusive, it will lose its effectiveness. Ruth Gezelius agreed that the purpose of the Park Avenue banner space is to advertise tourist related events, and addressing community signage is a separate issue.

Shauna Kerr, "I move approval of the ordinance amending Title 12 of the Municipal Code dealing with our banner policy". Ruth Gezelius seconded. For clarification for Roger Harlan regarding applications from churches, Jodi Hoffman stressed that the City is not regulating the individual or the entity which brings forth a banner, but the type of event advertised. With regard to grandfathering banners in conflict with the ordinance, Shauna Kerr amended her motion, "It would be my request to amend the motion to put an amortization period of two years from the date of the enactment of this ordinance". Ruth Gezelius amended her second.

Ruth Gezelius	Aye
Roger Harlan	Aye
Lou Hudson	Absent
Shauna Kerr	Aye
Leslie Miller	Nay

VI RESIGNATIONS AND APPOINTMENTS

1. Appointment to the Planning Commission for a term expiring February 1999 - Ruth Gezelius, "I move that we appoint Chuck Klingenstein to the Planning Commission for a term expiring February 1999". Leslie Miller seconded. Motion carried.

Ruth Gezelius	Aye
Roger Harlan	Aye
Lou Hudson	Absent
Shauna Kerr	Aye
Leslie Miller	Aye

2. Two appointments to the Historic District Commission for terms expiring February 1997 - Ruth Gezelius, "I move that we reappoint Chris Larson and David White for terms expiring on February 1997 to the Historic District Commission". Roger Harlan seconded. Motion carried.

Ruth Gezelius	Aye
Roger Harlan	Aye
Lou Hudson	Absent
Shauna Kerr	Aye
Leslie Miller	Aye

VII REPORTS FROM COMMISSIONS AND BOARDS

None.

VIII COMMUNICATIONS FROM COUNCIL AND STAFF

None.

IX PUBLIC HEARING

Resolution repealing Resolution 8-93 and adopting affordable housing guidelines and standards for Park City, Utah - and

Resolution directing staff to implement a housing action plan for Park City, Utah - Meg Ryan explained that the first resolution repeals Resolution 8-93 and basically strengthens the annexation housing obligation ordinance in three ways; it defines time limitations, increases the limitation period and increases the in-lieu fee payment to reflect the cost of land. The second ordinance is the culmination of the Housing Advisory Task Force and staff's work over the past year and there are 18 action items. The resolution would direct staff to develop corresponding programs which would be approved by the Planning Commission and Council. Action is anticipated on March 16 which would include direction from Council as a result of the public hearing. The Mayor invited the public to comment.

Bob Wells, Deer Valley Resort and member of ICTHOS Inc., stated that he submitted a letter to Council. He generally supports the goals contained in the second resolution, but his main concern is the absence of uniformity in fairness in terms of the fee structures, exactions, etc. that are necessary to apply to this problem. He agrees that these measures are necessary but there has been no uniform application to all of the people who are the beneficiaries of having affordable housing in the community. The key ingredient is the cost of land and Mr. Wells suggested that there should be a focus on creating a landbank and the only way to accomplish that, absent impact fees, is through General Fund measures. He disagreed with the first resolution proposing increasing the exaction upon annexations because it is arbitrary as it now exists and to increase it from 10% to 15% is a huge impact and is also not immediate. He urged Council not to adopt this increase unless there are efforts that are applied community-wide. Shauna Kerr asked his opinion about an affordable housing element related to increased uphill capacities at the resorts which generates the need for more employees. Mr. Wells responded that a correlation that is fairly applied across-the-board is acceptable. Ms. Kerr felt it appropriate to include a housing element for the ski areas as it is addressed for commercial development. Mr. Wells emphasized that in its simplest form, this could be accomplished through a mill levy as opposed to a complex set of ordinances dealing with every conceivable application.

Mike Gear, resident, stated that City-owned land is a limited resource and urged Council to consider other land sources than City-owned land, specifically the old sewer plant site.

Roger Strand, resident, explained the problems in Layton with affordable housing resulting in decreased real estate values by 25% to 35% and crime increased three times. He alleged that Snow Country Condominiums has a fixed rent and the general area has gone in disrepair. If the City does not control the residency and maintenance of affordable housing projects, there will be conflicts with good neighborhoods. He agreed that the old sewer plant site would be a poor choice for affordable housing.

Rich Wyman, resident and member of CORR, disagreed that rent restrictions cause disrepair. He felt that monitoring and allowing rent increases could be incentives to landlords for maintaining and improving properties. He read a letter from CORR into the record. On behalf of CORR, Mr. Wyman urged Council to approve the resolutions which allows six to eight months for the Planning Commission to review and refine. Additionally, the group supports the 15% annexation figure which represents a compromise among Affordable Housing Task Force members. Mr. Wyman emphasized the need for the City to act now, and discussed Aspen, Colorado's aggressive program; the proposals before Council are minor in comparison to what is being done is Aspen and other similar communities. He added that CORR contacted all three County Commissioners regarding tonight's meeting because this is a county-wide problem.

Stephanie Kanapic urged Council to pass both resolutions this evening. She strongly urged Council to take advantage of the expertise of ICTHOS, expressed as a short-term goal. The community is very lucky to have one of two non-profits in the state, designated by the federal government, as a community housing development organization. The City's efforts to combat affordable housing will be greatly strengthened with a cooperative alliance with ICTHOS.

Michelle Sacco, former manager of Holiday Village Apartments, stated that she is from the Ogden area and property values statewide have increased 15% to 20%; the affordable housing in Layton did have some small impact but property values did not drop by 30% in any neighborhood state-wide. Hill Air Force Base is a completely different community than Park City as the average median income in that area is $25,000 to $35,000 and Park City is $30,000 to $40,000. However, the cost of housing here is substantially higher than in the valley. Affordable housing is relative; we're not talking about subsidized housing or low rent, but the opportunity for families and service professionals (firemen, teachers, etc.) to own homes. The Snow Country Condominiums are in poor shape because there is no pride in ownership and absentee landlords. She discussed the merits of ICTHOS purchasing the Holiday Village Apartments.

Hank Rothwell, United Park City Mines, member of the Affordable Housing Task Force and board member of ICTHOS, agreed with Mr. Rademan regarding the need for equity and a multi-pronged approach. This was one of the initial assumptions of a very divergent task force in order to come up with an effective policy for a community issue. Mr. Rothwell expressed his concern with the increase in annexation exactions without any other changes across-the-board. He suggested that this item be added to the second resolution for further study and review in context with some of the other recommendations. In his discussions with CORR and the County Commission, it is his impression that there is an awareness of the need for affordable housing in the County in general.

Bruce Feyerbend, member of the Housing Task Force, commended the effort Deer Valley Resort has demonstrated with regard to affordable housing. However, the annextion exaction numbers discussed by the task force were as high as 20% and 25% at one time but 15% was deemed as equitable across-the-board. With regard to the task force considering putting together an organization with members from the City, County, ski resorts, and major employers, this was discussed many times. However, now that ICTHOS is established, it is in the City's best interest to join in with this organization to obtain as much funding available to a municipality and non-profit organization.

Father Bob North, President of ICTHOS Inc., hoped that the adoption of the report would not be the end of discussions on affordable housing. He felt that this is one step in a longer process for beginning to come to grips with what is perhaps the most serious social problem as a community. ICTHOS has produced a memo outlining a partnership with the City, County and private employees and organizations like CORR, so together we can creatively solve these concerns. Fr. North emphasized that ICTHOS has not taken a formal position as a board on the specific recommendation to increase from 10% to 15% the requirement for affordable housing in annexation procedures.

Chris Larson, resident and member of the Historic District Commission, discussed the merits of an eccletic community and the real question is to what level City government should be involved in affordable housing. He felt that without intervention by the local government that there will be no affordable housing and only the rich will be able to live here. He urged Council to remain involved and the Historic District Commission will be making recommendations regarding affordable housing incentives associated with the Historic District Grant Program to the City Council.

Roger Stevens, Snow County Condominium owner, clarified that this project is not affordable housing and does not meet the affordable housing guidelines for rentals. He noted that Snow County was an affordable housing project and employee housing, at one time, but was converted to condominiums and sold off. Over time the use has changed from nightly rental to monthly rental and this project is over-taxed. Because of demand and lack of competition, landlords have no incentive to improve the property.

Steve Erickson, new Director of Utah Housing Technical Assistance Program, stated that this organization is charged with assisting non-profit organizations and local governments state-wide to develop affordable housing. He commended the staff, Task Force and Council for a comprehensive and progressive plan. Mr. Erickson informed Council that the state of Utah is now funding its housing trust fund at $2.5 million a year which is not enough. He suggested imposing commercial linkage fees which could be placed in a housing trust fund for mortgage loans at low interest rates. He volunteered to work with the staff and Council and encouraged the City to work with ICTHOS. Mr. Erickson stated that it is important to revitalize the Housing Authority with its own stream of income, lessening the dependence of federal funding.

Paul Reed, new resident, explained the landbank program for affordable housing implemented in Vermont. This is funded by taxing non-residents when properties are transferred. This mechanism has been legally challenged but upheld. On any sale that results in an appreciation there is a flat tax of 2.5% for residents and non-residents.

David Belz, Old Town resident and architect, pointed out that the minimum size standards for affordable housing dwellings are efficient units by any standard but at the same time there may be room for about a 50 square foot reduction on some of the unit sizes based on comparables. Fifty square feet can make the difference between a project that does nor doesn't pencil. It is a matter of designing efficient plans.

Hank Louis, resident and architect, supported the recommendation that subdivisions and developments provide accessory apartments which would generate more diverse neighborhoods and better maintained housing.

Roger Harlan thanked the public attending and found the input very helpful. He felt it important to review new information and take action in two weeks. Shauna Kerr stated that she is very interested in restructuring the Housing Authority and bringing the County into this discussion as quickly as possible and suggested moving this long-term goal to a shorter time frame. She is concerned about a flat fee for residential development, not in subdivisions or annexations, but in-fill construction. The owner may be satisfying his own housing need and it would be unfair to assess a tax. She added that if there is going to be an inclusionary requirement on commercial developments that it be fair and across-the-board. Impacts of in-fill construction was briefly debated. Ms. Kerr reiterated that people should not be penalized for satisfying their own housing needs. She recommended that increased uphill capacity for ski areas be a consideration and that language be clarified with regard to the timing and type of building permit triggering the provision of affordable housing by a developer so that housing is provided sooner than later.

Ms. Miller agreed with many of Ms. Kerr's comments, and emphasized the importance of identifying public lands for affordable housing or open space so the public is not confused. She noted that she is willing to provide some flexibility with regard to open space requirements for affordable housing projects, but under no circumstances would she be willing to convert public land that has been purchased for open space into anything other than open space. She felt it important not to tax or impact to the extent that a social class is eliminated.

Ruth Gezelius appreciated the new input. She agreed with Ms. Miller that we not lose our middle class and it is important to maintain allies at all levels of the cause. She is concerned that there be no net loss of affordable housing units, that other lands be considered besides City-owned properties, and that consideration be given outside of Park City's boundaries. Ms. Gezelius stated that she remains opposed to relaxing standards for affordable housing and that quality housing should be maintained for all levels of the community with regard to open space, height, and parking. She emphasized that her focus is for people who work here and have a commitment to the community and requested that the stated goals be discussed in a work session.

Tommy Youngblood, resident, felt that developers of subdivisions and annexations providing affordable housing as being a driver for people who can't afford to live here. He urged Council to vote on the resolutions this evening.

Holly Rudy, resident of Holiday Village Apartments, encouraged the Council to support the continued affordability of this complex as the residents are diverse and an asset to the community. Although the property is valuable, there is nothing more valuable than the people who live there.

Ann Critchfield asked Ms. Gezelius what goals she couldn't support; Ms. Gezelius explained that she simply wanted these discussed in work session for possible wording changes. With no further comments or questions, the public hearing was closed.

X ADJOURNMENT

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

MEMORANDUM OF CLOSED SESSION

The City Council met in closed session at approximately 2:30 p.m. Memberes in attendance were Mayor Brad Olch, Ruth Gezelius, Roger Harlan, Shauna Kerr, and Leslie Miller. Lou Hudson was excused. Staff present were Toby Ross, City Manager; Mark Harrington, Assistant City Attorney; and Nora Seltenrich, Special Projects Coordinator. Also present were David Olson, Esq. and Mark Gaylord, Esq. Ruth Gezelius, "I move to close the meeting to disucss litigation". Roger Harlan seconded. Motion carried.

Ruth Gezelius	Aye
Roger Harlan	Aye
Lou Hudson	Absent
Shauna Kerr	Aye
Leslie Miller	Aye

The meeting opened at approximately 3:40 p.m.

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

Prepared by Janet M. Scott

PARK CITY, SUMMIT COUNTY, UTAH
CORPORATE
Seal
MARCH 1,
1884

Janet M. Scott
Janet M. Scott
Deputy City Recorder

PARK CITY COUNCIL WORK SESSION
SUMMIT COUNTY, UTAH
MARCH 2, 1995

Present: **Brad Olch, Roger Harlan, Shauna Kerr, Leslie Miller, Ruth Gezelius, Toby Ross, Jodi Hoffman, Myles Rademan, Jennifer Harrington**

Rebecca Champion and Jo Scott, Thaynes Buffer Strip

Absent: **Lou Hudson**

1. **Council questions and comments.** Toby Ross updated the Council on the impact fee legislation. The sixth version was totally unacceptable and the final version provided exactions for sewer, water, power, roads, parks, and public safety facilities. School impact fees will be studied by an interim committee. Park City's current impact fee structure does not have to be consistent with state law for five years. The City Manager stated that since the City has costs exceeding 2.5% and is charging only 2% there could be a shift to other impact fees and a more recent Capital Improvement Program may be used as a basis.

Leslie Miller requested that time be set aside on work session to discuss planning trips for the Olympics, like Calgary. She thanked Myles for inviting the Colorado speakers to the 2002 Leadership forum who were very informative on growth management and would like Council to start discussing some of these issues in conjunction with the General Plan.

Roger Harlan reported that the Recycling Board met and the income from aluminum cans for one month was almost $2,000 and the Center is a very viable operation. Ruth Gezelius discussed the tremendous growth in Phoenix. Shauna Kerr suggested that Council get back on its weekly schedule and asked that staff follow-up with a joint meeting with the Planning Commission on the General Plan. Rick Lewis responded that it will probably be held in April.

2. **Grant application process and review.** Myles Rademan referred to his memorandum on this subject and asked for Council direction. Ruth Gezelius suggested that the grant application also address facilities and/or equipment needs. She also felt it appropriate that groups submit financial information over the last two years. Roger Harlan suggested that all applications be reviewed at one time and if there are exceptions, that those meet valid criteria. He stressed that there is value in comparison. Ruth Gezelius recommended that some portion of grant funds could be placed in a contingency if emergency requests were made.

With the two-year budget cycle, Ms. Kerr felt it important to look at grant applications every year and make it clear to applicants that the grant is only for one year. The City Manager stated that a formal application form will probably not be available until April. Leslie Miller thanked staff for its follow-up on this issue. She did not feel that there should be a higher priority given to a first-time application over an on-going grant. Shauna Kerr agreed that a standardized form would be better not only for Council but for the applicants. A budget amount for grants will be determined at a later date.

3. **Entry corridor improvements.** Myles Rademan explained that this project is being funded by ISTEA Enhancements, Utah Riverways, Restaurant Tax, and State Lands and Forestry. Although the project was estimated at $485,000, it could amount to $750,000. Jennifer Harrington, through illustration of a map, discussed the features of the Phase 1 improvements. She broke down the areas by cost and noted that the golf course frontage would cost $110,000, the Thaynes buffer strip at $144,000, the Huntsman entry portion $147,000, the rail corridor $96,000, and the stream channel restoration work at $75,000. Over and above those numbers, there will be a 10% construction supervision and 15% contingency. Once bid, the contingency will decrease to about 5%. Ms. Harrington explained the discrepancy with the estimate in that most of the funding is federal which has restrictions and this is a new program and additionally UDOT is not familiar with this small scale project. Federal money involves about $350,000 and the City may be able to go back and ask for more money to cover engineering, management and over-run costs. The Riverway Enhancement Grant is about $50,000; Restaurant Tax $30,000 and the State Lands and Forestry Grant $5,000.

Myles Rademan stated that the plan for the Thaynes buffer strip was based on this total project cost and meetings with the home owners. He noted that Rebecca Champion has subsequently requested additional enhancements. Ms. Harrington explained that the $144,000 expenditure represents regrading, berming, trees, irrigation system, and showy plants. The plan requested by Ms. Champion would cost an additional $110,000 plus an additional $19,000 to maintain a year. The buffer area is about two acres and staff budgets at $7/sq for associated costs and $1.50/sq for maintenance a year. Ms. Harrington discussed impacts from the highway which increases maintenance.

The Mayor suggested that the City enhance the corner of Payday and SR224 and over time, increase the landscaping efforts on the buffer strip; it is estimated that additional plantings will cost $25,000 for the intersection planting. Myles Rademan explained the installation of an irrigation system and the difficulty in retrofitting. Leslie Miller supported additional funds to the project since the neighbors donated the property to the City. Shauna Kerr felt that this should be a phased-in project, and pointed out that with the original investment and over time (separating perennials), the landscaping on the buffer strip will be substantial. Mr. Rademan explained that the project is part of the Capital Improvement Budget which will be reviewed by Council.

Ms. Kerr continued that evaluating "needs versus wants" in the City is important and this is a definite "want" not a "need". She felt that neighborhood participation is a great way to build community rather than expecting government to provide this amenity in addition to everything government is suppose to do. Ruth Gezelius felt that others will benefit because it is on a major entry corridor. Ms. Kerr noted that she would be more willing to spend public money if she could see private sweat equity. Ms. Miller stated that the Main Street Enhancement District Project came from City Hall and that she would more favorably support a project coming from the neighborhood. The Mayor pointed out that this is a comprehensive project that has been on-going for seven or eight years with the widening of SR224. He disagreed with Ms. Kerr and felt that this project is important and that the area should be planned in advance and that the corner be the first phase.

Rebecca Champion noted that there is a stream in the area and that a pond would be desirable. She preferred blue spruce trees as opposed to bushes and aspens because they would act as a better year-round buffer. She asked for less annuals, more perennials, more trees and would like her proposal to be a two-year project so that the Council would allocate about $50,000 a year. Jo Scott felt that blue spruce would be a good choice and suggested that a memorial tree program may prompt tree donations. Jennifer Harrington reported that 110 trees are part of the original plan.

Shauna Kerr pointed out that this request is a special example since it is on the entry corridor and part of an existing plan, but asked how other requests will be handled from neighborhoods like Prospector. Ms. Gezelius noted that UDOT is planning a project on SR248 and that additional requests would have to be prioritized. The City Manager explained that the Thaynes buffer strip, McLeod Creek, and Prospector buffer strip are all capital improvement projects for this year.

It was the general consensus of Council to add an additional $25,000 to the existing $143,000 project.

3. **Review of regular meeting.** See regular meeting minutes.

Prepared by Janet M. Scott

PARK CITY 1884

COUNCIL AGENDA REPORT

DATE: February 27, 1995
DEPARTMENT: Leisure Services
AUTHOR: Bob Johnston
TITLE: Golf Course Property Lease
TYPE OF ITEM: Legislative

SUMMARY RECOMMENDATION: Approve the attached 10 year, $1,200 per year lease agreement with Herb and Mel Armstrong for section of Golf Course located on Armstrong property.

DESCRIPTION:

A. Background: At the time the City purchased the Golf Course from the Park City Ski area it was discovered that a small portion of the course encroached onto Mel and Herb Armstrong's property. The encroachment involves approximately 3/8 acre located in the area of the 14th green and 15th tee. The City agreed to lease the property from the Armstrong's in exchange for it continued use. The current lease has expired, a new lease has been negotiated and is before you for consideration. The relationship between the Golf Course and the Armstrong's during the past ten years has been a positive one.

B. Analysis: Our initial strategy was to purchase the property from the Armstrong's. An offer was made but rejected. The Armstrong's countered with a shorter term lease proposal at $3,000 per year. At that point the idea of vacating the Armstrong property and reconstructing the necessary facilities on City property was considered. This option was not popular with staff. Shortening the hole would have a negative effect on the quality of play. Further negotiation produced a longer term lease (10 years), a lower annual payment ($1,200) and agreement on behalf of both parties.

C. Department Review: The Leisure Services and Legal Department have reviewed the proposed lease and have identified no significant concerns addressed by the lease.

ALTERNATIVES:

A. Approve the Lease: The Council would authorize the proposed lease with Mel and Herb Armstrong. The Golf Course would continue to function as it has in the past.

B. Not Approve the Lease: The Council could choose not to authorize the lease with Mel and Herb Armstrong. The Council would need to provide staff with direction on how to proceed.

C. Continue Action: The Council may continue the action for additional information.

CONSEQUENCES OF NOT TAKING RECOMMENDED ACTION:

If the Council decides not to approve the lease, a new direction would be needed from Council. Worse case scenario, a fence would go up on the property line making the 14th green and 15th tee useless to the Golf Course.

RECOMMENDATION: Council should authorize the proposed lease with Mel and Herb Armstrong.

LEASE AGREEMENT

THIS LEASE AGREEMENT made between William Melbourne & Herbert S. Armstrong, Park City, Utah (collectively "Armstrong") and Park City Municipal Corporation, a Utah municipality ("Park City").

TERMS AND CONDITIONS

1. PREMISES. In consideration of the rents, covenants, and agreements contained herein, Armstrong leases to Park City and Park City leases from Armstrong the real property described on "Exhibit A" attached hereto located in Summit County, State of Utah. The described property is hereafter referred to as "the Premises".

2. TERM. The term of this lease agreement shall be for ten (10) years, beginning on the 1st day of April, 1994. The term shall end on the 31st day of March, 2004.

3. RENT. Park City agrees to pay to Armstrong on or before April 1, of each year, without prior demand, the sum of One Thousand Two Hundred Dollars ($1,200.00) for each full year during the term of the Lease. The rent for the period ending March 31, 1995 is $1,200.00 and shall be paid upon execution of this Lease Agreement.

4. TAXES AND ASSESSMENTS. Armstrong shall pay any and all real estate taxes and other assessments assessed or levied against the Premises during the term or terms of this Lease, as well as any special assessments imposed upon the Premises, or measured by the rent payable hereunder for any purpose whatsoever during the term, whether the increase in taxation results from enactment or amendment of any tax laws, a higher tax rate or an increase in the assessed valuation of the demised Premises or any combination thereof. If any use of the premises by Park City causes the taxes of the premises to be increased, Park City shall be responsible for payment of the increased amount of tax on the premises.

5. AUTHORIZED USE. Park City shall use the Premises as part of its golf course, a cross country ski venue, and other traditional uses of the Premises.

Park City shall not commit or knowingly permit any waste of the Premises and shall not knowingly permit any part of the Premises to be used for any unlawful purpose. Park City will comply with all applicable Federal, state and local laws, ordinances and regulations relating to the Premises and their use and operation by Park City. Park City will keep the Premises in a clean and orderly condition, free of objectionable noise, odors or nuisances.

6. REPAIR AND MAINTENANCE. Park City shall have the responsibility, at its sole cost and expense at all times, to maintain the Premises in good condition and repair the fence which separates the golf course from the balance of Armstrong's property not leased to Park City.

Park City shall also install and maintain signage on the fence that no trespassing is allowed outside of the golf course on Armstrong's property not leased to Park City.

7. SECURITY DEPOSIT. Park City shall not be required to pay a security deposit in connection with the execution of this Lease.

8. CONDITION OF THE PREMISES. Park City accepts the Premises in its present condition.

9. ASSIGNMENT AND SUBLETTING. Park City may not, either voluntarily or involuntarily, assign this Lease or any interest therein either in whole or in part or sublet the Premises without the prior written consent of Armstrong.

10. QUIET ENJOYMENT. If and so long as Park City pays the rents required by this Lease and performs and observes all the covenants and provisions hereof, Park City shall quietly enjoy the Premises, subject, however to the terms of this Lease, and Armstrong will warrant and defend Park City in the enjoyment and peaceful possession of the demised Premises throughout the term or terms of this Lease.

11. WAIVER OF COVENANTS. The failure of any party to enforce the provisions of this Agreement shall not constitute a waiver unless specifically stated in writing, signed by the party whose rights are deemed waived, regardless of a party's knowledge of a breach hereunder.

12. REMEDIES IN EVENT OF DEFAULT. Upon the occurrence of any default the party claiming the other has defaulted, shall give written notice to the other party specifying the claimed default and what must be done to cure said default. The party receiving the notice shall have 30 days to cure such default. If the default is not cured the non-defaulting party may exercise any of its legal remedies including termination of the Lease.

13. TITLE TO IMPROVEMENTS. All alterations, additions or improvements, whether temporary or permanent, made in or upon the Premises either by Armstrong or Park City, shall be Park City's property on termination and may be removed by Park City except for fixtures which shall become the property of Armstrongs.

14. LIABILITY INSURANCE. Park City shall carry liability insurance coverage or retain self-insurance liability protection funds in an amount not less than one million dollars ($1,000,000.00) and shall indemnify and hold harmless Armstrong from claims arising from Park City's use of the premises.

15. RIGHT OF FIRST REFUSAL. Park City shall have the right of first refusal to purchase the premises during the term or terms of the Lease and for one year thereafter in the event Armstrong

determines to sell the premises. Any offer to purchase the premises received by Armstrong shall be delivered to Park City in the manner for notices under this Lease and Park City shall have sixty (60) days to give notice to Armstrong that it will meet such offer and purchase the premises.

16. MISCELLANEOUS PROVISIONS.

16.1. Attorney Fees. The defaulting party shall pay upon demand all attorney fees and all expenses and court costs incurred in enforcing any of the terms and conditions of this Lease. Such amounts shall be payable upon demand.

16.2. Successors. All covenants, agreements, terms and conditions contained in this Lease shall apply to and be binding upon Armstrong and Park City and their respective heirs, executors, administrators, successors and assigns.

16.3. Relationship of Parties. Nothing contained in this Lease shall create any relationship between Armstrong and Park City other than that of Armstrong and Park City, and it is acknowledged and agreed that Armstrong does not in any way or for any purpose become a partner of Park City in the conduct of Park City's business, or a joint venturer or a member of a joint or common enterprise with Park City.

16.4. Entire Agreement; Captions. It is expressly agreed by Park City, as a material consideration for the execution of this Lease, that there are, and were, no verbal representations, understandings, stipulations, agreements or promises pertaining to this Lease which are not incorporated herein. It is agreed between Armstrong and Park City that this Lease may not be altered, waived, amended or extended, except by a written agreement signed by Armstrong and Park City. The captions contained in this Lease are for convenience of reference only and in no way limit or enlarge the terms or conditions of this Lease.

16.5. Severability. If any clause or provision of this Lease is held to be illegal, invalid or unenforceable under present or future law effective during the term of this Lease, the remainder of this Lease shall not be affected thereby. In lieu of such clause or provisions held to be illegal, invalid or unenforceable, there shall be added, as a part of this Lease, a clause or provision as similar in terms as possible which shall be legal, valid and enforceable.

16.6. Rights of Successors and Assigns. The covenants and agreements contained in this Lease will apply to, inure to the benefit of, and be binding upon the parties hereto, their heirs, distributees, executors, administrators, legal representatives, assigns, and upon their respective successors in interest, except as expressly otherwise hereinabove provided.

16.7. Time. Time is of the essence of this Lease and every term, covenant and condition herein contained.

16.8. Construction of Lease. Words of any gender used in this Lease shall be held to include any other gender, and words in the singular number shall be held to include the plural when the sense requires.

16.9. Representation Regarding Authority. The persons who have executed this Agreement represent and warrant that they are duly authorized to execute this Agreement in their individual or representative capacity, as indicated.

16.10. Governing Law. The terms of this Agreement shall be governed by and construed in accordance with Utah law.

17. NOTICES. It is agreed that the giving of all notices required or permitted to be given hereunder or for any other legal purpose shall be deemed sufficient if given by a communication in writing by United States mail, postage prepaid and certified as follows:

If to Armstrong:

Melbourne & Herbert Armstrong
P.O. Box 451
Park City, Utah 84060

with a copy to:

Robert Felton, Esq.
39 Exchange Place, #200
Salt Lake City, Utah 84111

If to Park City:

Toby Ross, City Manager
Park City Municipal Corp.
445 Marsac Avenue
P.O. Box 1480
Park City, Utah 84060

with a copy to:

J. Craig Smith, Esq.
Nielsen & Senior
60 East South Temple, Suite 1100
Salt Lake City, Utah 84111

Or to such other address as the party shall designate in writing.

DATED this _____ day of _______________, 1995.

ARMSTRONG:

____
William Melbourne Armstrong

____
Herbert S. Armstrong

PARK CITY:

Park City Municipal Corporation

By:___________________________
Bradley A. Olch
Mayor

Attest

____
Anita Sheldon
City Recorder

EXHIBIT A

Legal Description of the Property

Beginning at a point which is West 3418.01 feet and South 1705.48 feet from the Northeast corner of Section 8, Township 2 South, Range 4 East, Salt Lake Base and Meridian and running thence North 21°56'31" West 120.07 feet; thence South 83°41'28" West 7.13 feet; thence 0°04'22" West 114.74 feet; thence North 6°22'02" East 161.23 feet to the Southerly boundary line of Thaynes Canyon Subdivision No. 3; thence South 79°32'00" East 41.42 feet along said Southerly boundary line to Westerly boundary line of Park City Golf Course, recorded as Entry No. 165556 in Book M155 on Pages 564 to 567 on April 7, 1980; thence along said Westerly boundary line the following courses: South 10°28'00" West 270.37 feet; South 20°48'00" East 120.00 feet to the point of beginning. Contains 8054.29 square feet or 0.1849 acre.

PARK CITY 1884

COUNCIL AGENDA REPORT

DATE: March 2, 1995
DEPARTMENT: Public Works
AUTHOR: Jerry Gibbs
TITLE: Keetley Well
TYPE OF ITEM: Agreement Authorization

SUMMARY RECOMMENDATIONS: Approve an agreement with the United States Geological Survey (USGS) to drill a water test well.

DESCRIPTION:

A. Topic. Developing new water sources for Park City is an ongoing concern and goal. a test well located east of the current Park City limits and west of Highway 40 would be the first step to determine the viability of a new water source at this location.

B. Background. Hansen, Allen and Luce prepared a report that located a potential well drilling area east of Fairway Hills and west of Highway 40. On February 2, 1995, the City Council approved an engineering contract with Eckhoff, Watson and Preator (EWP) to prepare a preliminary source protection plan to comply with the Division of Drinking Water. The USGS indicated they will have a drilling rig in Utah during the month of April. The mayor of Tooele graciously gave up some of their time to allow the drillers extra time to provide a test well in Park City. The USGS was originally scheduled to do test wells as part of the Snyderville Basin Water Study. By utilizing their services and cost sharing, the overall cost to Park City would be less than market cost. Due to a lack of funding the test well portion has been removed from the study. The proposed estimated price is in line with private sector well drilling cost.

C. Analysis. The USGS is proposing to drill a test well that could vary in length from 700 to 1,000 feet deep. The intent is to determine the maximum penetration through the Thaynes formation. The greater the penetration the higher the capacity should be within the water bearing aquifer.

The contract is based on time and materials. The estimated cost is between $55,000.00 and $65,000.00. A downside is if problems are encountered in drilling the hole Park City will obligated for the cost. Walt Holmes with USGS is very familiar with the geology of the area and believes this to be highly unlikely.

In 1989, the Treasure Mountain Middle School test well was completed and a contractor was hired to develop a municipal well. The test well driller provided less than adequate information creating problems for the municipal well driller. The USGS will provide us with an accurate log of the geology. This should increase the confidence of a well driller when he is providing Park City with a bid to develop a municipal well. The net results should be savings on a full scale bid.

Water supply and distribution was Top Priority in Council's 1994-96 Action Agenda. This is part of our ongoing strategy to locate and develop new water supplies for Park City.

D. Department Review. This project has been reviewed with Public Works, EWP and general administration.

ALTERNATIVES:

A. Approve the agreement to allow the USGS to drill a test well.

B. Develop a bid package to allow private competitive bidding. This process would delay the actual drilling of the well to probably late fall. It would take approximately 45 day to develop a bid package, 30 days to bid, 30 days to award and depending on their existing schedule probably late summer or early fall before work could proceed.

C. Do nothing.

SIGNIFICANT IMPACTS:

A contract with USGS shows a cooperative effort between governmental agencies. The information gained from the test well borings will be beneficial to the Snyderville Basin water study. The primary result should be in locating a potential site for a Park City water supply.

CONSEQUENCES OF NOT TAKING THE RECOMMENDED ACTION:

If we are unable to hit this window of opportunity, the information will not be available to use until late summer or early fall.

RECOMMENDATION:

The recommendation is to enter into an agreement with USGS for a project costing between $55,000.00-65,000.00 to drill a test well at the designated site.

Form 9-1366
(REV. 6/86)

Department of the Interior
Geological Survey
Joint Funding Agreement
FOR
WATER RESOURCES INVESTIGATIONS

Customer UT041
Agr. #UT95031

THIS AGREEMENT is entered into as of the 27th day of February 1995 by the GEOLOGICAL SURVEY, UNITED STATES DEPARTMENT OF THE INTERIOR, party of the first part, and the Park City Public Works, party of the second part.

1. The parties hereto agree that subject to the availability of appropriations and in accordance with their respective authorities there shall be maintained in cooperation test hole drilling Park City, Utah, hereinafter called the program.

2. The following amounts shall be contributed to cover all of the cost of the necessary field and office work directly related to this program, but excluding any bureau level general administrative or accounting work in the office of either party.

(a) $-0- by the party of the first part during the period February 27, 1995 to September 30, 1995

(b) $55,300 by the party of the second part during the period February 27, 1995 to September 30, 1995

(c) Additional amounts by each party during the above period or succeeding periods as may be determined by mutual agreement and set forth in an exchange of letters between the parties.

3. Expenses incurred in the performance of this program may be paid by either party in conformity with the laws and regulations respectively governing each party, provided that so far as may be mutually agreeable all expenses shall be paid in the first instance by the party of the first part with appropriate reimbursement thereafter by the party of the second part. Each party shall furnish to the other party such statements or reports of expenditures as may be needed to satisfy fiscal requirements.

4. The field and office work pertaining to this program shall be under the direction of or subject to periodic review by an authorized representative of the party of the first part.

5. The areas to be included in the program shall be determined by mutual agreement between the parties hereto or their authorized representatives. The methods employed in the field and office shall be those adopted by the party of the first part to insure the required standards of accuracy subject to modification by mutual agreement.

6. During the progress of the work all operations of either party pertaining to this program shall be open to the inspection of the other party, and if the work is not being carried on in a mutually satisfactory manner, either party may terminate this agreement upon 60 days written notice to the other party.

7. The original records resulting from this program will be deposited in the office of origin of those records. Upon request, copies of the original records will be provided to the office of the other party.

8. The maps, records or reports resulting from this program shall be made available to the public as promptly as possible. The maps, records or reports normally will be published by the party of the first part. However, the party of the second part reserves the right to publish the results of this program and, if already published by the party of the first part shall, upon request, be furnished by the party of the first part, at cost, impressions suitable for purposes of reproduction similar to that for which the original copy was prepared. The maps, records or reports published by either party shall contain a statement of the cooperative relations between the parties.

9. Billing for this agreement will be rendered prior to Sept. 30th, 1995. Payments of bills are due within 60 days after the billing date. If not paid by the due date, interest will be charged at the current Treasury rate for each 30-day period, or portion thereof, that the payment is delayed beyond the due date. (31 USC 3717; Comptroller General File B-212222, August 23, 1983.)

GEOLOGICAL SURVEY
UNITED STATES
DEPARTMENT OF THE INTERIOR

By Harvey Lee Case, III, District Chief
(SIGNATURE & TITLE)

By ______________________

By ______________________

By ______________________

(USE REVERSE SIDE IF ADDITIONAL SIGNATURES ARE REQUIRED)

ESTIMATED COST OF TEST HOLE, PARK CITY, UTAH

The well will be drilled to an estimated depth of about 700 feet. The estimated depth is based on information supplied by Francis Ashland of the Utah Geological Survey. The test well should penetrate the lower part of the Thaynes Formation near the boundary of Township 1 S./2 S.

Drilling, geophysical log, and complete an estimated 700 foot test well....$22,000
The drilling method will probably be mud rotary above the Thaynes Formation and air rotary in the Thaynes Formation. Surface casing will be 12-inch PVC set to a depth of 20 feet and cemented to surface. A second string of 8-inch steel casing will be set to about 140 feet to seal off Keetley Volcanics and unconsolidated Tertiary gravels. The annular space will be cemented from about 140 to 120 feet with cement grout and from 120 feet to the ground surface with bentonite grout. Drilling will continue until the Woodside Shale is encountered in the hole. The following geophysical logs will be obtained unless unstable hole conditions prevent logging; electric, including SP, 16-inch and 64 inch normal, natural gamma, 3-point caliper, fluid temperature, and fluid conductivity. The hole will be cased from about 700 feet to ground surface using 6-inch, flush joint, schedule 40, PVC casing and screen. The screened interval and the size of the screen will be determined based on information collected during drilling and logging. Development of the well will be by air lift methods. Access to the drilling site, including snow removal, will be provided by Park City.

Drilling supplies and completion materials.. $16,300
The drilling and completion supplies include 20 feet of 12-inch, PVC pipe, 30 sacks of cement, 140-feet of 8-inch steel, T&C line pipe, 30 bags of bentonite grout, 600 feet of 6-inch, flush-joint, PVC pipe, 100 feet of 6-inch, flush joint, PVC screen, one locking well cover, bentonite drilling mud, and other miscellaneous supplies.

Aquifer testing (no USGS labor charge).. $5,000
The aquifer test will consist of pumping the test well for about 12 hours and measuring water levels in the test well and an observation well located nearby.

Water Quality analysis.. $2,000
The water-quality analysis will be for drinking water standards with the exception of bacteria.

Labor [1].. $10,000
The labor costs involve a part-time supervisory hydrologist and a hydrologist for the drilling, geophysical logging, and well completion. The labor costs involved with the aquifer test and aquifer-test analysis and written reports will be covered by the ongoing Park City project.

TOTAL COST [2].. $55,300

1 The labor cost involves preparing documents, applying for test-well permits, preparing drillers logs for Water Rights, collecting drill cuttings samples, flow data, water levels, and water quality information during drilling.

2 If it is necessary to drill and complete the well to a depth greater than 700 feet, the price will be adjusted to reflect the additional expences related to the cost of drilling and completing the deeper well.

PARK CITY
1884

COUNCIL AGENDA REPORT

DATE: February 23, 1995
DEPARTMENT: **Public Works**
AUTHOR: Jerry Gibbs
TITLE: Banner Over Public Property--PC Municipal Code 12-7-1
TYPE OF ITEM: Legislative

SUMMARY RECOMMENDATIONS: Amend the Banner Ordinance criteria and require an applicant to meet two of the three criteria listed; and adding to 12-7-11 (c) (2) language specifying that a banner may be reserved for a maximum of ten days and over only one weekend.

DESCRIPTION

A. Topic. Requests for banner space over Park Avenue are requiring more staff time. Additional criteria and wording clarification are needed in order to fulfill the intent of the banner ordinance.

B. Background.
The current Municipal code reads -- 12-7-11- Banners Over Public Property, "c. Terms and Conditions , (1) The banner or sign shall only inform the community of an upcoming community event. A community event shall be defined as a public event which is of interest to the community as a whole and promotes the resort nature of the community." The ordinance requires the applicant to meet both of the criteria as stated in the code.

The intent of the banner is: 12-7-11 (6) the primary purpose of banners which extend over public property shall be to advertise and inform of upcoming community events. Not more than twenty-five percent (25%) of each side of the banner space shall be used for the name of a commercial sponsor.

Public Works has recently had more requests for banner space which were not approved under our current code causing dissension and questions regarding the ordinance. An example is-- Self magazine requested banner space but was denied. The "Self on Slope" event is nationally advertised in their magazine ("promotes resort nature of community") and their event is open to the public. However, the request was denied based on the premise this was primarily a product promotion for their advertisers.

C. Analysis. If a banner request is denied, the point of contention is the interpretation of "benefit to the community as a whole." Every event supporter argues their event is beneficial to a portion of the community and indirectly to other portions of the community. An example is a promotion at one of the resorts. The event brings additional tourists to town, who spend money at local businesses, additional sales tax is generated and Park City Municipal receives the tax revenues to be used for City services.

Staff has debated internally the intent of the ordinance and the criteria identified in the ordinance. Some events meet the intent but not the criteria. An example was the opening of the school year. It met the community criteria but not the resort nature. Earth Day, sponsored by Park City Recycling, is another example.

A broader criteria base should minimize conflicts. It will also provide the Chamber and the resorts a clear understanding of what type events can have a banner. The changes to consider are:

1) community is defined as "open to the public" to view and/or participate;
2) support the resort nature of the community;
3) governmental;
4) approved Master Festival license.

A banner request must meet at least two of the these criteria.

Banners which met intent but not criteria of the current ordinance but which are financially supported by City Council:

National Ability Center for Jan's Rossignol Ski challenge
Huntsman Cup races to benefit National Ability Center

Examples of banner usage:

Banners Approved

Deer Valley Resort summer concerts
Deer Valley Blue Grass Festival
Utah Winter Games
Jeep Eagle Tournament of Champions
Norwegian School of Nature Life
Snowflakers Ball to benefit PC Ambassadors/Chamber Bureau
Pedal Fest-Park City Chamber
Beginning of 94-95 School Year for PC schools (met intent not criteria)
Park City Ski Swap

Banner use denied due to product/sponsor promotion

Huntsman Companies Seminars
Park City Potpourri
Home Builders of Summit County-Home Show

TMI Antique Show
Child Safety Fair at Factory Outlet Stores-denied (not within Park City limits)
Utah Families Foundation
Local church to advertise Easter church services
Self on Slope

Interest from other entities

School District banner reminding vote for bond issue in Feb 95
Public Works Week
Special Group Promotions (N.B.S., Gay Ski week, Pilot's Assoc., Texas Ski Club, etc.)
Fire Prevention Week
Earth Day Celebration

Ongoing events

Sundance Film Festival
Park City Arts Festival
Northwest Rendezvous-Kimball Arts Center
Savor the Summit
Park City International Music Festival

The recommendation for a maximum of ten day and over only one weekend is recommended due to the large number of requests for usage.

D. Department Review. This has been reviewed by Public Works and the Legal Department.

ALTERNATIVES:

A. Approve the request. Approve criteria additions to include: governmental and definition of community.
B. Support additional language/clarification.
B. Deny the Request. Deny the request for additional criteria to the banner code.
C. Discontinue hanging the banner.
D. Do Nothing.

SIGNIFICANT IMPACTS: If option C or E is adopted, administrative approval of events that do not meet the current code could weakened our ability to limit the use of the space.

CONSEQUENCES OF NOT TAKING THE RECOMMENDED ACTION: The current code has a narrow definition of community events. Staff is using discretion when expending the definition to allow banners that otherwise would not meet the criteria. The potential for inconsistency and conflicts will continue to increase.

RECOMMENDATION:

A. Approve the change.

PARK CITY

U T A H

Chamber of Commerce Convention & Visitors Bureau
Serving Summit County

February 17, 1995

Dear Jerry:

Thank you for taking the time and energy to review the guidelines and restrictions that now govern the ability for special events coordinators to reserve banner space on Park Avenue. We sincerely appreciate your efforts in preserving the ability for event banners to be placed over Park Avenue.

Per our discussions concerning banner placement over Park Avenue, the resort and business community would like to provide the following input for your review before your meeting the Park City Council:

1. We feel that special events play an integral role in promoting and supporting the town of Park City year-round. Special events that are promoted and advertised bring business into our shops, lodges and restaurants. During the winter months these events increase skier days. It is our belief that the entire business community benefits from high quality special events.

2. Special events have helped create a positive and active image for Park City residents and guests alike. And have provided great ways for guests and residents to participate in what this community has to offer rather through spectating or participating.

3. In order to continue to bring quality events to Park City for the benefit of guests and residents, the ability to promote the event and it's sponsors through banner placement is crucial. The most important element in any special event is the ability to promote the event to potential participants and/or spectators.

Jerry, thank you taking the time to review this letter. We sincerely hope that your recommendation to the Park City Council will not preclude the business community from providing the types of special events we can all enjoy and be proud of.

Sincerely

Beth Hoffmeister
Park City Chamber/Bureau

Robbie Beck
Park City Ski Area

Ginger Zenger
Deer Valley Resort

1910 Prospector Avenue • P.O. Box [illegible] • Park City, Utah 84060

Ordinance No. 95-

AN ORDINANCE AMENDING TITLE 12 OF THE MUNICIPAL CODE OF PARK CITY, UTAH REGARDING BANNERS OVER PUBLIC PROPERTY

WHEREAS, it is deemed appropriate and in the best interest of the community to amend the Park City Sign Code (Title 12), to better clarify criteria for eligibility and provide terms which better accommodate banner applications meeting such conditions; and

NOW, THEREFORE BE IT ORDAINED by the City Council of Park City, Utah as follows:

SECTION 1. AMENDMENTS. Section 12-11-7(c), terms and conditions, of the Municipal Code of Park City, Utah is hereby amended to read as follows:

(1) The banner or sign shall only inform the community of an upcoming community event. ~~A community event shall be defined as a public event which is of interest to the community as a whole and promotes the resort nature of the community.~~ A banner may be approved by meeting at least two of the following criteria: (1) the event is open to the public to view and/or participate; (2) the event supports the resort nature of Park City; (3) the event is governmental; or (4) the event has an approved Master Festival License.

Section 12-11-7(c)(2) of the Municipal Code of Park City, Utah is hereby amended to read as follows:

(2) The banner may only be displayed immediately prior to and during a community event which it advertises, and in no case shall the banner be displayed for less than five (5) days, ~~or~~ more than ten (10) days, or more than two (2) weekends.

SECTION 2. EFFECTIVE DATE. This Ordinance shall become effective upon its publication.

PASSED AND ADOPTED this 2nd day of March, 1995.

PARK CITY MUNICIPAL CORPORATION

____

Mayor Bradley A. Olch

Attest:

____
Janet M. Scott, Deputy City Recorder

Approved as to form:

____
Mark D. Harrington, Asst. City Attorney

PARK CITY 1884

COUNCIL AGENDA REPORT

DATE: March 2, 1995
DEPARTMENT: City Manager
AUTHOR: Jan Scott
TITLE: Appointments to Historic District Commission and Planning Commission
TYPE OF ITEM: Administrative

<u>SUMMARY RECOMMENDATIONS</u>: Formally reappoint Chuck Klingenstein to the Planning Commission for a four year term expiring February 1999. Formally reappoint David White and Chris Larson to the Historic District Commission for two year terms expiring February 1997.

<u>DESCRIPTION</u>: These vacancies were advertised in the Park Record for three weeks and public service announcements were aired on KPCW, consistent with Council's direction with soliciting participation on City boards and commissions.

Responses included applications from incumbents only.

<u>ALTERNATIVES</u>:

1. Appoint Chuck Klingenstein, David White and Chris Larson.
2. Delay appointments and continue advertising.

<u>SIGNIFICANT IMPACTS</u>: None.

<u>CONSEQUENCES OF NOT TAKING THE RECOMMENDED ACTION</u>: Staff is uncertain why the response to the ads has been so minimal, but fluctuations in interest has been typical over the years. It is not anticipated that readvertising will prompt a better response and the incumbents have demonstrated a sincere commitment to continue to serve.

<u>RECOMMENDATION</u>: See Summary Recommendation.

Charles P. Klingenstein

January 25, 1995

Mayor and City Council
Park City Municipal Corporation
PO Box 1480
Park City, Utah 84860

Dear Mayor and City Council,

It will soon be February and my term on the Planning Commission will be at its end. I would like to express my interest in continuing my work for you and the citizens of Park City as a Planning Commissioner if you see fit to renew my appointment. Thank you for the opportunity to serve my community since February 1991. It has been a rewarding experience.

Sincerely,

Chuck Klingenstein

Chuck Klingenstein

2131 Lucky John Drive · P.O. Box 680254 · Park City, Utah 84068

APPLICATION PARK CITY PLANNING COMMISSION

Name: Chuck Klingenstein

Address: PO 680254 Park City 2131 Lucky John
mailing residence or street

Telephone: (Residence) 801-649-1057 (Office) 649-3368

1. How long have you lived within the City limits of Park City?
13 years

2. Have you ever served on a municipal advisory commission?
Yes ✓ No ____

3. If yes, please describe the commission, your involvement, and how long you served: Current member of Plan Comm.
Board of Adjustment

4. How many Planning Commission meetings in Park City have you attended during the past year? 99%
How many City Council meetings in Park City have you attended during the past year? 2 to 3

5. The Planning Commission meets twice every month and more often as needed. Often the Commission meets in work session as early as 5:00 P.M. Would you be able to attend work session meetings beginning at 5:00 P.M.? Yes ✓ No ____

6. Describe your interest in serving on the Park City Planning Commission.
To continue to serve my community and help guide its future, manage its present and preserve its past.

7. On the back list three issues you consider to be of prime importance which the Planning Commission should address and briefly describe your concern and your position on each issue.

7. (Continued)

#1 General Plan - due to the many changes our community has gone through in the past four to five years, our current comprehensive plan is out of date in many areas. The most important items are:

A) Annexation - Future Land Uses within those areas including open space, recreation, natural resources.

B) Growth Management - to enhance the City's ability to meet objectives that balance economic growth and the protection/preservation of our natural and man-made environments.

C) Intergovernmental Planning - to continue to build on our relationship with Summit County and expand those efforts to Wasatch City and other cities/towns within our sphere of influence/impact. Also enhance relationships with service providers such as the school district + sewer district.

Other important areas are Transportation (Circulation + Parking), Air + Water Quality/Quantity, Housing Mix, + Community Character.

I strongly back the entire General Plan effort since it is our uses of the land that have lead us to this point and will largely determine our future.

APPLICATION HISTORIC DISTRICT COMMISSION

Name: Chris Larson

Address: POB 1558 (mailing) — 252 Mersal Ave (residence or street)

Telephone: (Residence) 649-3605 (Office) same

1. How long have you lived in the Park City area?
   6 years

2. Have you ever served on a municipal advisory commission?
   Yes X No ____

3. If yes, please describe the commission, your involvement, and how long you served:
   currently chair of the HDC

4. Describe how many City sponsored meetings in Park City have you attended during the past year (i.e., Planning Commission, HDC, City Council, CommunityVision)?
   City Council: 3-5 } Principally representing the
   Planning Comm: 10-15 } HDC on legislative action

5. The Historic District Commission meets twice every month and more often as needed. Often the Commission meets in work session as early as 5:30 P.M. Would you be able to attend work session meetings beginning at 5:30 P.M.?
   Yes X No ____

6. Describe your interest in serving on the Historic District Commission.
   As a member of the HDC for the past 2 years, I feel that I've finally got the experience to be an effective representative on the HDC. I would like to continue serving on the HDC for 2 more years.

7. List three issues you consider to be of prime importance which the Historic District Commission should address and briefly describe your concern and your position on each issue.

Lower Park Ave: The remaining historical structures on lower park ave need to be preserved ~~through~~ either through calming traffic and promoting residential use or adaptive commercial reuse of these ~~s~~ structures

Replication vs. Rehabilitation: With respect to demolition of historic structures, we need to examine replication as a means to preserve historic mass and scale

Height Restrictions: A rational compromise needs to be reached on determining appropriate mass and scale in the historic district. While significant progress has been made, it is apparent that there are remaining issues that need to be resolved.

APPLICATION HISTORIC DISTRICT COMMISSION

Name: DAVID G. WHITE

Address: P.O. BOX 1313 — mailing; 2973 HOLIDAY RANCH LOOP RD. — residence or street

Telephone: (Residence) 649-6531 (Office) 649-8379

1. How long have you lived in the Park City area?
16 YEARS

2. Have you ever served on a municipal advisory commission?
Yes X No ____

3. If yes, please describe the commission, your involvement, and how long you served: HISTORIC DISTRICT COMM.

4. Describe how many City sponsored meetings in Park City have you attended during the past year (i.e., Planning Commission, HDC, City Council, CommunityVision)?
ALL H.D.C.

5. The Historic District Commission meets twice every month and more often as needed. Often the Commission meets in work session as early as 5:30 P.M. Would you be able to attend work session meetings beginning at 5:30 P.M.?
Yes X No ____

6. Describe your interest in serving on the Historic District Commission. I HAVE SERVED ON THE H.D.C. FOR THE PAST TWO YEARS & WOULD LIKE TO CONTINUE

PARK CITY
1884

COUNCIL AGENDA REPORT

DATE: February 28, 1995
DEPARTMENT: Community Development Department
AUTHOR: Housing Advisory Task Force and Myles Rademan, Public Affairs and Megan B. Ryan, Community Development
TITLE: Housing Study and Recommendations
TYPE OF ITEM: Legislative

SUMMARY RECOMMENDATIONS:

1. Conduct a public hearing on two resolutions that would implement the Affordable Housing Action Plan for Park City.
2. Consider adopting at this meeting or the next scheduled Council meeting Resolution - Exhibit C, repealing Resolution 8-93 and establishing Affordable Housing Guidelines and Standards for Park City.
3. Consider directing staff to proceed with implementation of Action items 1- 10 and 12 -18 by adopting Resolution - Exhibit D.

DESCRIPTION:

A. Topic.

Final Housing Study and Recommendations from the Housing Advisory Task Force and City Staff for a Housing Action Plan.

The Goal:
Expand programs and funding but adhere to the same basic philosophy that the city should encourage and facilitate but not build or manage Affordable Housing.
The Method:
Adopt a revised Resolution- Exhibit C, for Affordable Housing Guidelines and Standards based on the Housing Advisory Task Force recommendations (Action

Item 11). Direct staff to proceed with implementation of Action Items 1 - 10, and 12-17 by adopting Resolution - Exhibit D.

B. Background.

The Council received a presentation of the Housing Action Plan at their meeting of February 16, 1995. A public hearing is now being requested on two Resolutions that would enact that plan.

C. Analysis

The Housing Advisory Task Force convened in May of 1994 in order to examine the myriad of issues surrounding the issue of affordable housing in Park City and Synderville Basin. The Task Force representation, at the Council's direction, included a broad cross section of representative's from the community. This broad cross section had difficulty in agreeing upon the extent of the problem and subsequently did not reach one singular solution. The group did however concur on the following points:

- The lack of affordable housing is not a single-faceted problem.
- The public and private sector must both take responsibility for the problem and work in concert on solutions. No one entity can solve the problem.
- There are no easy solutions, no singular solutions and in reality no solution that will solve the problem completely.
- The free market is not providing the kind of housing that is affordable to a majority of those working in Park City. The report outlines that 70 to 90 units per year would be need to meet the existing demand for residents below an income of $40,111. The 1995 Median Family Income in Summit County is $50,500.
- The affordability situation is getting worse as the gap between wages paid and housing prices continues to widen.

The final report and recommendations outlines a range of programs and options that if implemented will each generate the production of affordable housing units. The Council is being asked to direct staff to begin implementation on each individual item in order to meet their long range goals and priorities.

The fianl report is outlined below. Action items 1-10 and 12-18 are included in Resolution D. Action item #11 is included in Resolution C. Staff recomendations and analysis follow the final report.

PARK CITY

1884

PARK CITY HOUSING ACTION PLAN

CITY COUNCIL OBJECTIVE:

STRENGTHEN PROGRAMS & FUNDING GUIDELINES, BUT ADHERE TO THE SAME BASIC PHILOSOPHY THAT THE CITY SHOULD ENCOURAGE AND FACILITATE BUT SHOULD NOT BUILD OR MANAGE AFFORDABLE HOUSING

I. Current Implementation and Proposed Modifications

- CONTINUE TO OFFER UP TO $5,000 IN FEE WAIVERS AND GRANTS (City Council Resolution, 37-91 - Please see Exhibit A)

- MAKE A CONTINUED COMMITMENT TO ALLOCATE AN ANNUAL BUDGET FOR HOUSING

- CONTINUE TO WORK WITH PRIVATE DEVELOPERS AND APPLY FOR STATE AND FEDERAL GRANTS

- SUPPORT SUMMIT COUNTY IN ADOPTING A HOUSING ELEMENT THAT INCLUDES A BROAD CROSS SECTION OF PARTICIPATION AND ALLOWS FOR AFFORDABLE HOUSING RESERVE ZONING DISTRICTS.

Action Item - EXHIBIT C

- DEED RESTRICT AFFORDABILITY CONTROLS FOR AT LEAST 40 YEARS WITH A FIRST RIGHT OF REFUSAL OR PURCHASE OPTION ON ALL CITY ASSISTED PROJECTS.

  Pro: This action will preserve and protect affordable housing stock for longer periods of time

  Council Action Required: (Repeal Ordinance 8-93 and replace with a new Affordable Housing Resolution - See Exhibit C for proposed draft)

- UTILIZE EXISTING HOUSING BUDGETS TO:

1. ACQUIRE AFFORDABLE UNITS FOR MUNICIPAL EMPLOYEES FOR RENTAL, LEASE TO PURCHASE OR ACQUISITION
2. PROVIDE MUNICIPAL EMPLOYEES WITH MORTGAGE DOWNPAYMENT ASSISTANCE IN THE FORM OF LOW INTEREST EQUITY LOANS (Resolution 37-91). PROMOTE ANY PROGRAM DEVELOPED TO PRIVATE SECTOR AS A EXAMPLE.
3. DEVELOP CAPACITY OF NON-PROFIT AND LOCAL LOW INCOME HOUSING CONSORTIUMS - Help to create a One-Stop Housing Resource Center with Rental Assistance, Tenants rights and Housing market information for use by the Community. Possible locations at Miner's Hospital or Library and Education Center.

II. Additional Implementation for Council Consideration

ACTION ITEMS 1-10 & 12-18 ARE INCLUDED IN RESOLUTION - EXHIBIT D

A. SHORT TERM / 6 - 12 MONTHS

ADMINISTRATIVE

1. **GOAL:**
RESEARCH AND PURSUE NEW DEDICATED FUNDING SOURCES FOR HOUSING AT THE LEGISLATIVE LEVEL LIKE THE REAL ESTATE TRANSFER TAX OR USING THE RESTAURANT TAX. ENCOURAGE THE LEGISLATURE TO DEDICATE PERMANENT FUNDS, NOT SURPLUS, OR DISCRETIONARY ONE TIME FUNDING FOR AFFORDABLE HOUSING PROGRAMS.
Council Action Required:
Direct staff to bring specific action items and legislative items as outlined by the Utah Housing Coalition and other statewide Affordable Housing Lobbying groups to Council for review and support. Council direction would be requested for each specific action.

2. **GOAL:**
EDUCATE AND DISSEMINATE INFORMATION TO THE PUBLIC BY CONDUCTING AN ANNUAL HOUSING SYMPOSIUM
Council Action Required:
Direct staff to create forums or symposiums in conjunction with local media organizations. Create information brochures on City programs.

3. **GOAL:**
CONTRACT WITH A NON-PROFIT ORGANIZATION LIKE ICTHOS TO PROVIDE HOUSING SERVICES AND WORK WITH NON-PROFITS TO ENHANCE THEIR CAPACITY IN ACHIEVING AFFORDABLE HOUSING GOALS.
Council Action Required:
Hire Icthos or other non-profit housing groups to assist the city in an administrative capacity to assist in monitoring expiration dates on subsidized projects. Hire Icthcos to update rental and housing market surveys and data on an annual basis. Pursue partnerships in grant writing for specific City and/or City - County projects.

4. **GOAL:**
MORE AGGRESSIVELY INVOLVE THE OTHER ENTITIES SUGGESTED BY THE TASK FORCE IN TAKING RESPONSIBILITY FOR AFFORDABLE HOUSING (COUNTY, RESORTS, ETC.) ASSIST THE RESORTS IN CREATING SEASONAL RENTAL OPPORTUNITIES BY ENCOURAGING OFF SEASON PARTNERSHIPS WITH THE UNIVERSITY, CHAMBER AND SEASONAL MUNICIPAL EMPLOYEES.
Council Required Action:
Direct staff to continue outreach and involvement. Direct staff to proceed with amendments to the Land Management Code as outlined below (Action Item 6, 7,and 12).

5. **GOAL:**
REACTIVATE THE HOUSING AUTHORITY AND MEET QUARTERLY TO REVIEW PROGRESS AND DIRECTION OF PROGRAMS AND POLICIES.
Council Required Action:
Set a schedule and conduct the meetings.

<u>LEGISLATIVE</u>

6. **GOAL:**
REVISE LAND MANAGEMENT CODE CHAPTER 10 AND 11 TO ALLOW THE PLANNING COMMISSION THE **FLEXIBILITY** IN OPEN SPACE CONSIDERATIONS PROVISIONS FOR AFFORDABLE HOUSING PROJECTS ON RESORT PROPERTY, CLOSE PROXIMITY TO EMPLOYMENT SOURCE OR OTHER SUCH SPECIFIED CRITERIA .

THE PLANNING COMMISSION CURRENTLY HAS THE ABILITY TO CONSIDER SHARED PARKING ALTERNATIVES, BASED ON STRICT CRITERIA, IN CHAPTER 10 AND CHAPTER 11 OF THE LAND MANAGEMENT CODE. CONSIDER EXTENDING THIS SAME CONSIDERATION TO CONDITIONAL USE PERMITS AND PERMITTED USES.

Pros: The Planning Commission currently has the ability to consider reductions and increases in height and setbacks in Master Planned Developments. The Commission can also allow shared parking so long as specific criteria can be met for the proposed project (These criteria are outlined in Chapter 10, Section 10-9 (d) of the Land Management Code).

The addition of the first provision would allow the Planning Commissioners the ability to consider, for each specific project, based on specific criteria, whether the merits of the project warranted a slight modification to the strict percentages required for Open Space, 60% and 50%, in Master Planned Developments. Under the current code a Board of Adjustment Variance is required if a developer cannot meet these Open Space percentages.

The second provision, shared parking for mixed uses, is prohibited in all uses except for Master Planned Developments. The proposal would allow shared parking in Conditional and Permitted Uses so long as specific criteria can be met.

Cons: Possible negative impacts on neighborhood such as parking and density would be considered in each individual case.

Council Required Action:

Direct staff to initiate amendment to Land Management Code with specific criteria that would allow this consideration for each provision. Planning Commission and City Council approval would be required on any such amendment.

7. **GOAL:**

DEDICATE ONE OR TWO CITY-OWNED SITES TO AFFORDABLE HOUSING PROJECTS IN CONJUNCTION WITH PRIVATE DEVELOPERS

Pro's: Below market land costs through long term lease would allow developer to produce units that meet lower income residents acquisition needs of purchase prices of approximately $60 - $90,000.

Con's: Site may be needed for other City purposes.

Council Required Action:

Please see Exhibit C for inventory of City Sites. Council action would be required to direct staff to pursue a Request for Proposal process for development on any of these sites.

8. **GOAL:**

COMMIT ADDITIONAL FUNDS TO THE HISTORIC DISTRICT GRANT PROGRAM EARMARKED TO SECURING DEED RESTRICTIONS AND/OR AFFORDABILITY REQUIREMENTS.

Pro's: May assist in preserving affordable units while preserving historic homes.

Con's: Economic incentive may not satisfy economic return expectations of developers participating in the program.

Council Required Action:

Direct staff to develop program criteria and funding level. Review with Historic District Commission. Submit proposal to City Council for consideration and implementation.

9. **GOAL:**
EITHER PURCHASE IN FEE OR PURCHASE AN INTEREST IN OLDER RESTRICTED AFFORDABLE UNITS AND PLACE A DEED RESTRICTION ON. EXAMPLES OF SUCH PROJECTS ARE HOLIDAY VILLAGE OR SNOW COUNTRY. STAFF HAS CREATED A HOUSING INVENTORY MATRIX IN ORDER TO TRACK EXPIRATION DATES ON SUCH PROJECTS.

Pro's: Existing affordable housing stock is preserved. Units are not converted to market rates.

Con's: Financial resources may not be available and may be needed for other concerns.

Council Required Action:
Direct staff to examine housing inventory for potential projects, explore financial partnership alternatives such as, outstanding developer obligations or grants, and present alternatives to Council on a case by case basis.

10 **GOAL:**
ADOPT A CONDO CONVERSION ORDINANCE TO EITHER CHARGE A "CHANGE OF USE" IMPACT FEE, OR NOT PERMIT CONVERSIONS THAT WOULD ABOLISH EXISTING ASSISTED AFFORDABLE HOUSING.

Pro's: Existing affordable housing stock is preserved. Units are not converted to market rates.

Con's: Legality of this approach needs to be verified.

Council Required Action:
Direct staff to research inventory on impacts and gains achieved by implementation of such an ordinance. Analysis would be presented to Council for deliberation and action.

ACTION ITEM - EXHIBIT C

11. **GOAL:**
ADOPT HIGHER ANNEXATION DEDICATION REQUIREMENT FROM 10% TO 15%. REQUIRE DEFINITIVE TIMELINE FOR PRODUCTION OF UNITS AND EXTEND TIME OF RESTRICTION ON UNITS TO A MINIMUM OF 40 YEARS.

Pro's: Results in production of affordable units.

Con's: Unless Master Planned Developments and Subdivisions also are charged with a minimum dedication this requirement will place affordable housing burden solely on Annexations.

Council Required Action:
Repeal Ordinance 8-93 and replace with revised Ordinance that enumerates Standards, Timelines and In-lieu payment processes. Please see Exhibit C for proposed Ordinance.

12. **GOAL:**
REQUIRE DEDICATION REQUIREMENTS FOR AFFORDABLE HOUSING IN MASTER PLANNED DEVELOPMENTS, CHAPTER 10 AND CONDITIONAL USE PERMITS (Per City Council Resolution, 37- 91)
Pros: Would produce affordable units in projects such as Park City Ski Resort Base Expansion and other large projects.
Cons: Staff would need to develop a threshold or exemption level so that there is an equitable relationship between development and affordablity requirement.
Council Required Action:
Direct staff to initiate amendment to Land Management Code. Planning Commission and City Council approval would be required.

13. **GOAL:**
CREATE AN INCLUSIONARY HOUSING STANDARD FOR COMMERCIAL DEVELOPMENT IN THE CITY.
(ONE METHOD WOULD BE TO IMPOSE AN EMPLOYEE GENERATION STUDY ON ALL COMMERCIAL DEVELOPMENTS. THIS PROCESS WOULD DETERMINE THE NUMBER OF UNITS NEEDED FOR EACH PROJECT, ON OR OFF SITE PRODUCTION AND SET DEFINITE TIME LIMITS FOR THE PRODUCTION OF THE UNITS). Please see Exhibit F for description of this process.
Pro's: Directly addresses impact generated by each specific development and produces units. Currently used by other ski resorts, Aspen, Telluride. Method has direct nexus that can be supported legally.
Con's: Threshold needs to be set as to not preclude commercial development. Question also as to how many units this type of program may produce.
Council Required Action:
Direct staff to set program parameters, determine impacts and return to Council with proposed program.

14. **GOAL:**
CREATE AN INCLUSIONARY HOUSING STANDARD FOR ALL NEW SUBDIVISIONS WITHIN THE CITY. REQUIREMENT COULD BE MET THROUGH ACCESSORY APARTMENTS, CARETAKERS UNITS, DEED RESTRICTIONS, LAND DONATION OR BY PRODUCING A LIKE PRODUCT AT RESTRICTED RENTS.
Pro's: Would produce units throughout the city. Would provide for a mix of units throughout community.
Con's: If obligation is allowed to be met off site units may not be produced due to lack of sites. Obligation may also increase the cost of market rate housing.
Council Required Action:
Direct staff to amend Land Management Code to accommodate this provision. Planning Commission and City Council approval would be required. Minimum thresholds or exemption standards would be explored.

B LONG TERM / BEYOND ONE YEAR

ADMINISTRATIVE:

15. **GOAL:**
CREATE A DEVELOPMENT PRIMER FOR AFFORDABLE HOUSING DEVELOPERS THAT OUTLINES FEES AND PROGRAMS AVAILABLE TO THEM THROUGH THE CITY, STATE AND COUNTY.
Pro's: Promotes education and discussion on issue. Assists other communities facing same problem throughout the State. Will help developers to understand process and opportunities that are available to them.
Con's: Staff allocation of resources initially may be time consuming. State and federal programs change frequently. May be hard to provide specifics that address the unique components of each deal.
Council Required Action:
Direction staff to pursue this idea.

LEGISLATIVE:

16. **GOAL:**
BOND FOR OR SET-ASIDE A CERTAIN PERCENTAGE OF IMPACT FEES FOR THE ACQUISITION OF LAND FOR AFFORDABLE HOUSING SITES.
Pro's: Will create a dedicated funding source for housing projects. Will help city to provide actual sites. Will help more developers to write down rents or acquisition costs for City residents.
Con's: Allocation of financial resources. Staff time. Assumption of debt service for bond issuance.
Council Required Action:
Direction staff to develop financial program for specific projects and return to Council for specific authorization.

17. **GOAL:**
FOR NEW DEVELOPMENTS THAT ARE NOT IN A SUBDIVISION, ANNEXATION, MASTER PLANNED DEVELOPMENT, OR COMMERCIAL, INSTITUTE A FLAT FEE FOR HOUSING IMPACTS. THIS FEE COULD BE USED TO ACQUIRE LAND AND/OR IN THE PRODUCTION OF AFFORDABLE UNITS. IT WOULD MORE EQUITABLY SHARE THE COSTS OF PROVIDING HOUSING ACROSS THE ENTIRE COMMUNITY.
Pro's: Creates an equitable, shared system for all types of development. Park City would be first City to explore this alternative.
Con's: Would require hiring consultant to assist Staff in determining impacts and legality of approach.
Council Required Action:
Direct staff to explore and implement this alternative.

18. **GOAL:**
RESTRUCTURE THE HOUSING AUTHORITY AS AN APPOINTED BOARD INSTEAD OF THE CITY COUNCIL AND INCLUDE SUMMIT COUNTY REPRESENTATION.
Pro's: Creates broad regional representation. Involves all of Snyderville Basin. Allows for opportunity for broad financial participation and partnerships.
Con's: Participation all of affected parties may be limited. Financial control and political will may be diluted.
Required Action:
Direct staff to research operating rules, objectives and interest in participation. An interlocal agreement would be required with Summit County.

D. Department Review.

The City Manager's Office, Public Affairs and Community Development Department have reviewed this report.

ALTERNATIVES

A. Conduct a public hearing on proposed Resolutions Exhibit C and D. Take action at next scheduled Council meeting.
B. Conduct a public hearing on proposed Resolutions, Exhibit C and D and take action.
C. Conduct a public hearing and redirect staff as to implementation of Housing Action Plan.

SIGNIFICANT IMPACTS:

The full impacts and effects of implementation of each scenario will be fully examined and presented to the Council when each Action item is being considered for implementation. The following analysis is provided as Staff's best calculation at this time:

Affordable units will be produced if the City is approached by the Development community. The Development Community will be encouraged and directed to produce or pay for affordable housing. The cost of development in Park City will increase, perhaps shifting additional pressures to the County. The City will incur significant expenses as it becomes an active partner with a specific agenda for the production of affordable units.

CONSEQUENCES OF NOT TAKING THE RECOMMENDED ACTION:

If the Council chooses not to implement any of the recommended scenarios the staff will continue to work under the guidance of Resolution No. 37-91 and continue working with the current Land Management Codes to encourage the development of a range of housing units throughout the community. The timeline for restriction on units will remain at 15 years and a definitive timeline for the production will not be specified. Affordable units will only be produced through annexations and voluntary participation of private developers.

RECOMMENDATION:

Alternative A.

Conduct a public hearing on the two proposed Resolutions, Exhibits C and D and take input from the community on the proposed Housing Action Plan.

Direct staff to modify, replace or retain as is, the two proposed resolutions, Exhibit C and Exhibit D, with modifications from public input and City Council members. Schedule proposed Resolutions for adoption at next scheduled City Council meeting of March 16, 1995.

EXHIBITS

EXHIBIT A - RESOLUTION NO. 37-91
EXHIBIT B - RESOLUTION NO. 8-93
EXHIBIT C - PROPOSED RESOLUTION TO REPLACE NO. 8-93
EXHIBIT D - PROPOSED RESOLUTION DIRECTING STAFF TO IMPLEMENT HOUSING ACTION ITEMS 1-10, and 12 -17
EXHIBIT E - PARK CITY MUNICIPAL CORPORATION - CITY OWNED SITES
EXHIBIT F - INCLUSIONARY HOUSING CONCEPTS FOR COMMERCIAL DEVELOPMENT IN PARK CITY.
EXHIBIT G - LETTER FROM BOB WELLS
EXHIBIT H - ARTICLE FROM NATION'S CITIES WEEKLY

EXHIBIT A

Resolution No. 37-91

RESOLUTION ESTABLISHING POLICIES TO SUPPORT AND ENCOURAGE AFFORDABLE HOUSING IN PARK CITY, UTAH

WHEREAS, the Park City Council recognizes that the lack of availability of affordable housing for individuals employed within the City limits is a problem; the resolution of which is important to the future of Park City; and

WHEREAS, the City Council has established affordable housing as one of its priorities; and

WHEREAS, the City Council feels a need to protect and enhance community diversity by encouraging a mix of housing opportunities; and

WHEREAS, the City would like to assist those members of our community that have demonstrated their commitment to Park City by either their residency and/or work history in Park City; and

WHEREAS, the affordable housing problem is national in scope and beyond the capabilities of small communities with limited sources such as ours to solve unilaterally, nevertheless the City will support and encourage initiatives for affordable housing;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council that the following policies can be used by the City to support and encourage affordable housing. Park City will:

1. Consider affordable housing projects that require City participation but will limit public financial participation to no more than $5,000 per unit in subsidies and/or fee waivers under normal circumstances. As a prerequisite to public participation, resale and occupancy limitations will be imposed with preference given to residents or employees with at least three years residency or employment history.

2. Create a program similar to the Historic District Grant Program to encourage rehabilitation of residential structures for long term rental or primary occupancy by the owner. Resale and occupancy limitations will be imposed in conjunction with this program.

3. Act as a facilitator with employers and other interested parties to explore the possibility of leasing privately built affordable housing units.

4. Work cooperatively with lenders, financial institutions and others to establish a private mortgage pool to assist first time buyers.

5. Consider the need for requiring affordable housing sites as part of all annexation agreements.

6. As a part of master planned developments, consider requiring caretaker or managers units with restrictions to insure their affordability.

7. Assist employees of the Park City Municipal Corporation by: (a) continuing the housing allowance program and adjusting it as necessary to reflect actual housing costs; (b) developing special programs to assist employees that perform critical or emergency functions as specified by the City Manager; and (c) examining the feasibility of using the monthly housing subsidy program to aid with down payments and mortgage subsidies.

PASSED AND ADOPTED this 12th day of December, 1991.

PARK CITY MUNICIPAL CORPORATION

Mayor Bradley A. Olch

PARK CITY SUMMIT COUNTY UTAH CORPORATE Seal MARCH 1, 1884

EXHIBIT B

Resolution No. 8-93

A RESOLUTION ADOPTING AFFORDABLE HOUSING GUIDELINES AND STANDARDS FOR PARK CITY, UTAH

WHEREAS, the City Council has identified affordable housing as a high priority in its work program for 1993 through 1995; and

WHEREAS, the City Council has adopted Resolution No. 37-91 on December 5, 1991 which established policies to support and increase affordable housing in Park City; and

WHEREAS, it is deemed in the best interest of the community to formulate guidelines and standards so that there are consistent and established criteria for review of project applications, annexation petitions, and other planning actions where affordable housing is an issue; and

WHEREAS, it is appropriate to base the following figures on standards in other resort communities, two Park City studies, HUD standards, and input from the Planning Commission Subcommittee on Affordable Housing;

NOW, THEREFORE BE IT RESOLVED that the City Council adopt the following:

<u>SECTION 1. AFFORDABLE HOUSING STANDARDS AND GUIDELINES ADOPTED</u>.

MINIMUM UNIT SIZE--STANDARD

studio	400 square feet
1 br	550 square feet
2 br	750 square feet
3 br	950 square feet
4 br	1,100 square feet

MAXIMUM RENT--GUIDELINE

studio	$400
1 br	500
2 br	650
3 br	800
4 br	950

It is assumed that the affordable units will be in multifamily configuration. Modifications to the maximum rent guidelines may be made based upon such factors as housing configuration (detached), provision of a public benefit, or project amenities. These numbers will be adjusted annually in consideration of the CPI and rental rates. The City Council will reevaluate the rent maximums every three years.

MAXIMUM CITY ASSISTANCE--STANDARD
$5,000 regardless of unit size or configuration.

LIMITATION PERIOD--GUIDELINE
15 years regardless of unit size.

The limitation period may be varied based upon provision of a public benefit or other factors as negotiated by the City Council or Housing Authority.

ANNEXATION REQUIREMENTS--STANDARDS
10% minimum percent affordable housing.
2 bedroom standard unit size.

UNIT EQUIVALENTS FOR AFFORDABLE HOUSING--STANDARDS

studio	.50
1 br	.75
2 br	1.00
3 br	1.25
4 br	1.50

IN LIEU PAYMENTS FOR ANNEXATION AFFORDABLE HOUSING REQUIREMENT

studio	$30,000
1 br	45,000
2 br	60,000
3 br	75,000
4 br	90,000

The in lieu payment figures were derived from a recent estimate of the cost of providing one unit of affordable housing. The estimate of $60,000 includes financing and title costs, construction costs, and contingency costs for a two bedroom unit. All other in lieu payments (for other sizes of units) are based upon the unit equivalents. These numbers will be adjusted annually in consideration of the CPI and estimates of affordable housing development costs. The City Council will reevaluate the in lieu amounts every three years.

<u>SECTION 2. EFFECTIVE DATE</u>. This Resolution shall become effective immediately.

PASSED AND ADOPTED this 18th day of March, 1993.

PARK CITY MUNICIPAL CORPORATION

Bradley A. Olch

Mayor Bradley A. Olch

Exhibit C

PARK CITY 1884

RESOLUTION NO. 95-___

A RESOLUTION REPEALING RESOLUTION 8-93 AND ADOPTING AFFORDABLE HOUSING GUIDELINES AND STANDARDS FOR PARK CITY, UTAH

WHEREAS, the City Council has identified affordable housing as an action target in its work program for 1995 through 1996; and

WHEREAS, the City Council has adopted Resolution No. 37- 91 on December 5, 1991 which established policies to support and increase affordable housing in Park City; and

WHEREAS, it is the determination of this Council that it is in the best interest of the community to formulate guidelines and standards so that there are consistent and established criteria for review of project applications, annexation petitions and other development actions where affordable housing is an issue; and

WHEREAS, the Council has considered standards in other resort communities, housing studies conducted for Park City, Housing and Urban Development Standards, and input from the Affordable Housing Task Force;

NOW, THEREFORE BE IT RESOLVED by the City Council of Park City as follows:

SECTION 1. Adopted Housing Standards and Guidelines

These standards shall apply to all new and outstanding housing obligations as notified per Resolution 6-94. Prior agreements on density or configuration shall take precedence over these standards but all rental rate guidelines and time limitations as described below shall apply.

1. Minimum Unit Size Standards

Studio	400 square feet
1 bedroom	550 square feet
2 bedroom	700 square feet
3 bedroom	850 square feet
4 bedroom	1,000 square feet

2. Maximum Rent Guidelines

Studio	$425
1 bedroom	$525
2 bedroom	$675
3 bedroom	$825
4 bedroom	$975

Common Living space may be included in calculating this standard.

Modifications to the maximum rent guidelines may be made based upon such factors as housing configuration (detached), provisions of public benefits, or additional project amenities. These numbers will be adjusted annually in consideration of the Consumer Price Index (CPI) and Park City Rental Surveys.

3. Maximum City Assistance Standard

   $5,000 regardless of unit size or configuration

4. Limitation Period

   40 years minimum regardless of unit size.
   First Right of Refusal and/or Option to Purchase shall be granted to PCMC.
   PCMC shall have 90 days to respond or assign the above described rights.

This limitation period may be reduced based upon the provision of additional public benefits such as preservation of historic structures as negotiated by the City Council or Housing Authority.

5. Requirements for Annexations

15% of total project unit development shall be provided as a minimum affordable housing contribution. A 2 bedroom unit size shall be the minim standard that will satisfy this requirement. Land donation, or acquisition of off-site, deed restricted units that meet the minimum standard unit size, shall also satisfy this requirement. In-lieu payments will only be accepted if no other viable alternative can be determined. This housing obligation must be satisfied prior to issuance of Final Building Permits for the project.

Unit Equivalents for Affordable Housing Obligations (Land Management Code Section 10)

Studio	.50
1 bedroom	.75
2 bedroom	1.00
3 bedroom	1.25
4 bedroom	1.50

In lieu payments for Affordable Housing Obligations

Studio	$44,000
1 bedroom	$55,000
2 bedroom	$71,500
3 bedroom	$88,000
4 bedroom	$104,500

These in lieu payment figures were derived from a recent estimate of the cost of providing one 2 bedroom unit of affordable housing. These estimates include financing and title costs, land costs, construction costs, and contingency costs.
The City Council will reevaluate these figures every two years.

SECTION 2. EFFECTIVE DATE This Resolution shall become effective immediately.

PASSED AND ADOPTED this 2nd day of March, 1995.

PARK CITY MUNICIPAL CORPORATION

____
BRADLEY A. OLCH, MAYOR

ATTEST:

____
ANITA L. SHELDON, CITY RECORDER

APPROVED AS TO FORM:

____
JODI F. HOFFMAN, CITY ATTORNEY

Exhibit D

RESOLUTION NO. 95 - ___

A RESOLUTION DIRECTING STAFF TO IMPLEMENT A HOUSING ACTION PLAN FOR PARK CITY , UTAH

WHEREAS, THE CITY COUNCIL HAS DETERMINED THAT AFFORDABLE HOUSING IS AN OBJECTIVE OF THE CITY COUNCIL AND COMMUNITY, AND;

WHEREAS, THE CITY COUNCIL HAS DETERMINED TO STRENGTHEN EXISTING AFFORDABLE HOUSING PROGRAMS AND FUNDING GUIDELINES, AND;

WHEREAS, THE CITY COUNCIL WILL ENCOURAGE AND FACILITATE THE PRODUCTION OF AFFORDABLE HOUSING UNITS THROUGHOUT THE COMMUNITY BUT NOT BUILD OR MANAGE AFFORDABLE HOUSING,

NOW, THERFORE BE IT RESOLVED by the City Council of Park City as follows:

SECTION 1 - CURRENT IMPLEMENTATION

- CONTINUE TO OFFER UP TO $5,000 IN FEE WAIVERS AND GRANTS
- MAKE A CONTINUED COMMITMENT TO ALLOCATE AN ANNUAL BUDGET FOR HOUSING
- CONTINUE TO WORK WITH PRIVATE DEVELOPERS AND APPLY FOR STATE AND FEDERAL GRANTS
- SUPPORT SUMMIT COUNTY IN ADOPTING A HOUSING ELEMENT THAT INCLUDES A BROAD CROSS SECTION OF PARTICIPATION AND ALLOWS FOR AFFORDABLE HOUSING RESERVE ZONING DISTRICTS.
- UTILIZE EXISTING HOUSING BUDGETS TO:

1. ACQUIRE AFFORDABLE UNITS FOR MUNICIPAL EMPLOYEES FOR RENTAL, LEASE TO PURCHASE OR ACQUISITION
2. PROVIDE MUNICIPAL EMPLOYEES WITH MORTGAGE DOWNPAYMENT ASSISTANCE IN THE FORM OF LOW INTEREST

EQUITY LOANS. PROMOTE PROGRAM TO PRIVATE EMPLOYERS AS AN EXAMPLE.

3. DEVELOP CAPACITY OF NON-PROFIT AND LOCAL LOW INCOME HOUSING CONSORTIUMS - HELP TO CREATE A ONE-STOP HOUSING RESOURCE CENTER WITH RENTAL ASSISTANCE, TENANTS RIGHTS AND HOUSING MARKET INFORMATION FOR USE BY THE COMMUNITY. POSSIBLE LOCATIONS AT MINER'S HOSPITAL OR LIBRARY AND EDUCATION CENTER.

SECTION 2 - SHORT TERM / 6 - 12 MONTHS

ADMINISTRATIVE

1. **GOAL:**
   RESEARCH AND PURSUE NEW DEDICATED FUNDING SOURCES FOR HOUSING AT THE LEGISLATIVE LEVEL LIKE THE REAL ESTATE TRANSFER TAX OR USING THE RESTAURANT TAX. ENCOURAGE THE LEGISLATURE TO DEDICATE PERMANENT FUNDS, NOT SURPLUS, OR DISCRETIONARY ONE TIME FUNDING FOR AFFORDABLE HOUSING PROGRAMS.
2. **GOAL:**
   EDUCATE AND DISSEMINATE INFORMATION TO THE PUBLIC BY CONDUCTING AN ANNUAL HOUSING SYMPOSIUM
3. **GOAL:**
   CONTRACT WITH A NON-PROFIT ORGANIZATION LIKE ITCHES TO PROVIDE HOUSING SERVICES AND WORK WITH NON-PROFITS TO ENHANCE THEIR CAPACITY IN ACHIEVING AFFORDABLE HOUSING GOALS.
4. **GOAL:**
   MORE AGGRESSIVELY INVOLVE THE OTHER ENTITIES SUGGESTED BY THE TASK FORCE IN TAKING RESPONSIBILITY FOR AFFORDABLE HOUSING (COUNTY, RESORTS, ETC.) ASSIST THE RESORTS IN CREATING SEASONAL RENTAL OPPORTUNITIES BY ENCOURAGING OFF SEASON PARTNERSHIPS WITH THE UNIVERSITY, CHAMBER AND SEASONAL MUNICIPAL EMPLOYEES.
5. **GOAL:**
   REACTIVATE THE HOUSING AUTHORITY AND MEET QUARTERLY TO REVIEW PROGRESS AND DIRECTION OF PROGRAMS AND POLICIES.

LEGISLATIVE

6. **GOAL:**
   REVISE LAND MANAGEMENT CODE CHAPTER 10 AND 11 TO ALLOW THE PLANNING COMMISSION THE FLEXIBILITY IN OPEN SPACE CONSIDERATIONS PROVISIONS FOR AFFORDABLE HOUSING PROJECTS ON RESORT PROPERTY, CLOSE PROXIMITY TO EMPLOYMENT SOURCE OR OTHER SUCH SPECIFIED CRITERIA .

THE PLANNING COMMISSION CURRENTLY HAS THE ABILITY TO CONSIDER SHARED PARKING ALTERNATIVES, BASED ON STRICT CRITERIA, IN CHAPTER 10 AND CHAPTER 11 OF THE LAND MANAGEMENT CODE. CONSIDER EXTENDING THIS SAME CONSIDERATION TO CONDITIONAL USE PERMITS AND PERMITTED USES.

7. **GOAL:**
DEDICATE ONE OR TWO CITY-OWNED SITES TO AFFORDABLE HOUSING PROJECTS IN CONJUNCTION WITH PRIVATE DEVELOPERS

8. **GOAL:**
COMMIT ADDITIONAL FUNDS TO THE HISTORIC DISTRICT GRANT PROGRAM EARMARKED TO SECURING DEED RESTRICTIONS AND/OR AFFORDABILITY REQUIREMENTS.

COUNCIL REQUIRED ACTION:

9. **GOAL:**
EITHER PURCHASE IN FEE OR PURCHASE AN INTEREST IN OLDER RESTRICTED AFFORDABLE UNITS AND PLACE A DEED RESTRICTION ON. EXAMPLES OF SUCH PROJECTS ARE HOLIDAY VILLAGE OR SNOW COUNTRY. STAFF HAS CREATED A HOUSING INVENTORY MATRIX IN ORDER TO TRACK EXPIRATION DATES ON SUCH PROJECTS.

10 **GOAL:**
ADOPT A CONDO CONVERSION ORDINANCE TO EITHER CHARGE A "CHANGE OF USE" IMPACT FEE, OR NOT PERMIT CONVERSIONS THAT WOULD ABOLISH EXISTING ASSISTED AFFORDABLE HOUSING.

12. **GOAL:**
REQUIRE DEDICATION REQUIREMENTS FOR AFFORDABLE HOUSING IN MASTER PLANNED DEVELOPMENTS, CHAPTER 10 AND CONDITIONAL USE PERMITS (PER CITY COUNCIL RESOLUTION, 37- 91)

13. **GOAL:**
CREATE AN INCLUSIONARY HOUSING STANDARD FOR COMMERCIAL DEVELOPMENT IN THE CITY. (ONE METHOD WOULD BE TO IMPOSE AN EMPLOYEE GENERATION STUDY ON ALL COMMERCIAL DEVELOPMENTS. THIS PROCESS WOULD DETERMINE THE NUMBER OF UNITS NEEDED FOR EACH PROJECT, ON OR OFF SITE PRODUCTION AND SET DEFINITE TIME LIMITS FOR THE PRODUCTION OF THE UNITS.

14. **GOAL:**
CREATE AN INCLUSIONARY HOUSING STANDARD FOR ALL NEW SUBDIVISIONS WITHIN THE CITY. REQUIREMENT COULD BE MET THROUGH ACCESSORY APARTMENTS, CARETAKERS UNITS, DEED RESTRICTIONS, LAND DONATION OR BY PRODUCING A LIKE PRODUCT AT RESTRICTED RENTS.

SECTION 3- LONG TERM / BEYOND ONE YEAR
ADMINISTRATIVE:

15. GOAL:
CREATE A DEVELOPMENT PRIMER FOR AFFORDABLE HOUSING DEVELOPERS THAT OUTLINES FEES AND PROGRAMS AVAILABLE TO THEM THROUGH THE CITY, STATE AND COUNTY.

LEGISLATIVE:

16. GOAL:
BOND FOR OR SET-ASIDE A CERTAIN PERCENTAGE OF IMPACT FEES FOR THE ACQUISITION OF LAND FOR AFFORDABLE HOUSING SITES.

17. GOAL:
FOR NEW DEVELOPMENTS THAT ARE NOT IN A SUBDIVISION, ANNEXATION, MASTER PLANNED DEVELOPMENT, OR COMMERCIAL PROJECT, INSTITUTE A FLAT FEE FOR HOUSING IMPACTS. THIS FEE COULD BE USED TO ACQUIRE LAND AND/OR IN THE PRODUCTION OF AFFORDABLE UNITS. IT WOULD MORE EQUITABLY SHARE THE COSTS OF PROVIDING HOUSING ACROSS THE ENTIRE COMMUNITY.

18. GOAL:
RESTRUCTURE THE HOUSING AUTHORITY AS AN APPOINTED BOARD INSTEAD OF THE CITY COUNCIL AND INCLUDE SUMMIT COUNTY REPRESENTATION.

<u>SECTION 4 - EFFECTIVE DATE</u> THIS RESOLUTION SHALL BECOME EFFECTIVE IMMEDIATELY.

PASSED AND ADOPTED THIS 2ND DAY OF MARCH, 1995.

PARK CITY MUNICIPAL CORPORATION

____

BRADLEY A. OLCH, MAYOR

ATTEST:

____

ANITA SHELDON, CITY RECORDER

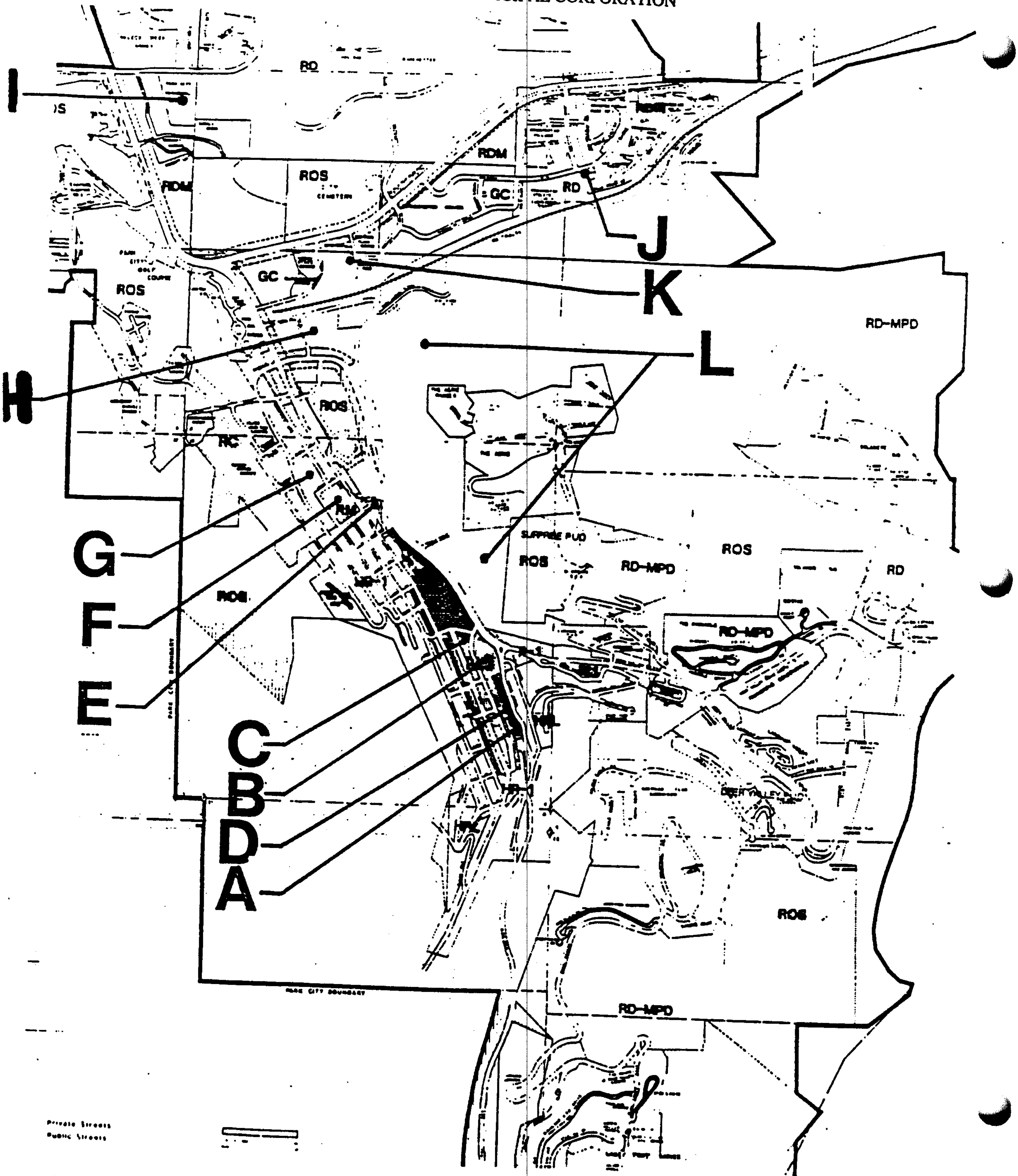
____

JODI F. HOFFMAN, CITY ATTORNEY

EXHIBIT E

PARK CITY 1884

PARK CITY MUNICIPAL CORPORATION



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PARK CITY MUNICIPAL CORPORATION
CITY OWNED SITES - 1995

A- Redevelopment frontage on Marsac Ave.

B- Marsac Building and lower Parking Lot

C- Parking lot beneath Gateway Center

D- China Bridge Parking Lot

E- Miners Hospital

F- Carl Winter's School - Library & Education Center

G- Senior Center

H- Public Works Site - 2 vacant lots

I- Old Sewer Treatment Site

J- Prospector (less than 1 acre)

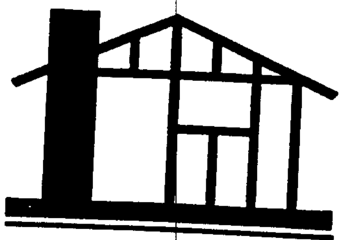
K- Woodbine (.436 acre)

L- Open Space - Estate Zoning - 15 acres, 145 acres

Inclusionary Concepts for Commercial Development in Park City

GUIDING PRINCIPLES

Nov-94



- Growth pays its own way
- Evolutionary, incremental approach to housing impact mitigation
- Minimize displacement
- local business ---- chain store
  local resident --- 2nd home
- Commercial, residential, tourist mitigation: coordinated

– **Affordable Housing will attain multiple community goals - <u>diversity, character, resort/community balance, traffic, parking, transit, air quality, stable labor supply</u>**

- 3-Part Strategy:

  - Reduce demand
  - Preserve existing stock
  - Build new units

– **What method does the community wish to use to <u>equitably</u> distribute the responsibility of providing affordable housing?**

– **Employee Generation calculations for Commercial Development**

Use local business info to determine the number of employees needed to operate the business

-Data: Phone (or other) survey of local businesses
<u>Retail</u> emp/1,000 s.f.

Office emp/1,000 s.f.
Lodge emp/unit-room

-Data: Phone (or other) survey of local property managers to determine occupancy levels of long-term units - studio, 1-bedroom, 2-bedroom, 4 - bedroom

Example

New Commercial Building - 2,500 s.f.

1,000 s.f. retail
1,000 s.f. office
500 s.f. storage/utilities

Assumptions - employee generation
Retail = 4 emp/1,000 s.f. (net)
Office = 3 emp/1,000 s.f. (net)
Storage/utilities = 0
Total = 7 employees

Assumptions - occupancy standards
studio = 1.25 employees
1-bedroom = 1.75 employees
2-bedroom = 2.25 employees
3-bedroom = 3 employees

- What % of the employees generated is this development responsible to mitigate? 10%, 20%, 50%?

Assume 20% for this example
- 7 employees (20%) = 1.4
The development is responsible to "house" 1.4 employees.

-The developer constructs a studio unit (on-site or off-site) or buys existing unit which houses 1.25 employees (deed restricted in perpetuity)
1.4-1.25 = .15 employee to be mitigated through cash-in-lieu

- Cash-in-lieu (of housing) is based upon the difference between market value and deed restricted value of a dwelling unit.

Assume the average cost of a studio is $90,000 (study area)
Assume a retail/office worker earns $20,000 annually
Assume our affordability target is 30% of gross income spent on housing

- Then the retail/office worker can afford a $66,600 mortgage

-$66,600 (1.25) = $83,250
-GAP = $90,000-$83,250 = $6,750
-$6,750 ÷ 1.25 = $5,400 FTE
-Therefore, cash-in-lieu for .15 employee = $5,400 (.15) = $810

- If 50% mitigation is required , then developer responsible for 3.5 employees --- 2-1 bedrooms or studio and 2-bedroom or 4-bedroom

- Fair Share Method uses study area information on residential, commercial, tourist accommodations, labor force to understand proportionate demand on the labor force by the resort and by the residential community. Once we formulate the community (residential) demand for labor, then we can break it down to emp/d.u.

Residential Methods -

- Inclusionary standard for all subdivisions
- Residential exaction on new single family houses.
- **Annexations - Retain flexibility yet recommend that minimum percentage be increased to 15%**

EXHIBIT G

DEER VALLEY

Executive Offices

February 26, 1995

Mayor Brad Olch and Park City Council
c/o Mr. Toby Ross
City Manager
Park City Municipal Corporation
P. O. Box 1480
Park City, Utah 84060

Re: Affordable Housing Action Plan

Dear Toby:

I was an active member of the Affordable Housing Task Force, one of the few that participated to the end, and support most of the goals set forth in the action plan that has been presented to the Park City Council, provided that implementation is inclusive and uniform. A point of discussion at most meetings of the Task Force was the desire for fair, equitable and uniformly applied measures that were dedicated to maintenance of existing affordable housing and creation of new affordable housing. There was objection to mitigation requirements applied on a spot basis. The Task Force recognized that every business, resident and visitor to Park City is a contributor to the need for affordable housing and a beneficiary of its availability. The Task Force also recognized that the affordable housing problem is not unique to Park City and not even unique to resorts and that the problem is not as critical in our area as it is in most winter resort areas because of our proximity to the Wasatch Front and surrounding communities in Summit and Wasatch County. A number of members felt strongly that the predominant goal could and would be satisfied by market.

Solutions that were suggested as uniform and fair included general fund taxation, dedication of a portion of existing impact fees, and imposition of a specific affordable housing impact fee and/or mitigation requirement on all development. The measures discussed by the Task Force are all contained within the goals expressed in the proposed action plan presently before the Council. However, they are presented as "separate" goals, perhaps to pick and choose from. The goal of fairness and uniformity in application is missing from the Action Plan. The only measure proposed for immediate implementation is to increase the affordable housing requirement on annexations from 10% to 15%. By itself this is violative of the majority opinion if not the consensus of the Task Force in that it is arbitrary and not uniform with respect to the entire community and therefore cannot be construed as "fair". 15% might be as fair as 10% if it is coupled with a corresponding financial imposition on all development, but without that is grossly unfair. It is also too easy to look at a proposed increase from 10% to 15% as being a 5% increase in a tax as opposed to an actual 50% increase in that tax.

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DEER VALLEY

Certain other goals expressed in the plan would produce similar inequitable results if implemented on a stand alone basis as opposed to an across the board approach. These include the adoption of inclusionary standards or requirements for new subdivisions and commercial developments and the "flat fee" tax suggested as applicable to new developments that are not a subdivision, annexation, master planned development or commercial development.

Miles Rademan and Meg Ryan spent a substantial amount of time and effort in research, instruction, and materials production in running the Task Force. They are to be applauded and this letter is not intended to be critical of their efforts. As stated above, the goals set forth in the Housing Element are consistent with the work of the Task Force. But care needs to be taken that impositions associated with the goals are fair and uniform.

I urge the Council not to adopt ordinances or impose fees that are related to a single development or just to annexations for the reasons stated above.

Very truly yours,

DEER VALLEY RESORT COMPANY

By ______________________
Robert W. Wells

P.S. I realize that the current legislature's work is in conflict with certain recommendations of the Task Force.

cc: Miles Rademan
Meg Ryan

EXHIBIT H

Aspen's Affordable Housing Program Helps Create Community

by Amy L. Margerum and David Tolen

Resort communities have special problems ensuring enough affordable housing. Aspen is approaching the problem with a multi-faceted solution.

In the area of housing, Aspen is probably best know for the fact that the median price of a home here is more than $1,000,000. As is true in many resort communities, such housing costs can make it difficult for many of the workers in the area to find a place to live. To deal with this situation, Aspen has put together a comprehensive and effective affordable housing program.

The program has helped to develop a mix of ownership and rental housing for a broad cross-section of working residents, from business owners to nurses and teachers to waiters. Aspen is a small town with a population of 5,049 permanent residents and 3,300 registered voters. Yet, Aspen and Pitkin County have created more than 1,500 affordable housing units, providing affordable living for more than 3,000 residents and their families.

Aspen's affordable housing program is a comprehensive series of regulations and incentives to preserve, create, and encourage affordable housing which is in scale with the community. Aspen discovered more than 20 years ago that there is no quick fix to the housing issues facing resort communities.

No one element of our program would have been enough to solve Aspen's critical housing shortage. The program seeks to ensure that:

- growth pays its own way;
- demand for new housing opportunities is kept in balance with housing production;
- existing homes traditionally used by local residents are not demolished and converted to non-residential or second-home use without contributing back to the community;
- resident housing is reintroduced in all neighborhoods in a dispersed manner that provides for a variety of housing types; and
- incentives are available for the private sector to build affordable housing.

The community plan

The backbone of Aspen's affordable housing program is the Aspen Area Community Plan. After two years of work by more than 400 citizens, the Community Plan was adopted unanimously by both Aspen and Pitkin County. A primary goal of the plan is to ensure that at least 60 percent of Aspen's employees can live in the Aspen area. Currently, only about 45 percent of Aspen's work force live in the Aspen town area. To achieve this goal, the plan lays out a series of policies and programs designed to "create a housing environment which is dispersed, appropriately scaled to the neighborhoods, and affordable.

A housing program has been in place in Aspen since the adoption of the first City/County Growth Management Plan in 1974. The Growth Management Plan requires developers to compete for limited allocation of development rights. Each year developers compete for an annual quota for new residential units, commercial square footage, and lodge units.

The competition for residential permits gives extra credit for those proposals containing affordable housing. Through this competition , at least 60 percent of the total number of residential units awarded each year are for affordable housing. The commercial and lodge development competition requires developers either to build units for employees on-site, buy existing units and place them in the deed-restricted program, or pay a fee. Through this competition, commercial and lodge developers mitigate the housing needs for 60 percent of their potential employees based on a formula of employees per square foot per type of business.

While many will claim that Aspen would not have any affordable housing woes if we had never adopted a growth management program in the first place, we strongly disagree. In areas such as Aspen or other resort communities, the demand for housing is not necessarily tied to the local economy, but is instead connected to an international market; without managing and directing growth, there would be unregulated growth and high prices. One only needs to look to the beautiful coastal communities in California or certain islands off the east coast to see unregulated growth as well as housing prices beyond the reach of the average working resident. Without some level of growth control, these communities also have traffic congestion, air quality problems, and little or no affordable housing within their communities. Aspen has also instituted additional programs to encourage the building of more affordable housing.

Housing replacement

The city's Housing Replacement Program is aimed at maintaining the community's current inventory of affordable housing. During the 1980s, much of the housing rented by locals was torn down and replaced by second homes and high priced condominiums. After a controversial moratorium on such demolition, the city council adopted an ordinance which requires 50 percent of all demolished units to be replaced as affordable housing. Construction of single family homes requires payment of a fee ($14.75 per square foot) or construction of an accessory dwelling unit available for rent to a local working resident.

Aspen also provides incentives for individual homeowners to build additional low-priced units through the Cottage In-fill Program. This is a voluntary program that permits homeowners to construct a small attached or detached unit on a single family lot and rent that unit to a local working person. The units are exempt from growth management controls, and fees are waived in order to encourage their construction. In order to avoid neighborhood controversy, the units may only be approved after a public hearing with the Planning Commission.

A major initiative to encourage private sector production of affordable housing is the city's Affordable Housing Zone District. This is a zoning designation that may be requested by a property owner who wishes to develop a mix of affordable units and free market housing. Under this zone district, if 70 percent of the units are deed-restricted affordable housing, the remaining 30 percent free-market units are exempt from the growth management process. Two such projects, totalling 20 affordable units, have been built and occupied, and another project which includes 35 affordable single family homes and duplex units is under final review by the city. Developers choose this method of development because they can build free-market residential units without competing for an allocation through the Growth Management Program.

Encouraging the private sector

Another program designed to encourage private sector housing is Resident Occupied Home Program. These units, priced somewhere between deed-restricted units and the million-dollar second homes, are intended to provide a housing product for local professionals. A resident-occupied unit must be owned and occupied by a local working resident but may be priced by the developer based on the market for such a unit.

The owner's appreciation is capped in order to avoid speculation. If a property owner desires to build such housing, the city and county ensure exemption from a time-consuming and uncertain growth management process. Aspen has created other incentives for private sector housing production.

All affordable housing is exempt from the growth management process, reducing the time, expense, and risk for developing those units. Developments that are 100 percent affordable houses qualify for building and planning permit fee waivers and tap fee waivers. For those projects which are only partially affordable housing, a tap fee discount is offered.

The city has entered into several public-private partnerships to facilitate the building of affordable housing. Of note is a 150-unit project, housing up to 400 people, built by the city and the Music Associates of Aspen. The Marolt Ranch Project is used during the summer by music students who enjoy the pedestrian feel of the campus, the cafeteria, and the rehearsal rooms. During the winter, the project houses seasonal ski area employees.

The Aspen community and voters continue to support a vigorous Public Sector Production Program. The city and the county, through the Aspen/Pitkin Housing Office, have an aggressive program to build new affordable housing units. To meet the goals of the Aspen Area Community Plan, the public sector must build an average of 19 units per year.

To help with this effort, Aspen raises more than $1,000,000 per year from a real estate transfer tax and another $1,400,000 per year from a 0.45 percent sales tax. These funds have been used to purchase property and build affordable housing to be sold or rented to local working residents. The city is now building smaller, more dispersed projects throughout the community as opposed to building large complexes as was done in '70s and '80s.

Aspen's housing program is administered by the Aspen/Pitkin County Housing Office.

The housing office is an semi-independent authority whose funding comes from the city's dedicated tax base, rental and sales fees, and special project and operational funding from the county's general fund. The Housing Office Board is appointed by the city council and the board of county commissioners. The Board recommends guidelines for qualifications, sets sale and rental prices of units, and develops policies to guide future development.

Housing prices and rental rates are based on regular surveys of the incomes of Aspen's working residents and are intended to ensure that no household pays more than 30 percent of their income for housing. The Affordable Housing Guidelines for 1994 set maximum unit sales prices based on four categories of income, as shown in the table below.

Aspens's affordable housing program is very likely the most innovative and comprehensive in the nation. The program not only provides a guide for the public and private sectors to solve an affordable housing problem but also seeks to preserve and maintain the identity and soul of Aspen. ■

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