PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
FEBRUARY 28, 2008

PUBLIC NOTICE IS HEREBY GIVEN that the City Council of Park City, Utah will hold its regularly scheduled meeting at the Marsac Municipal Building, City Council Chambers, 445 Marsac Avenue, Park City, Utah for the purposes and at the times as described below on Thursday, February 28, 2008.

Closed Session
2:00 p.m. Property and litigation

Work Session ***(Times are approximate and may vary. Items are publicly discussed and direction may be given, if appropriate. No formal action is taken)***
3:00 p.m. Council questions/comments
3:15 p.m. Legislative update
3:30 p.m. Library update
3:50 p.m. Review of Racquet Club feasibility study
4:50 p.m. Sundance Racquet Club venue update
(a) Public input
5:50 p.m. Break

Regular Meeting – City Council Chambers
6:00 p.m.
I ROLL CALL

II COMMUNICATIONS AND DISCLOSURES FROM COUNCIL AND STAFF

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

IV WORK SESSION NOTES AND MINUTES OF MEETINGS OF FEBRUARY 7 AND FEBRUARY 14, 2008

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

1. Consideration of an Ordinance approving the Knoll Estates (fka Deer Valley Club Estates) Lots 17 and 18 Amended Subdivision Plat, located at 7888 Aster Lane, Park City, Utah
   (a) Public hearing
   (b) Motion to continue to March 13, 2008

2. Consideration of an Ordinance approving a plat amendment for 154 McHenry Avenue, Park City, Utah
   (a) Public hearing
   (b) Motion to continue to April 17, 2008

3. Economic development grant update and consideration of approval of the third amendment to the Park Silly Sunday Market Master Festival License
   (a) Public hearing
   (b) Action

4. Consideration to authorize the City Manager to execute a Professional Services Agreement with InterPlan Co., in a form approved by the City Attorney, in an amount not to exceed $21,315 for the preparation of an SR-248 Corridor Plan

5. City Council call-up of a Planning Commission decision of February 13, 2008 regarding an amendment to the technical report for Empire Pass affordable-employee housing to be provided as required by the Flagstaff Development Agreement, as amended - Talisker Corp.
   (a) Public hearing
   (b) Action

VI ADDITIONAL DISCUSSION – AGENDA ITEMS

VII ADJOURNMENT

A majority of City Council members may meet socially after the meeting. If so, the location will be announced by the Mayor. City business will not be conducted. Pursuant to the Americans with Disabilities Act, individuals needing special accommodations during the meeting should notify the City Recorder at 435-615-5007 at least 24 hours prior to the meeting.

Posted: 02/25/08
See www.parkcity.org

Note: This future meeting schedule is TENTATIVE and subject to change.
PARK CITY COUNCIL TENTATIVE MEETING SCHEDULE

March 2008

6 Closed session
Legislative update
Recycle Utah update
Eden deployment update
Ordinance regulating reckless skiing at ski resorts within Park City's boundaries
Resolution adopting a Neighborhood Traffic Management Policy
Consideration of approval of an amendment to the Water Agreement between the City and Talisker Corp, in a form approved by the City Attorney
Neighborhood parks service provider contract

13 Silver Star Tour
Johnson Controls energy audit
Request for fee waiver – Habitat for Humanity
The Yard update
Ordinance approving the Knoll Estates (aka Deer Valley Club Estates) Lots 17 and 18 Amended Subdivision Plat, located at 7888 Aster Lane, Park City, Utah - KW
MFL US Freestyle Championships to be held at the Town Lift Plaza with amplified music on Saturday, March 29, 2008

20 **No meeting**

27

April 2008

3

10 **No meeting**

17 Ordinance approving a plat amendment for 154 McHenry Avenue, Park City, Utah

24 PC Heights Annexation

May 2008

1 Presentation of budget

3 Move to Miners and Library and Education Center for meetings

8 **No meeting**

15

22

29

Pending Items:

Consideration of an amendment to the Burbs LLC Annexation Agreement/Affordable Housing
Resolution - Trails Master Plan
Business market analyses – Phases 1 and 2
Wild land interface issues

City Council
Staff Report

Recreation Library
Department

Author: Linda Tillson
Subject: Annual Library Update
Date: February 28, 2008
Type of Item: Informational

Summary Recommendations:
An annual report developed to update City Council on library usage, project highlights, upcoming projects and comparison statistics is attached.

Description:
Topic:
Annual Library Update for Fiscal Year 2007

Background:
As a part of Library Board's discussion following the State recertification process of the library in the fall of 2007 it was agreed that an annual update to City Council should be instituted. During the recertification process the library was designated as a mentor library.

Analysis:
The Library Board and staff compiled this annual report (Attachment 1) to provide City Council with a snapshot of fiscal year 2007 library activities, statistics and a brief overview of upcoming projects. Attachment 2 illustrates the Library's web site re-design project.

Department Review:
The Recreation Library Team and City Manager have reviewed this report.

Alternatives:
No action is requested. This is an informational report.

Attachment 1

The Library Park City

1255 Park Avenue · PO BOX 668
Park City Utah 84060
435-615-5600 · Fax 435-615-4903

2007 Annual Report

A Few Quick Statistics for FY 2007

- Collection of 60,402 items-books, audio & video tapes, CD's, magazines, etc.
- Open to the public 3240 hours (64 per week M-Th 10-9, Fri-Sat 10-6, Sun 1-5)
- Door count 123, 947
- Checkouts 71,567
- Public computer logins 47,504
- Children's programs 332
- Volunteer service hours 2,009

The Park City Library's mission is to provide:

Customer service that exceeds expectations
Information that educates, inspires, and entertains in a variety of formats
A welcoming environment for lifelong learning that links Park City to the world

2007 Highlights

- Reciprocal borrowing with Summit County for student cards instituted
- Grants
  - Spanish Materials and Outreach
  - Park Record Digitization up to 1947
- New Rapid Reader Collection featuring popular items with a shorter checkout
- Kids Book Club in partnership with Museum
- Partnership with Agencies Coming Together (ACT) to offer summer programming for at risk youth
- Library Policies Manual updated

2007 Highlights

- Special Exhibits-Abraham Lincoln, Banned Books, and Calligraphy
- Staffing-Staff continued to provide exceptional customer service despite a high turnover rate.
- Special Programs-Singing Cowboy, Yo-Yo Man and Eric Herman's Air Band
- Friends of the Library Book sale with record earnings
- Friends of the Library Luncheon featuring bestselling author Hampton Sides

Special Projects Slated for FY 2008

Assessing the Community's Library Needs
Develop a statistically valid survey to assess community's library needs and a facility needs assessment.
Web Site Update (Attachment 2)
Refine newly designed web site by updating and adding content.
Security & Checkout System Evaluation

Investigate feasibility of RFID (Radio Frequency Identification) technology in order to update check-in and check-out of items as well as library materials security.

Reciprocal Borrowing

Study success and evaluate impacts of student cards and consider feasibility of extending to beyond students.

Reading Garden

Develop a priority list of reading garden improvements in cooperation with founders and Friends of the Library and submit to Parks Maintenance for implementation.

Holocaust Museum Exhibit

Host this anticipated exhibit and associated programming scheduled for November 2008.

Comparison of Significant Statistics

Fiscal Year	2003	2004	2005	2006	2007
Check out of Library Materials	74,208	68,887	77,798	75,491	79,814
% change from previous year		-7.724%	11.454%	-3.056%	5.416%
Computer workstation sessions	43,374	43,759	54,543	51,038	47,504
% change from previous year		0.880%	19.772%	-6.867%	-7.439%
Library Visits	113,329	97,252	119,401	115,225	123,947
% change from previous year		-16.531%	18.550%	-3.624%	7.037%
Library Materials Collection	49,145	51,334	52,899	56,032	60,402
% change from previous year		4.264%	2.958%	5.591%	7.235%

Library Budget *	2007 Original Budget	Budget Adjustments	2007 Adjusted Budget
Personnel	$527,578	NA	$527.578
Materials, Supplies & Services	$130,182	Reciprocal borrowing survey $2200	$132,382
Capital Outlay	$16,972	Security upgrades and new safe after burglary $3534	$20,506

* Does not include grants or Friends of the Library funds.

PUBLIC LIBRARY PEER GROUP COMPARISONS
FY 2006

Library	Population of Legal Service Area	Total Expenditures	Total Operating Expenditures per Capita	Total Paid Staff	Collection Expenditures	Total Coll. Exp per Capita	Annual Visits	Visits per Capita
Aspen	11,917	$2,483,201	$208.37	23	$295,738	$24.82	313,650	26.32
Park City	8,066	$612,040	$75.88	10.53	$91,859	$11.39	115,225	14.29

Steamboat	15,689	$1,074,460	$68.48	15.98	$267,004	$17.02	247,736	15.79
Telluride	5,533	$1,727,202	$312.16	23	$231,983	$41.93	239,553	43.3
Vail	4,785	$603,582	$126.14	9	$163,778	$34.23	200,000	41.8
Average	9,198	$1,300,097	$158.21	16.30	$210,072	$25.88	223,233	28.30

	Total Circulation	Total Circulation per Capita	Total Public Access Computers	Attendance at Childrens Programs	Books & Bound Volumes	Books & Bound Volumes per capita	Total# of Library Holdings	Total # of Holdings per Capita
Aspen	184,626	15.49	21	6,041	101,690	8.53	151,432	12.71
Park City	75,491	9.36	17	4,612	48,417	6.00	56,032	6.95
Steamboat	198,758	12.67	12	12,887	64,421	4.11	77,912	4.97
Telluride	207,085	37.43	36	7,946	49,525	8.95	66,034	11.39
Vail	62,000	12.96	9	6,000	70,000	14.63	77,919	16.28
Average	145,592	17.58	19	7,497	66,811	8.44	85,866	10.46

Attachment 2 **Library Web Site Update**

Original Design


http://www.youseemore.com/parkcity/default.asp
Red Gazelle Client Login
Park City Library
Park City Library
1255 Park Ave • PO Box 668 • Park City, UT 84060
Phone (435)615-5600
Home | Calendar | Reference Links | My Account
About the Library | Kids | Teens | Park City | Good Reads | Español
Search our Catalog:
Go
Browse | Advanced | Email a Librarian
Author, Title, Subject
Books on CD
DVDs & Videos
Download eAudiobooks
Kids Catalog Web
Public PIONEER RESEARCH DATABASES
Hot Titles (Check to see if we have them!)
Featured New York Times Bestsellers Selection
The Nine
by Jeffrey Toobin
Publishers Weekly : It's not laws or constitutional theory that rule the High Court, argues this absorbing group pro...
Search
Featured Pulitzer Prize Selection
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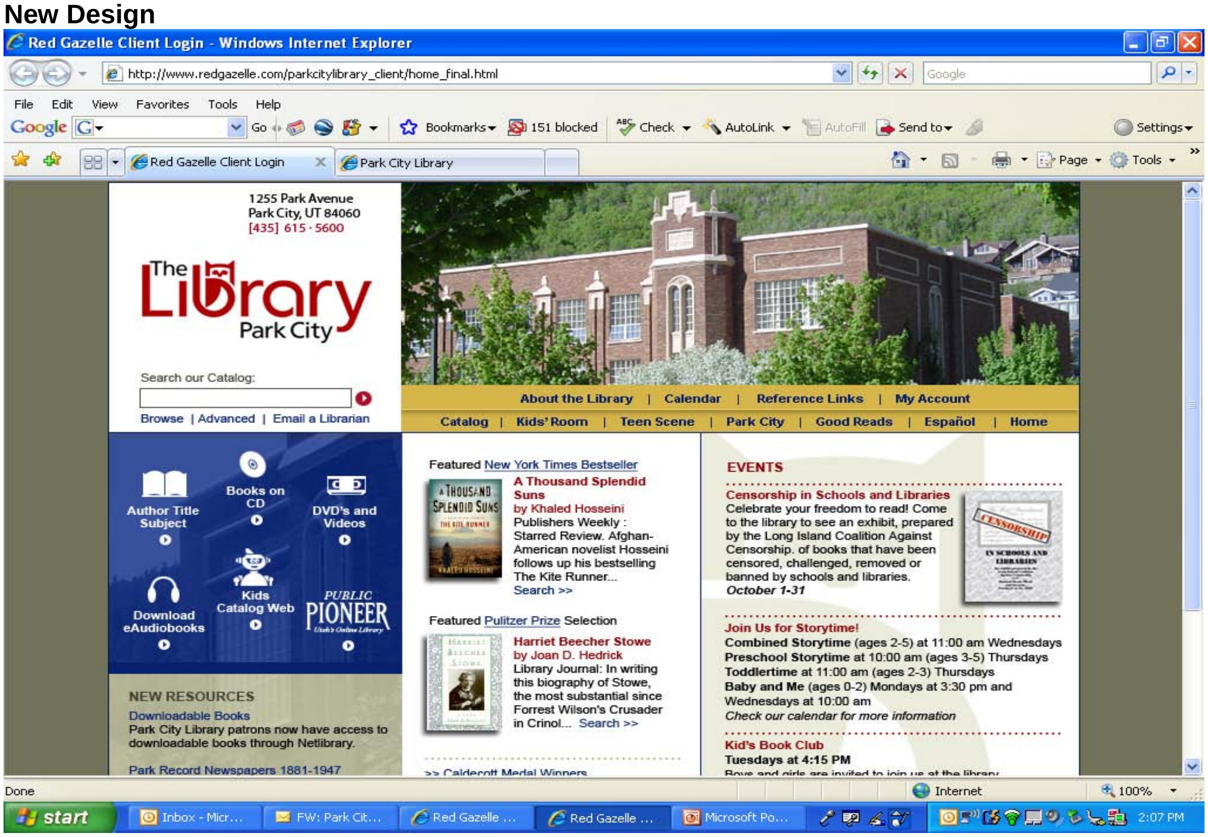
• What kind of electrical plugs are used in The Gambia? Can I catch a train at the Nice Airport? Are there English language newspapers in Taiwan? What kind of mobile phone networks are available in India? Find answers to these and other travel questions quickly and easily---click on the Reference Links button on our home page, scroll down to "Travel," click on "more," then E-World Travel Guide.
Internet
100%

New Design


Red Gazelle Client Login - Windows Internet Explorer
http://www.redgazelle.com/parkcitylibrary_client/home_final.html
1255 Park Avenue
Park City, UT 84060
[435] 615 - 5600
The Library Park City
Search our Catalog:
Browse | Advanced | Email a Librarian
About the Library | Calendar | Reference Links | My Account
Catalog | Kids' Room | Teen Scene | Park City | Good Reads | Español | Home
Author Title Subject
Books on CD
DVD's and Videos
Download eAudiobooks
Kids Catalog Web
PUBLIC PIONEER
NEW RESOURCES
Downloadable Books
Park City Library patrons now have access to downloadable books through Netlibrary.
Park Record Newspapers 1881-1947
Featured New York Times Bestseller
A Thousand Splendid Suns
by Khaled Hosseini
Publishers Weekly : Starred Review. Afghan-American novelist Hosseini follows up his bestselling The Kite Runner...
Search >>
Featured Pulitzer Prize Selection
Harriet Beecher Stowe
by Joan D. Hedrick
Library Journal: In writing this biography of Stowe, the most substantial since Forrest Wilson's Crusader in Crinol... Search >>
EVENTS
Censorship in Schools and Libraries
Celebrate your freedom to read! Come to the library to see an exhibit, prepared by the Long Island Coalition Against Censorship, of books that have been censored, challenged, removed or banned by schools and libraries.
October 1-31
Join Us for Storytime!
Combined Storytime (ages 2-5) at 11:00 am Wednesdays
Preschool Storytime at 10:00 am (ages 3-5) Thursdays
Toddlertime at 11:00 am (ages 2-3) Thursdays
Baby and Me (ages 0-2) Mondays at 3:30 pm and Wednesdays at 10:00 am
Check our calendar for more information
Kid's Book Club
Tuesdays at 4:15 PM
Done
Internet
100%
start
2:07 PM

City Council
Staff Report

Subject:	**Racquet Club Remodel**
Author:	**Ken Fisher, Recreation Manager**
Department:	**Recreation & Library**
Date:	**February 28, 2008**
Type of Item:	**Informational**

Summary Recommendations:
Provide discussion and input on the conceptual designs and feasibility study for the Park City Racquet Club. If Council is supportive with moving forward with a renovation of the facility, staff will discuss funding options as part of the budget process this spring & begin immediately to engage the public in the design process.

Topic/Description:
Racquet Club design & feasibility study

Background:
Racquet Club Historical Timeline:
1972: Original Racquet Club built (estimate)
1987: The Racquet Club is purchased by PCMC at public auction for $425,000
1989: Community passes a $1.4 million General Obligation Bond to fund improvements
1990: Construction of gymnasium, lap pool, aerobics studio and other building improvements.
1998: Two racquetball courts are remodeled into the current weight room.
2001: $2 million dollar General Obligation Bond for Racquet Club improvements is not approved by voters.
2002: PCMC is awarded $208,494 from the Recreation, Arts and Parks Tax for “rehabilitation and new equipment at the Racquet Club.” Funds are used to help with the purchase of the water slide for the pool, new weight equipment and the remodel of the locker rooms (completed 2006). All allocated funds have been spent.
2003: The original bond for Racquet Club improvements is paid off; PCMC replaces the old pool with a new leisure pool ($360,000 of which $86,000 is RAP Tax) and replaces the roof over the tennis courts and gymnasium (approximately $460,000).
2006: Locker rooms are remodeled for approximately $146,000 of which $46,000 was RAP Tax funding.

The Racquet Club has been identified by City Council as a high priority for 2008 targets for action. Council formed a Recreation Advisory Board Racquet Club subcommittee that has been involved in the process of identifying potential improvement to the facility.

In April 2007 Leisure Vision completed a Community Attitudes and Interest survey (Needs Assessment) for Park City. The survey identified the renovation of the Park City Racquet Club (54% of respondents) as the most important improvement that could be made among a list of various recreational amenities (new golf course (25%), new indoor rec center (18%), new playing fields (8%), indoor playing fields (6%), a second sheet of ice (5%)).

The public also wanted to renovate the existing Racquet Club (53%) versus building a new facility at a different location (7%). 19% would equally support renovating/rebuilding the Racquet Club or building a new facility at a different location. The amenities that the public would like to see in a renovation project are related to adult fitness & wellness with an expanded weight room, group fitness space and a walking jogging track. Expanded aquatic facilities and additional tennis courts were also highly rated by the public.

The next step in the process was for the City to complete a feasibility study and develop some conceptual design for the potential remodel of the facility. The City entered into a contract with VCBO architecture this fall to provide this service.

Analysis:

VCBO will be presenting a power point with the main focus being an overview of the condition of the facility and the three conceptual designs for the renovation of the Racquet Club. The operational impact of each scheme is outlined in attachment 1. The summary of the estimated cost of construction for each scheme is attachment 2.

Table 1 shows a summary of the three schemes with the operational impact to the Recreation & Tennis budget along with the construction estimates.

Scheme Comparisons: Table 1

Recreation & Tennis Budgets

	Scheme A	**Scheme B**	**Scheme C**
Expenses	$1,767,560-$1,793,560	$1,930,560-$2,012,560	$1,888,560-$1,959,560
Revenues	$1,373,271-$1,425,271	$1,598,271-$1,737,271	$1,548,271-$1,661,271
Difference	($394,289)-($368,289)	($332,289)-($275,289)	($340,289)-($298,289)
Construction Estimate	$8,108,193	$19,207,361	$23,030,257

The goal of a remodeled facility is to meet the current recreational needs of the community as well as future needs. During the summer the Racquet Club is a vibrant recreation center with activities going on for the whole family. When the pools close, activities become more program oriented and visitation drops significantly. In the summer we have over 900 people a day come through the front door while in the winter that drops to 400 per day. A remodeled facility will become a community gathering place that residents not only visit for physical fitness but a place where the whole family can come to recreate together.

It would be possible to phase the remodel of the facility from Scheme A to Scheme B since the major difference between the two is the addition of an indoor aquatics facility, walking/jogging track and additional space off the east end of the gymnasium that could either be two additional indoor tennis courts or a multi use recreational space. Scheme C assumes everything is removed from the site other than the current gymnasium.

An added benefit to building additional space off of the gymnasium is that it could potentially be used by Sundance to help mitigate the impact on the outside of the facility and limit the number of tents and people outside. All the schemes leave the current gymnasium intact which would enable the space to continue to be used as a theatre during a remodel. Leasing of this space to Sundance during the festival would contribute approximately $1,000 per day to the City's General Fund based on our current facility rental fees.

The Racquet Club is currently the largest energy user of all City buildings. Any remodel could increase the energy efficiency with simple improvements such as replacing single pane windows with double pane, use of day lighting and more efficient heating & cooling systems to more complex ideas such as using solar to augment the heating of the pools and the hot water in the facility. Any remodel would meet the City's adopted green building policy. Johnson Controls Energy Audit which is scheduled to be presented to Council in March. This will outline further improvements to the Racquet Club's mechanical systems and ability for renewable energy. Council will have the opportunity to include any recommendations on energy efficiencies into a potential contract for architectural design and construction for the Racquet Club if they wish.

VCBO, the Building Department and the structural engineer are still evaluating the tennis building structure to determine compliance with current building codes.

The National Ability Center (NAC) is going to build a small indoor leisure pool this spring that will have limited public access. Staff has met with the NAC to discuss the facility and to explore options of collaborating on the pool. At this point the most likely scenario is that the City may be able to negotiate a guaranteed number of hours that the facility will be open to the public. The NAC pool may meet a short term need for an indoor leisure pool but the main focus is not for the public but for NAC programs and use. The water in the lap lanes and leisure pool will be kept at 90 degrees which for the leisure component is fine but too warm for lap swimming. The NAC does not anticipate the facility will meet the long term needs of the community and anticipates it as a stop gap until a public facility is built. The NAC plans to start construction this spring with a fall 2008 opening.

The Snyderville Basin Recreation District (SBSRD) is looking at options for an expansion to the Fieldhouse. The potential main amenities include one of the following: an indoor or outdoor aquatics splash pad; a second indoor field; or a gymnasium. It is imperative that PCMC works closely with SBSRD and the community to construct complementary facilities that meet the need of the community. In discussions with SBSRD any aquatics facility they may consider would be on a small scale and would not offer aquatic programming as part of the facility. In the short term it seems that for PCMC and the SBSRD to both build indoor aquatics facilities goes against the idea of building complementary facilities. PCMC staff and SBSRD staff are in constant contact about each others plans and will work together to meet the overall recreational needs of the community and limit any unwarranted duplication of facilities.

Restaurant space is included in all three design options. The current restaurant space at the Racquet Club was identified in the Needs Assessment as the most used programming area in the last 12 months (36%) followed by weightroom/cardio area (35%) and the outdoor leisure pool (26%). The potential revenue from a lease is not included in the Operational Assessment. A successful restaurant will help to create a community atmosphere and provide a valuable service to the neighborhood, program participants and facility users.

Timeline of remodel assuming Council is supportive of pursuing remodel
February – April 2008: Public input from the community on remodel design options.
May 2008: Determine and recommend funding and financing options through the City's budget process
July 2008: Issue RFP for design development for Racquet Club remodel.
September 2008 – December 2008: Finalize design of remodeled facility
November 2008: General Election if interested in holding a bond election for funding
April 2009: Begin construction
September 2010: Grand opening of the Park City Recreation Center (or whatever name is appropriate).

Department Review:
This report has been reviewed or received input from the City Manager, Sustainability, Recreation & Library, Building, Public Works, Budget & Grants, RAB and Legal.

Alternatives:

A. **Approve the Request:** Provide discussion and input on the conceptual designs and feasibility study for the Park City Racquet Club. If Council is supportive with moving forward with a renovation of the facility, staff will discuss funding options as part of the budget process this spring & begin immediately to engage the public in the design process.

B. **Deny the Request:** Council may deny the request resulting in the Racquet Club staying status quo for the foreseeable future.

C. **Continue the Item:** Staff may return at a future date with additional information requested by Council.

D. **Do Nothing:** This will result in a lack of clarity on what to do with the future of the Racquet Club.

Significant Impacts: By moving forward with plans to remodel the Racquet Club the recreational needs of the community as outlined in the Needs Assessment will be met, the building will become a community gathering spot for residents and visitors of all ages and the life of the building will be extended into the future.

Consequences of not taking the recommended action:
Any impovements identified in the recreation needs assessment will be delayed with the Racquet Club remaining status quo.

Recommendation:
Provide discussion and input on the conceptual designs and feasibility study for the Park City Racquet Club. If Council is supportive with moving forward with a renovation of the facility, staff will discuss funding options as part of the budget process this spring & begin immediately to engage the public in the design process.

Attachment 1
Park City Racquet Club Improvements
Operational Assessment

Introduction

The following is a general assessment of the three possible schemes for making physical improvements to the Park City Racquet Club.

Racquet Club Scheme Review

VCBO Architects developed three different schemes to improve and expand the existing racquet club.

Scheme A – Minimal Improvements

This option makes minimal improvements to the existing recreation center.

Physical Changes

- A much larger fitness/cardio area is added (8,000 sq.ft.).
- A larger aerobics room replaces the smaller space (2,000 sq.ft.).
- An outdoor splash pad, play area and sun deck are added to the aquatics area.
- A party room is included.
- An expanded child care room.
- The front desk, lobby, pro shop, and administrative areas are relocated.
- The locker rooms are relocated and family locker rooms added.
- The restaurant is relocated.
- The day spa is eliminated.

Operational Opportunities and Changes

- The physical layout of the center is much improved and there should be greater customer/user comfort and satisfaction.
- The entry, locker rooms and office space improves operational efficiency.

- The fitness area is greatly expanded which adds to the appeal of the center.
- The outdoor aquatics area is enhanced and capacity is increased.
- Child care capacity is enhanced.
- The party room adds an additional program area.
- Overall center usage and fitness programming should be significantly improved.

Operational Budget Changes

Administrative space - improvements will not result in a significant change in operating expenses or revenues.

Front desk and lobby - improvements will not result in a significant change in operating expenses or revenues.

Locker rooms - improvements will not result in a significant change in operating expenses or revenues.

Fitness/cardio area – this addition will result in a substantial growth in center usage and revenues (passes). Expenses will increase with a larger space (utilities, contract work, area supervision, and program staff). It is estimated that expenses should increase by $25,000 to $40,000 per year. Revenues could increase by $50,000 to $75,000 per year (from user fees and program fees).

Aerobics room - this expansion of space should provide a slight increase in program revenues. There might be a small increase in expenses from additional instructors ($5,000 to $10,000 or less) and revenues should increase by $5,000 to $10,000 (from program fees).

Outdoor splash pad – will increase usage of the aquatics area and result in a small increase in revenues. Expenses are expected to increase by $10,000 to $15,000 a year (utilities and chemicals). Revenues should increase by $15,000 to $20,000 a year from user fees.

Child care – should increase usage of the area which will increase both expenses and revenues. Expenses are expected to increase by $5,000 to $10,000 a year (additional staff). Revenues should increase by $3,000 to $7,000 a year from user fees.

Party room – this space will allow birthday parties and other activities to take place in the center. Expenses will increase with birthday party staff and cleanup ($5,000 to $8,000). Program revenue from birthday parties should be in the range of $10,000 to $15,000.

Elimination of the day spa – this is a very small space in the center that has not been contributing much direct revenue to the racquet club. Net revenue loss from the elimination of the day spa should be in the range of $2,000 to $4,000.

Overall Budget Impact

Fees – a fee increase of approximately 10% for all user fees (daily, punch card, and monthly) is recommended with and enhanced and expanded facility. This increase could produce an additional $20,000 to $30,000.

Overall Expenses – overall operating expenses should increase by $42,000 to $68,000 a year in the Recreation and Tennis budget and another $28,000 to $42,000 in the Public Works budget.

Overall Revenues - overall operating revenues should increase by $101,000 to $153,000 a year.

Net Financial Change – net revenues should increase between $59,000 and $85,000 per year (recreation and tennis budget only).

Recreation & Tennis

	Actual FY 07*	Projected Change	New Total
Expenses	$1,725,560	$42,000 - $68,000	$1,767,560 - $1,793,560
Revenues	$1,272,271	$101,000 - $153,000	$1,373,271 - $1,425,271
Difference	($453,289)	$59,000 - $85,000	($394,289) ($368,289)

* Includes Recreation and Tennis budget categories.

Other Expenses*

	Actual FY 07	Projected Change	New Total
Expenses	N/A	$28,000 - $42,000	$28,000 - $42,000

* Includes utilities, building maintenance, and contract cleaning estimates which are shown in the Public Works budget. It should be noted that utility rates are based on current costs of energy projected out two years. With a commitment to energy saving design measures it may be possible to lower utility costs from what has been estimated.

Scheme B – Mid Range Improvements

This option has most of the same improvements to the existing Racquet Club as Scheme A but also adds approximately 49,500 sq.ft. of new space to the center.

Physical Changes

- A much larger fitness/cardio area is added (9,500 sq.ft.).
- A larger aerobics room replaces the smaller space (2,000 sq.ft.).
- An outdoor splash pad and sun deck are added to the aquatics area but the outdoor lap pool is removed.
- A party room is included.
- An expanded child care room.
- The front desk, lobby, pro shop, and administrative areas are relocated.
- The locker rooms are relocated and family locker rooms added.
- An indoor aquatics center including a leisure pool and 6 lane lap pool are included.
- Two additional indoor tennis courts.
- An indoor running track is added around the gym and new tennis courts.
- A small bouldering cave is included.
- The restaurant is relocated.
- The day spa is eliminated.

Operational Opportunities and Changes

- The physical layout of the center is much improved and there should be greater customer/user comfort and satisfaction.
- The entry, locker rooms and office space improves operational efficiency.
- The fitness area is greatly expanded which adds to the appeal of the center.
- The outdoor aquatics area is reduced in size with the loss of the outdoor lap pool but the splash pad is added.
- Child care capacity is enhanced.
- The party room adds an additional program area.
- The new indoor aquatic center with both lap and recreational water will add a significant amenity to the center that will increase overall center usage dramatically and will add additional revenue.
- The two additional indoor tennis courts will increase space for programming and court rentals.
- An indoor track will provide a new amenity to the center that will increase the overall appeal and use of the center.
- The bouldering cave will also add a new amenity to the center.
- Overall center usage and programming should increase significantly.

Operational Budget Changes

Administrative space - improvements will not result in a significant change in operating expenses or revenues.

Front desk and lobby - improvements will not result in a significant change in operating expenses or revenues.

Locker rooms - improvements will result in a small addition in expenses (due to year round use by pool patrons) from additional custodial staff needs ($5,000 to $10,000).

Fitness/cardio area – this addition will result in a substantial growth in center usage and revenues (passes). Expenses will increase with a larger space (utilities, contract work, area supervision, and program staff). It is estimated that expenses should increase by $25,000 to $40,000 per year. Revenues could increase by $50,000 to $75,000 per year (from user fees and program fees).

Aerobics room - this expansion of space should provide a slight increase in program revenues. There might be a small increase in expenses from additional instructors ($5,000 to $10,000 or less) and revenues should increase by $5,000 to $10,000 (from program fees).

Outdoor splash pad – will increase usage of the aquatics area and result in a small increase in revenues. Expenses are expected to increase by $10,000 to $15,000 a year (utilities and chemicals). Revenues should increase by $5,000 to $10,000 a year from user fees.

Child care – should increase usage of the area which will increase both expenses and revenues. Expenses are expected to increase by $5,000 to $10,000 a year (additional staff). Revenues should increase by $3,000 to $7,000 a year from user fees.

Party room – this space will allow birthday parties and other activities to take place in the center. Expenses will increase with birthday party staff and cleanup ($7,000 to $9,000). Program revenue from birthday parties should be in the range of $15,000 to $20,000).

Indoor aquatic center – this space will allow for year round aquatic programs and use. Expenses are estimated to be $245,000 to $315,000 (guards, chemicals, maintenance, and utilities). Revenues should increase from $150,000 to $200,000 if there is a significant user fee increase.

Tennis courts – the addition of two other indoor tennis courts will increase tennis use and revenues. Expenses are estimated to be $32,000 to $46,000 (staffing, utilities and equipment) while revenues should increase by $50,000 to $70,000 (court fees and programs).

Running track – this space will provide a new amenity for the center. Expenses are estimated to be between $7,000 and $11,000 per year. New revenue should be between $5,000 and $10,000 a year.

Bouldering cave – for this new amenity in the center expenses are estimated to be $4,000 to $6,000 a year (for minimal staff and equipment) while revenues are estimated to be $5,000 to $8,000 (from user fees and program fees).

Elimination of the day spa – this is a very small space in the center that has not been contributing much direct revenue to the racquet club. Net revenue loss from the elimination of the day spa should be in the range of $2,000 to $4,000.

Overall Budget Impact

Fees – a fee increase of approximately 20% for all user fees (daily, punch card, and monthly) is recommended with and enhanced and expanded facility. This increase could produce an additional $40,000 to $60,000.

Overall Expenses – overall operating expenses should increase by $205,000 to $287,000 a year in the Recreation and Tennis budget and another $152,000 to $214,000 in the Public Works budget.

Overall Revenues - overall operating revenues should increase by $326,000 to $465,000 a year.

Net Financial Change – net revenues should increase between $121,000 and $178,000 per year (recreation and tennis budget only).

Recreation & Tennis

	Actual FY 07*	Projected Change	New Total
Expenses	$1,725,560	$205,000 - $287,000	$1,930,560 - $2,012,560
Revenues	$1,272,271	$326,000 - $465,000	$1,598,271 - $1,737,271
Difference	($453,289)	$121,000 - $178,000	($332,289) ($275,289)

* Includes Recreation and Tennis budget categories.

Other Expenses*

	Actual FY 07	Projected Change	New Total
Expenses	N/A	$152,000 - $214,000	$152,000 - $214,000

* Includes utilities, building maintenance, and contract cleaning estimates which are shown in the Public Works budget. It should be noted that utility rates are based on current costs of energy projected out two years. With a commitment to energy saving design measures it may be possible to lower utility costs from what has been estimated.

Scheme C – Substantial Improvements

This option keeps only the gymnasium of the existing structure and builds a new center with many of the amenities that are included in Scheme B.

Physical Changes

- A much larger fitness/cardio area is added (8,500 sq.ft.).
- Two aerobics studios replace the smaller space (1,500 sq.ft. each).
- A new outdoor 10 lane lap pool and sun deck are added and the rest of the existing outdoor aquatics area is eliminated.
- A party room is included.
- An expanded child care room.
- The front desk, lobby, pro shop, and administrative areas are relocated.
- The locker rooms are relocated and family locker rooms added.
- An indoor aquatics center with a leisure pool only is included.
- An additional outdoor tennis court is included bringing the total to 8. One additional tennis court is “bubbled” in the winter.
- An indoor running track is added around the four tennis courts.
- A larger bouldering cave is included.
- The restaurant is relocated.
- The day spa is eliminated.

Operational Opportunities and Changes

- The physical layout of the center is much better and there should be greater customer/user comfort and satisfaction.
- The entry, locker rooms and office space improves operational efficiency.
- The fitness area is greatly expanded which adds to the appeal of the center.
- Another aerobics studio is added for more fitness programming.
- The outdoor aquatics area is changed significantly with the addition of a new 10 lane lap pool but the existing leisure pool and splash pad (Scheme A and B) are eliminated.
- Child care capacity is enhanced.
- The party room adds an additional program area.
- The new indoor aquatic center with recreational water will add a significant amenity to the center that will increase overall center usage and will add additional revenue.
- An additional outdoor tennis courts will increase space for programming and court rentals. The additional “bubbled” tennis court in the winter will do the same.
- An indoor track will provide a new amenity to the center that will increase the overall appeal and use of the center.
- The bouldering cave will also add a new amenity to the center.
- Overall center usage and programming should increase significantly.

Operational Budget Changes

Administrative space - improvements will not result in a significant change in operating expenses or revenues.

Front desk and lobby - improvements will not result in a significant change in operating expenses or revenues.

Locker rooms - improvements will result in a small addition in expenses (due to year round use by pool patrons) from additional custodial staff needs ($5,000 to $10,000).

Fitness/cardio area – this addition will result in a substantial growth in center usage and revenues (passes). Expenses will increase with a larger space (utilities, contract work, area supervision, and program staff). It is estimated that expenses should increase by $25,000 to $40,000 per year. Revenues could increase by $50,000 to $75,000 per year (from user fees and program fees).

Aerobics room - the addition of a second should provide an increase in program revenues. There will be a small increase in expenses from additional instructors ($8,000 to $13,000 or less) and revenues should increase by $8,000 to $13,000 (from program fees).

Outdoor lap pool – will substitute for the loss of the leisure pool and existing lap pool. It is not expected that expenses or revenues will change as a result.

Child care – should increase usage of the area which will increase both expenses and revenues. Expenses are expected to increase by $5,000 to $10,000 a year (additional staff). Revenues should increase by $3,000 to $7,000 a year from user fees.

Party room – this space will allow birthday parties and other activities to take place in the center. Expenses will increase with birthday party staff and cleanup ($7,000 to $9,000). Program revenue from birthday parties should be in the range of $15,000 to $20,000).

Indoor aquatic center – this space will allow for year round aquatic programs and use. Expenses are estimated to be $188,000 to $255,000 (guards, chemicals, maintenance, and utilities). Revenues should increase from $130,000 to $170,000 if there is a significant user fee increase.

Outdoor tennis court – the addition of one outdoor tennis court will increase tennis use and revenues slightly. Expenses are estimated to be $1,000 to $2,000 (staffing) while revenues should increase by $2,000 to $3,000 (court fees and programs).

Bubbled tennis court - the addition of one bubbled tennis court will increase tennis use and revenues slightly while increasing expenses only slightly. Expenses are estimated to be $4,000 to $6,000 (staffing, utilities and lighting) while revenues should increase by $15,000 to $20,000 (court fees and programs).

Running track – this space will provide a new amenity for the center. Expenses are estimated to be between $7,000 and $11,000 per year. New revenue should be between $5,000 and $10,000 a year.

Bouldering cave – for this new amenity in the center expenses are estimated to be $6,000 to $8,000 a year (for minimal staff and equipment) while revenues are estimated to be $10,000 to $15,000 (from user fees and program fees).

Elimination of the day spa – this is a very small space in the center that has not been contributing much direct revenue to the racquet club. Net revenue loss from the elimination of the day spa should be in the range of $2,000 to $4,000.

Overall Budget Impact

Fees – a fee increase of approximately 20% for all user fees (daily, punch card, and monthly) is recommended with and enhanced and expanded facility. This increase could produce an additional $40,000 to $60,000.

Overall Expenses – overall operating expenses should increase by $163,000 to $234,000 a year in the Recreation and Tennis budget and another $103,000 to $151,000 in the Public Works budget.

Overall Revenues - overall operating revenues should increase by $276,000 to $389,000 a year.

Net Financial Change – net revenues should increase between $113,000 and $155,000 per year (recreation and tennis budget only).

Recreation & Tennis

	Actual FY 07*	Projected Change	New Total
Expenses	$1,725,560	$163,000 - $234,000	$1,888,560 - $1,959,560
Revenues	$1,272,271	$276,000 - $389,000	$1,548,271 - $1,661,271
Difference	($453,289)	$113,000 - $155,000	($340,289) ($298,289)

* Includes Recreation and Tennis budget categories.

Other Expenses*

	Actual FY 07	Projected Change	New Total
Expenses	N/A	$103,000 - $151,000	$103,000 - $151,000

* Includes utilities, building maintenance, and contract cleaning estimates which are shown in the Public Works budget. It should be noted that utility rates are based on current costs of energy projected out two years. With a commitment to energy saving design measures it may be possible to lower utility costs from what has been estimated.

Scheme Comparisons

Recreation & Tennis

	Scheme A	Scheme B	Scheme C
Expenses	$1,767,560-$1,793,560	$1,930,560-$2,012,560	$1,888,560-$1,959,560
Revenues	$1,373,271-$1,425,271	$1,598,271-$1,737,271	$1,548,271-$1,661,271
Difference	($394,289)-($368,289)	($332,289)-($275,289)	($340,289)-($298,289)

* Includes Recreation and Tennis budget categories.

Other Expenses*

	Scheme A	Scheme B	Scheme C
Expenses	$28,000-$42,000	$152,000-$214,000	$103,000-$151,000

* Includes utilities, building maintenance, and contract cleaning estimates which are shown in the Public Works budget. It should be noted that utility rates are based on current costs of energy projected out two years. With a commitment to energy saving design measures it may be possible to lower utility costs from what has been estimated.

This operational assessment was completed based on the best information available and a basic understanding of the project. There is no guarantee that the expense and revenue projections outlined above will be met as there are many variables that affect such estimates that either cannot be accurately measured or are not consistent in their influence on the budgetary process.

Attachment 2

PROJECT ESTIMATE	CONSTRUCTION CONTROL CORPORATION			2/13/2008

PROJECT NAME……..…..PARK CITY AQUATIC AND RECREATION CENTER **SCHEME A**
LOCATION…….……...……PARK CITY, UT
ARCHITECT…..…...…..….VCBO SF 29563
STAGE OF DESIGN………SCHEMATIC

CSI #	DESCRIPTION	UNIT QTY	UNIT COST	
	BUILDING COST ESTIMATE			
02	**SITEWORK**		**$ 34.86**	**$ 1,030,620**
03	**CONCRETE**		**$ 9.74**	**$ 287,958**
04	**MASONRY**		**$ 19.03**	**$ 562,682**
05	**METALS**		**$ 25.89**	**$ 765,458**
06	**WOODS & PLASTICS**		**$ 3.48**	**$ 102,816**
07	**THERMAL & MOISTURE PROTECTION**		**$ 10.92**	**$ 322,681**
08	**DOORS & WINDOWS**		**$ 10.99**	**$ 324,950**
09	**FINISHES**		**$ 17.96**	**$ 530,885**
10	**SPECIALTIES**		**$ 5.35**	**$ 158,103**
11	**EQUIPMENT**		**$ -**	**$ -**
12	**FURNISHINGS**		**$ 0.24**	**$ 7,116**
13	**SPECIAL CONSTRUCTION**		**$ 11.16**	**$ 330,000**
14	**CONVEYING EQUIPMENT**		**$ 1.83**	**$ 54,000**
15	**MECHANICAL**		**$ 37.20**	**$ 1,099,744**
16	**ELECTRICAL**		**$ 25.62**	**$ 757,512**
	SUBTOTAL		**$ 214.27**	**6,334,526**
	GENERAL CONDITIONS	**8%**	**$ 17.14**	**506,762**

OVERHEAD & PROFIT	5%	$ 10.71	316,726
DESIGN CONTINGENCY	15%	$ 32.14	950,179
TOTALS		**$ 274.27**	**$ 8,108,193**

***** ESCALATION HAS NOT BEEN INCLUDED IN THIS ESTIMATE*****

PROJECT ESTIMATE	CONSTRUCTION CONTROL CORPORATION			2/13/2008

PROJECT NAME……..…..PARK CITY AQUATIC AND RECREATION CENTER **SCHEME B**
LOCATION…………..……PARK CITY, UT
ARCHITECT…..…..…..….VCBO SF 76705
STAGE OF DESIGN………SCHEMATIC

CSI #	DESCRIPTION	UNIT QTY	UNIT COST	
	BUILDING COST ESTIMATE			
02	**SITEWORK**		**$ 16.58**	**$ 1,271,838**
03	**CONCRETE**		**$ 7.76**	**$ 594,984**
04	**MASONRY**		**$ 17.64**	**$ 1,353,390**
05	**METALS**		**$ 25.58**	**$ 1,962,313**
06	**WOODS & PLASTICS**		**$ 1.57**	**$ 120,480**
07	**THERMAL & MOISTURE PROTECTION**		**$ 11.52**	**$ 883,971**
08	**DOORS & WINDOWS**		**$ 8.66**	**$ 664,385**
09	**FINISHES**		**$ 13.48**	**$ 1,033,676**
10	**SPECIALTIES**		**$ 2.23**	**$ 170,703**
11	**EQUIPMENT**		**$ 0.04**	**$ 3,000**
12	**FURNISHINGS**		**$ 0.09**	**$ 7,116**
13	**SPECIAL CONSTRUCTION**		**$ 29.38**	**$ 2,253,426**

14	CONVEYING EQUIPMENT		$ 0.70	$ 54,000
15	MECHANICAL		$ 35.22	$ 2,701,550
16	ELECTRICAL		$ 25.17	$ 1,930,920
	SUBTOTAL		$ 195.63	15,005,751
	GENERAL CONDITIONS	8%	$ 15.65	1,200,460
	OVERHEAD & PROFIT	5%	$ 9.78	750,288
	DESIGN CONTINGENCY	15%	$ 29.34	2,250,863
	TOTALS		**$ 250.41**	**$ 19,207,361**

PROJECT ESTIMATE **CONSTRUCTION CONTROL CORPORATION** **2/13/2008**

PROJECT NAME…….......PARK CITY AQUATIC AND RECREATION CENTER **SCHEME C**
LOCATION…….……...……PARK CITY, UT
ARCHITECT…..…...…...….VCBO SF 97973
STAGE OF DESIGN………SCHEMATIC

CSI #	DESCRIPTION	UNIT QTY	UNIT COST	
	BUILDING COST ESTIMATE			
02	SITEWORK		$ 28.73	$ 2,814,835
03	CONCRETE		$ 7.64	$ 748,800
04	MASONRY		$ 13.35	$ 1,307,641
05	METALS		$ 24.57	$ 2,407,682
06	WOODS & PLASTICS		$ 1.26	$ 123,210
07	THERMAL & MOISTURE PROTECTION		$ 12.34	$ 1,209,437
08	DOORS & WINDOWS		$ 6.28	$ 615,708
09	FINISHES		$ 11.37	$ 1,113,583
10	SPECIALTIES		$ 1.69	$ 165,903
11	EQUIPMENT		$ 0.03	$ 3,000
12	FURNISHINGS		$ 0.07	$ 7,116

13	SPECIAL CONSTRUCTION		$ 17.46	$ 1,710,648
14	CONVEYING EQUIPMENT		$ 0.55	$ 54,000
15	MECHANICAL		$ 32.82	$ 3,215,474
16	ELECTRICAL		$ 25.47	$ 2,495,352
	SUBTOTAL		$ 183.65	17,992,388
	GENERAL CONDITIONS	8%	$ 14.69	1,439,391
	OVERHEAD & PROFIT	5%	$ 9.18	899,619
	DESIGN CONTINGENCY	15%	$ 27.55	2,698,858
	TOTALS		**$ 235.07**	**$ 23,030,257**

*** ESCALATION HAS NOT BEEN INCLUDED IN THIS ESTIMATE***

City Council
Staff Report

Subject:	**Sundance Film Festival-** **2008 Recap and Supplemental Plans Update** **Main Street and Racquet Club/Use Operation**
Author:	**Max J. Paap**
Department:	**Sustainability- Implementation**
Date:	**February 28, 2008**
Type of Item:	**Informational- Master Festival License** **Work Session Review**

Summary Recommendations:
Review the 2008 Sundance Film Festival, including the operations of Main Street and Racquet Club Use/Operation. Staff seeks general input or any outstanding concerns in preparation for the 2009 festival. Additionally, staff seeks specific direction regarding use of the Racquet Club venue. Staff will return in the fall for consideration of approval of these Supplemental Plans for the 2009 Festival, consistent with the Master Festival License and City Services Agreement with the Sundance Institute.

Description:

Topic:
2008 Sundance Film Festival Debrief.

Background:
Staff held 2 debrief meetings, one with internal staff on February 6, 2008, and one with Sundance on February 19th. All facets of the 2008 Sundance Film were discussed. The overall tone of those meetings was that the Festival ran quite smoothly from the opinion of all parties. Discussion ranged from screening and other venue operations, parking, transit, trash and snow removal. There were a few minor incidents, but all were dealt within a timely and efficient manner. Two items warranted additional review: 1) Racquet Club Use/Operation and; 2) Operations of Main Street (circulation, short-term parking/drop and load zones).

<u>Racquet Club Background</u>
As part of the 2008 Festival, Council approved a Supplemental Plan for the Racquet Club Venue on December 6, 2007. Included was a condition of approval that staff will update Council on use and screenings at the Racquet Club prior to February 29, 2008.

The City has continued to see events as an integral part of our tourism economy. Since purchasing the Racquet Club it has long been considered as a potential location for temporary special events. In prior years, Council specifically adopted a budget policy to identify the use of the racquet club for Special Event Days by identifying a certain number of days for events. This provides an opportunity to bring in additional revenue and still mitigate impacts. City Council may wish to re-visit that policy discussion and determine to what extent the Racquet Club should be used for special events. The Recreation Department is currently reviewing design and feasibility studies for long-term improvements to the facility. The integrity of the Sundance screening venue in the gymnasium and other improvements which may effect operations of future film festivals have been taken into account in these studies.

In October of 2005 Park City Municipal Corporation and the Sundance Institute entered into a long-term agreement for eleven (11) years, 2007 through 2018 with an option to renew for an additional ten (10) years. The Institute has agreed on an annual basis, to cooperate in good faith in exploring potential development and use of new venues for Festival activities. To ensure Park City's status as festival headquarters, the agreement requires 70% of the screenings to be within the Park City area subject to Sundance's ability to renew existing leases.

Operational plans for Master Festival Licenses approved by Council with Special Event/Police sign-off, are exempt from noise ordinance restrictions PCMC{6-3-10: 6-3-11. Individual conduct coming and going to the venue is not.

Consistent with all Sundance venues, after each festival Sundance and Park City Municipal conduct a wrap-up meeting to discuss any issues that arise at any venue. In the east parking lot of the Racquet Club there were issues with both lighting and noise in 2007. In response to these issues, Sundance and staff met several times to review alternatives, including relocating the entrance and tents and the parking/driveway layout for the 2008 Festival. As a result, Sundance propose to substantially modify their tent and parking lot operational plans to help mitigate these issues. The 2008 Plan that was approved by Council included the following items:

- No generator driven lights would be allowed in that lot
- The shuttle stop would be moved further west down Little Kate (More towards the main entrance)
- The overflow Waitlist tents that were right on the property line on the eastern boundary of the parking lot will be moved to the other side of the lot, adjacent to the Racquet Club building.
- The portable toilets that serviced the lot would be moved more to the west end of the lot.
- Set-up and work times will be limited to 7:00 am – 9:30 pm.
- All trucks out of parking lot by 10:00 pm.
- All temporary lighting will be directed down and away from the neighborhood.
- Tent set-up will require no drilling into the parking lot; but rather water weight or cement would be used for ballast.

- No megaphones will be used to direct filmgoers; patrons will be directed and managed by Sundance Staff and volunteers.
- The last screening time is currently planned for 8:30 pm. Sundance will increase their efforts to have attendees of the last screening exit quickly and quietly.
- Increased manager level oversight of the facility by Sundance staff.

As part of the 2008 Supplemental Plan approved by Council on December 7, 2007 the closing time for all Racquet Club events was limited by Council to 10:00 pm for the 2009 festival. This closing time was decided upon without consideration of actual screening times, but instead as a time for all activity at the venue and parking lots to have ceased.

<u>Racquet Club Analysis</u>
Operations at the Racquet Club Screening Venue and Parking Lot Operations were discussed at the 2008 festival debrief with Sundance with very few negative comments. The operation plan that was implemented received favorable comments from both PCMC and Sundance staff. Discussions on increased staffing both in the screening venue and east parking lot were addressed for the 2009 festival. Staff finds the 2008 Supplemental Plan reasonably mitigated impacts of the Festival at the Racquet Club Venue.

However, staff did receive a letter from an adjacent neighbor regarding a noise complaint on January 19 at 10:23 pm. The complaint was brought to the attention of Sundance and a representative of Sundance contacted that person to address the complaint. Staff has been unable to link the alleged noise to the theater activities.

Current direction from the City Council is to have a 10:00 pm closing time for the Racquet Club Venue. Because staff finds the current Plan reasonably mitigates the impacts of the event, staff seeks discussion if Council will reconsider the closing time and allow 2009 to operate as it did for 2008. Alternatively, Staff recommends the last screening start at 8:00 pm

Background
<u>Main Street – Short term parking/Drop and Load Zones</u>
Based on the overwhelming success and public support resulting from this program during the 2007 Festival, Drop and Load zone were again created along the entire west side on Main Street between Heber Avenue and the Swede Alley intersection to the south of the Brew Pub Parking Lot. This was implemented a day earlier than 2007on Wednesday, January 16, 2008, one day before the festival actually begins and facilitated an easier and more efficient move-in on Main Street. They were manned from 12:00 pm until 8:00 pm on a daily basis. These zones provided for deliveries and other service activity and kept traffic

flowing freely. After 8:00 pm they functioned as taxi drop and loads to again improve traffic flow.

Analysis:

Main Street and Other Operations

These Drop and Load zones received favorable recommendations from both Sundance and City Staff at our 2008 festival debrief. Favorable comments were also received from members of the HMBA. Comments for the 2009 festival operation were to start those zones on the Tuesday before the festival, to keep them in place until the Monday following the festival. **Do to their success in keeping traffic flowing and providing emergency vehicle access, as well as facilitating deliveries and drop-offs. Staff would recommend looking into creating these same zones on the east side of Main Street running the same duration as the west side for the 2009 Festival.**

Department Review:

All applicable departments were present at both an internal and joint debrief with representatives of the Sundance Institute and their comments are included in this report.

Issues for Discussion:

1. Does Council agree to let staff move forward with potential consideration of hutting down parking on both sides of Main Street as part of the 2009 traffic and circulation/parking management plan?

2. Staff seeks discussion if Council will reconsider the closing time for the Racquet Club Venue per the success of the current Supplemental Plan?

Alternatives:

A. Approve:

Direct Staff to make preparations for the Supplemental Plans to the 2009 Sundance Film Festival

B. Deny:

Direct Staff to provide more information before making preparations for the Supplemental Plans to the 2009 Sundance Film Festival

C. Modify:

Direct Staff to modify the preparations of the Supplemental Plans to the 2009 Sundance Film Festival.

D. Continue:

Staff may return at a future date with additional information requested by Council.

Significant Impacts:

Staffing resources at both the Racquet Club and Main Street would be increased and financial impacts would need to be addressed by Park City Municipal and the Sundance Institute.

Recommendations:
Review the operations of Main Street and Racquet Club Use/Operation for the 2008 Sundance Film Festival and provide staff with direction for the Supplemental Plans for the 2009 Festival. Provide input on any outstanding concerns. Staff will return for consideration of approval of these Supplemental Plans at a later date.

It is Staff's recommendation that these mitigation efforts for Main Street and the Racquet Club be implemented for 2009. The Pay and Display parking would cease on Main Street on 1/13/2009 and the event times at the Racquet Club venue shall be allowed past 10:00 pm. If these new actions are not successful in 2009, Council could consider restricting the Drop and Load zones to the west side of Main Street and have all events at the Racquet Club end by 10:00 pm.

Attachments
A- Racquet Club Operations Recap Report

SUNDANCE FILM FESTIVAL '08

February 22, 2008

Dear City Council Members,

On behalf of Sundance Institute, I would like to thank you and the amazing staff at Park City Municipal for all your dedication and support of the Sundance Film Festival. Initial feedback from this year's Festival has been overwhelmingly positive and many are saying the operations were the smoothest yet!

Sundance recognizes and acknowledges how much we ask of such a small community to act as "hosts" for such a large event. Accommodating our guests while providing for the everyday needs of the community is obviously a difficult balance. In the end, we certainly hope that, on the whole, the Council and the community continues to appreciate the exchange of ideas, stories and opportunities afforded by sharing our town and neighborhoods with these wonderfully diverse independent films. We are very pleased that the community partnership between Sundance Institute and Park City Municipal becomes stronger every year. We work very well together to find creative ways to solve a myriad of challenges and look forward to continuing to improve upon our operations in a collaborative manner.

A strong example of our great collaboration is the adjustments made to our operations at the Racquet Club this year. On the following pages you will find documentation of these changes. The current use of the Racquet Club as the Festival's second largest screening venue is an integral part of the overall success of the Festival. We are therefore requesting that we be allowed to continue using the Racquet Club in the same capacity as we did in 2008.

Our relationship with this community is very important to us. We commit significant resources and time to ensuring this event benefits the community financially and culturally, while mitigating the impact of the 50,000 visitors to every extent possible. We are committed to continuing this long and very important partnership into the future. However, to continue our success into the future, we must ensure we deliver a professional, world-class event that supports the artists (as well as the community) in an appropriate and respectful manner.

Thank you for your consideration.

Respectfully,

Sarah Pearce
Director of Operations
Sundance Film Festival

Sundance Film Festival
Racquet Club Operations Recap Report

Since the 2005 Sundance Film Festival, the Park City Racquet Club has been the home theatre for the Film Festival's prestigious Dramatic Competition, which annually features 16 world premieres that represent the best in American independent film. The Dramatic Competition is recognized as a section where Film Festival attendees can discover new talent in filmmaking and has featured the first films of many renowned directors working in film today. The Racquet Club venue is a material component to our ability to continue to meet your requirement of us to have 70% of our screenings within Park City.

The Dramatic Competition sets the Sundance Film Festival apart from other film festivals around the world, and has been one of cornerstones of the Film Festival's continuing success. In order to ensure the films in the competition categories are treated fairly we give each film the same opportunity for exposure. Each Dramatic Competition film opens at the Racquet Club and then continues on to have four other screenings in Park City, which is part of a complex roll out schedule when you consider the number of films screened at the Film Festival and the number of screenings for each film. When creating the schedule we ensure that all films have early morning screenings, late night screenings and two during prime time.

To make this schedule work we need to hold five screenings a day at the Racquet Club through the last Friday of the Festival. Reducing the number of screenings per day would also significantly impact ticket availability across all constituents, including locals.

On October 10, 2007, we were alerted by Park City Municipal Corporation Staff about a complaint filed by a neighbor regarding the noise generated by our operations at the Racquet Club. In response to this complaint, we immediately began working on adjusting our operational plans for the coming year – which were already in place – in order to reduce our impact on the surrounding neighborhood.

Our adjusted plans were presented to City Council on November 29, 2007 with the request that we be allowed to implement this new plan at the 2008 Festival prior to the Council making any decisions about limiting our future operations at the Racquet Club. Instead, City Council voted to restrict our use of the venue for the 2009 Festival and beyond before seeing the results of our changes. While we understand the Council's motivation, we simply seek an opportunity to fully evaluate the effectiveness of our changes with the hopes of making the most fully informed decision in accordance with the applicable code section, which requires us to provide:

> "Safety, health or sanitation equipment, and services or facilities reasonably necessary to ensure that the event will be conducted without creating unreasonable negative impacts to the area and with due regard for safety and the environment."

We believe our 2008 changes meet this standard and we hope our continued dedication to the neighborhood yields even better implementation of these efforts as we move forward.

Operational Changes for the 2008 Festival were as follows:

- Restricted set-up times by implementing a 9:30 pm curfew for trucks entering or leaving the venue.
- Eliminated the need for drilling holes for tent anchors by using a different tent set-up.
- Trained all Racquet Club Theatre staff to monitor and minimize noise at the shuttle stop.
- We posted signs stating **"Please be mindful of our neighbors and keep noise to a minimum when exiting the Theatre"** and Theatre Managers made announcements prior to and at the end of the last screening of the day. This announcement reminded patrons that they are in a residential area and asked them to be as quiet as possible upon exiting the theatre.
- We eliminated the need to have a generator - a major noise concern - by using a different type of electrical lighting system in the parking lot.
- We repositioned the shuttle stop away from the residential area and created a walled and canopied walkway to reduce the noise.
- A snow wall was also created around the parking lot to further insulate and mitigate noise flowing into the surrounding neighborhood.

The adjustments we made drastically changed our operations requiring the hiring of additional staff and renting additional equipment which resulted in a significant increase to our expenses.

During the Festival, we received only one phone call from Michelle Dieterich, who filed the original complaint, stating that she had heard loud music coming from the theatre at 10:30pm. The film on the night in question ended at 10:14pm and patrons were completely out of the theatre by 10:35pm (see supporting theatre manager report attached). The film audio equipment was not operational at the time of the complaint. A limited amplified microphone was used inside the theater for question and answer session only.

No other complaints were reported and all feedback has been positive. It is our plan to continue to use this new set up at the Racquet Club while continuing to improve upon its efficiency.

Future Operations

After City Council's decision to limit our hours of operation in future years, we extensively researched other venue options and what we would have to do to mitigate this significant impact on our event.

Film Screening Schedule

Our Dramatic Competition films screen at this theatre. This section of the Festival, some would argue, sets the tone for Independent Film world wide. After the 2004 Sundance Film Festival, we recognized the need to expand our audience's access to these films and sought a larger venue. This venue and the film schedule supported there have become integral to the event.

Start Times
Screening start times at the Racquet Club are currently 8:30am, 11:30am, 2:30pm, 5:30pm & 8:30pm. Across all theatres we separate start times by three hours in order to allow for ease and efficiency in loading and unloading the theatres, crowd safety and to accommodate delayed starts due to technical issues, traffic and shuttle delays, longer films and Q & As. Ensuring appropriate time for patrons to load in and load out is in part what enabled us to mitigate the impact on the neighborhood surrounding the Racquet Club this past year.

Traditionally our first screening slot of the day is the least attended. Starting films earlier than 8:30am would have an even greater impact on our attendance for the first screening of the day and would require our staff to be on site before 7:00am which would also be a noise ordinance concern. Squeezing films together any tighter than 3 hour increments would set us up for consistent delays - creating a domino effect early in the day and pushing us to an even later start in the end.

Awards Ceremony & Celebration
The Film Festival's Awards Ceremony, held annually at the Racquet Club since the mid 1990's, is the culmination of the Film Festival, where over 700 filmmakers, sponsors, pass and package holders, and accredited national and international media celebrate the award-winning films from the Festival. In 2008, the Film Festival awarded 22 jury prizes and audience awards to films screening in U.S. Independent Film Competition, World Cinema Competition, and the Short Film Competition.

Directly following the Awards ceremony, we host a party to toast and celebrate all the filmmakers and thank our sponsors, staff and volunteers who make this event happen. In order to ensure that we are presenting an event that reflects the Film Festival's high standards, and to accommodate our guests, the event requires a venue that has enough space to set-up a full stage, have a minimum of 700 seats with good site lines to the stage, and the space to accommodate the additional 800-900 guests who join the celebration after the actual Awards ceremony.

In the past, we tried holding this event in another venue. We broke the event up into the two distinct segments. The ceremony was held at the Racquet Club and then we moved everyone to Lower Main Street for the celebration. This was a huge failure. Transporting patrons from one location to another was logistically challenging and it created a loss in the event's energy and a reduction in attendance. Because the event was split up in multiple venues on Lower Main, no one could find the filmmakers to congratulate them and celebrate their success. Unfortunately, holding the event on lower Main was the only alternative to the Racquet Club as there is not another venue in town that can accommodate the numbers. A sample of our research results is on the next page.

In conclusion, we again ask that you reconsider your decision to limit our hours of operation at this venue. Extending one hour each night for eight nights and three hours on the last night is a minimal request for an event that brings over $50 million to the Park City community each year.

Award Ceremony Venue Research Results

Field House	Capacity does not allow presentation configuration needed. Alcohol is not allowed at this venue.
Eccles Center	Already being used that night for Festival screenings. Cannot accommodate the large number of camera crews needed. There is not a space to accommodate a gathering of the size needed. Alcohol is not allowed at this venue.
Deer Valley (The Lodges @ DV- 253 The Chateaux at Silver Lake- 450 Stein Eriksen Lodge - 700 Empire Canyon-300 Trails End Lodge -70 Snow Park Lodge 220 Silver Lake Lodge- 240)	Capacity does not allow presentation configuration needed.
Temple Har Shalom	Venue not big enough. We also plan to use this venue as a screening venue (approx. 250 seats) in 2009.
Anderson Lumber	Capacity does not allow presentation configuration needed. Venue is associated with unofficial events during the Festival.
Harry O's	Venue is not big enough. Venue is associated with unofficial events during the Festival.
Park Meadows Country Club	Venue is not big enough
Schools	Alcohol is not allowed
St. Mary's	Venue is not big enough
National Ability Center	Event does not fit the mission of the Venue. Not on our existing shuttle route.
Ice Rink	Event does not fit the mission of the Venue.
Yarrow and Marriott Hotel Ballrooms	Already being used as official venues that are in operation on the night of the event. Capacity not adequate

PARK CITY COUNCIL WORK SESSION NOTES
SUMMIT COUNTY, UTAH
FEBRUARY 7, 2008

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

Tom Bakaly, City Manager; Mark Harrington, City Attorney; Gary Hill, Budget Manager; and Patrick Putt, Planning Director;

1. Council questions/comments. Joe Kernan acknowledged that he didn't attend the meeting last week where the neighborhood traffic management program was discussed, which is an important area to improve. He pointed out the potential for inefficiencies because of the large membership of WALC and felt it may be more productive to reduce its size and/or allocate more resources to the group. Recommendations may be narrowed because of budget restraints and it may be more appropriate for the committee to recommend options based on various funding levels. Liza Simpson stated that WALC is making progress using a stakeholder approach by assigning funding to various projects; members are forming determinations on the Lucky John and Little Kate area. Roger Harlan complimented Deer Valley on its Freestyle Event held last weekend. He also attended the WALC meeting and the stakeholder concept seemed to help the group move ahead. He hoped that the piles of snow obstructing sight lines at intersections can be addressed at some point.

Jim Hier also praised the Freestyle Event. He explained that he instructed staff to send WALC meeting minutes to affected property owners as a courtesy which was supported by other Council members. Candace Erickson stated that the Deer Valley event was fun. She attended the RAB meeting where concepts on the Racquet Club, the future of the RAP Tax, and the dog park were reviewed. The Historical Society continues to work on its fund-raising and is appreciative of the City contributing toward a new roof. Mayor Williams spoke about the activities of the Beijing delegation.

He suggested that the Council consider supporting an ordinance banning plastic bags and that to subsidize businesses transitioning to corn starch products. Mr. Hier expressed his concern of singling out one element with a cost associated to it. The effort should be comprehensive although the idea is worth exploring. Roger Harlan felt it more prudent to try a public relations campaign before pursuing legislation. Candace Erickson agreed that the choice should be voluntary. Liza Simpson stated that her business switched from plastic to corn-based containers because the cost is almost equal. Joe Kernan asked for information on the difference in cost and whether the products can be recycled. He pointed out that the plastic bags create litter but have no carbon footprint impact.

2. Legislative update. Gary Hill explained that most bills are moving slowly and many don't have publicly released language. HB51, water rights forfeiture bill, is back on track and has gained support from stakeholders. SB20, forms of municipal government, passed out of committee and overall the ULCT believes this is a good bill. There is no movement on the RAP Tax proposal. Mr. Hill explained that the sponsor feels that no one industry should be singled out and he described meeting with cities and representatives on this issue. He may suggest limiting the redistribution to first class counties; Park City opposes SB218 as drafted. Government competition and privatization bills were discussed. SB38 would require cities to post all of their transactions in a searchable data base with the state and the impacts have been *glossed over* by the proponents. Mr. Hill emphasized the complexities of the proposal. He again discussed the negative impacts of the competition bills and noted that it should be up to citizens to decide what services should be provided by the municipality and the impacts on the private sector. SB19 is new and would require increased retirement contributions for public safety state employees and optional for local governments.

SB84 is a net metering bill which would help remove barriers to distribute renewal energy and SB173 and SB202 address carbon footprint reduction. Candace Erickson understood that public utilities are concerned about increased costs which would be passed on to their citizens. Mayor Williams emphasized that energy incentives have been available since the 1970s but have not been effective and some believe it is time that there be mandates and accountability. There was discussion that most cities rely on coal to produce energy and Joe Kernan pointed out the harmful effects with burning coal and felt it is worth paying more for energy if it is safer. Gary Hill described the status of the incorporation bill and the applications pending in Wasatch County. The bill is status quo and provides a little more protection for residents. As drafted, incorporation requires five petitioners, representing 40% of the land area before a petition can be proceed.

3. HPB work program. Patrick Putt relayed that in December, Council was updated on pending Land Management Code changes in the Historic District. Expanding the role of the Historic Preservation Board was a topic of discussion, specifically design review. At the direction of Council, staff explored additional duties including exploring the potential acquisition and funding sources to further preservation. Participating in the design review of any City-owned projects located in the Historic District and recommending the purchase of property to preserve the City's cultural resources are both recommended. Another is to investigate federal, state or local funding sources and mechanisms available to promote the preservation of the City's cultural resources. He explained another element involving formulating a recommendation to the Planning Commission and City Council on zoning boundary changes to preserve the integrity of the District, which may be downsizing the core and creating a transition zone. Recommendations to the Council on the amendments to the LMC and advice and guidance at the request of property owners or occupants on the construction, restoration, etc. of a historic resource are other suggestions to include in a work program.

Mr. Putt stated that he will report the Council's decision to the HPB at Monday's meeting. A joint work session with the Planning Commission and HPB is scheduled on

Wednesday, February 27 to comprehensively look at the LMC and the Historic District Guidelines. Mayor Williams asked if the request for HPB review from an owner is an appeal. Patrick Putt stated that these are two separate processes. Formal Historic District determinations made by staff can be appealed before the HPB. The role described above is asking for input or direction before investing in designing a project, for instance. Joe Kernan asked that this task in the work program be better clarified. Roger Harlan expressed that the recommendations outlined in the staff report are headed toward the right direction. Liza Simpson feels the group will welcome the added responsibilities and the Mayor directed staff to move ahead.

Prepared by Janet M. Scott, City Recorder

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
FEBRUARY 7, 2008

I ROLL CALL

Mayor Dana Williams called the regular meeting of the City Council to order at approximately 6 p.m. at the Marsac Municipal Building on Thursday, February 14, 2008. Members in attendance were Dana Williams, Candace Erickson, Roger Harlan, Jim Hier, Joe Kernan, and Liza Simpson. Staff present was Tom Bakaly, City Manager; Mark Harrington, City Attorney; Phyllis Robinson, Public Affairs Manager; Brooks Robinson, Planner; and Dave Gustafson, Project Manager.

II COMMUNICATIONS AND DISCLOSURES FROM COUNCIL AND STAFF

None.

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

Snow removal - Alex Butwinski, resident, complimented Council on its choices for appointments to the Public Art Advisory Board. He suggested that snow emergencies be extended with no parking on streets until the gutters are visible. Mr. Butwinski also recommended that the ordinance prohibiting throwing snow in the public right-of-way be either enforced or taken off the books. Airing PSAs on the radio discouraging people from doing this may be helpful.

Joe Kernan agreed with Mr. Harlan's earlier comments in work session about clearing intersections to improve sight lines. Tom Bakaly advised that crews will be addressing this problem throughout town once there is some break in plowing snow. There was discussion about using City parking lots for cars displaced off the street because of snow emergencies and hauling. Phyllis Robinson advised that this information is available on the website. Candace Erickson relayed incidences where residents have moved their cars, but the snow removal schedule changes unexpectedly but no one is advised. Jim Hier acknowledged that snow removal activities have been exasperated this year, but some improvements in the program have become evident which should be considered during the upcoming budget process.

IV WORK SESSION NOTES AND MINUTES OF MEETING OF JANUARY 24, 2008

Roger Harlan, "I move approval of the work session notes and minutes of the meeting of January 24, 2008". Liza Simpson seconded. Motion unanimously carried.

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

1. Consideration of approving the appointment of Julie Hopkins and Anita Slevin to the Public Art Advisory Board to fill unexpired terms to July 1, 2008 and July 1, 2009 respectively – Jim Hier, "I move we approve the appointment of Julie Hopkins and Anita Slevin to the Public Art Advisory Board". Candace Erickson seconded. Motion unanimously carried.

2. Consideration of an Ordinance approving a plat amendment at 7888 Aster Lane, Park City, Utah – Planner Brooks Robinson explained that this application was continued at the Planning Commission level. The Mayor opened the public hearing and with no input from the audience, closed the hearing. Joe Kernan, "I move we continue the Ordinance approving a plat amendment at 7888 Aster Lane to March 13, 2008". Roger Harlan seconded. Motion unanimously carried.

3. Consideration of approving an amendment to a service provider agreement with FFKR for the Marsac Seismic Upgrade Project, in a form approved by the City Attorney, in an amount not to exceed $309,541 – Dave Gustafson explained that the scope of the seismic upgrade has increased dramatically over the course of the last four years. The geo-thermal, HVAC system, electrical, plumbing, and lighting are among some of the components contributing to the increases. He explained that architectural fees have also increased based on the 8.25% design development fee estimated by Jacobsen Construction. The design development fee came in at $5,292,014 for the Marsac Building for a total fee of $436,591 less $127,050 remaining from a contract, for an amended amount of $309,541. The Mayor invited public comment.

Alex Butwinski, resident, acknowledged that the decision has been made regarding the seismic upgrade of the Marsac Building. However, the increase in fees in this instance represents a fiscal curmudgeon and he is very concerned about the cost of the project. At some point, he asked whether this project will become economically infeasible. The construction management fee is 2 ½% fee or about $120,000 and when added with the architectural rates in Schedule B, totals 1,000 hours of architectural supervision time. This represents two and a half days a week on a full-time base which seems extraordinary. As a professional developer, he felt that most architects would be amenable to a contract fee on an hourly basis and pointed out that Dave Gustafson will be serving as the project manager. It was clarified that the fees for the shell space and plaza are included. The cost creep really bothers him and he doesn't recall anyone from the public in strong support of the project which should not be open-ended.

In response to a question from Roger Harlan about the 8.25% fee, Mr. Gustafson explained that there is a sliding scale which was set at 6.25% for the China Bridge parking structure, 7.25% for the police facility and 8.25% for the Marsac Building. He felt this is a fair fee and Mr. Butwinski interjected that architects will negotiate, especially on large projects. Mr. Harlan spoke about raising this topic after he was elected. An extensive discussion on alternatives was conducted and ultimately retrofitting the building was supported by the Council. Alex Butwinski asked if the seismic upgrade is the direction regardless of cost and Mayor Williams explained that costs increased because of added efficiencies to the project and members felt that City Hall should remain in the downtown core. In terms of process, Jim Hier explained that at the time of bidding the project the gross maximum price is formulated and this is the time to determine whether to proceed.

Mike Sweeney, business owner, stated that the $5.9 million is not realistic and is too low for the seismic upgrade of the Marsac Building. It will be more than $10 million to retrofit the building the right way and he strongly urged Council members to arrive at a fixed architectural fee. There are people in the community who could help keep the numbers down and the cap seems to be continually increasing. Jim Hier clarified that this is an extension to the contract to enter into a new phase of the project and does not represent growth in costs. It was budgeted but not yet authorized.

Joe Kernan clarified that members are committed to the building and the downtown area and keeping the building as City Hall controls the density on the property, although he is personally open to ideas of adding density if it doesn't increase traffic. Candace Erickson, "I move we approve the amendment to the service provider agreement with FFKR for the Marsac Seismic Upgrade Project in a form approved by the City Attorney". Jim Hier seconded. Motion unanimously carried.

VI ADDITIONAL DISCUSSION – AGENDA ITEMS

None.

VII ADJOURNMENT

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

MEMORANDUM OF CLOSED SESSION

The City Council met in closed session at approximately 3 p.m. Members in attendance were Mayor Dana Williams, Candace Erickson, Roger Harlan, Jim Hier, Joe Kernan, and Liza Simpson. Staff present was Tom Bakaly, City Manager; Mark Harrington, City Attorney; Alison Butz, Environmental Coordinator; and Jon Weidenhamer, Project Manager. Joe Kernan, "I move to close the meeting to discuss property and personnel". Candace Erickson seconded. Motion carried unanimously. The meeting opened at approximately 5 p.m. Jim Hier, "I move to open the meeting". Liza Simpson seconded. Motion unanimously carried.

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

Prepared by Janet M. Scott, City Recorder

PARK CITY COUNCIL WORK SESSION NOTES
SUMMIT COUNTY, UTAH
FEBRUARY 14, 2008

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

Tom Bakaly, City Manager; Mark Harrington, City Attorney; and Gary Hill, Budget Manager

1. Council questions/comments. Liza Simpson spoke about attending the recently held HPB and WALC meetings. Roger Harlan reported on MCHT business, specifically, the drop of interest of qualified buyers. The joint breakfast meeting with the School District and Summit County held during the week was productive and Mr. Harlan reported on Library Board planning. Joe Kernan pointed out the difficulty in keeping the recycling center clear and accessible residents with only volunteers this heavy snow year. The City Manager explained that the facility receives a grant from the City reflecting the cost of the use of the building and site, acknowledging that it is City property. The City provides maintenance of the building but not regular snow plowing services. Mr. Kernan pointed out the high public use of the recycling center and felt it should be plowed by the City; reexamining the special services contract with the Recycling Center during the upcoming budget review was suggested.

Jim Hier commented on working with the budget staff on incorporating cost analyses with the purchasing policy. Candace Erickson agreed that it is helpful to meet with the County and School District from time to time and relayed her involvement with the ULCT on legislative issues. Mayor Williams commented on the continued interest of citizens to participate in the Leadership 101 program after all these years, and spoke about mosquito abatement business, specifically treating areas in western Summit County with biological pest control methods. The Mayor reported that he, Jim Hier, and staff met with the Economic Development Group of Utah during the week.

2. Legislative update. Gary Hill stated that HB51, water rights forfeiture, moved out of the House and is supported by the City. He explained that HB293, certified private building inspector, provides that cities maintain a preferred provider list of certified inspectors for the public in the event the city could not provide an inspection 48 hours after the day of the request. Park City is okay with providing an inspector within 72 hours but is concerned with not allowing city inspectors inside homes. SB20, forms of government, focuses on maintaining balance of power, and proposes requiring a vote of the people any time the powers and duties of the mayor are altered. This is not retroactive but raises the bar and Park City is supportive as long as the status quo is protected. SB218, restaurant tax bill, is geared to favor Sandy City and other cities of the first class. ULCT has not taken a position yet because the language has just been drafted but the membership is likely to be split. Mr. Hill explained that HB166, minutes of public meetings, required minutes to be available within 14 days or the next meeting, whichever is first, which would have the potential of perpetuating the need for meetings to approve minutes. It has been amended to be 14 days, or the next meeting, whichever is later which is still problematic since it takes about four hours of transcribing for one hour of recording. There is an effort to change it to 30 days, or the next meeting, whichever is later. Mr. Hill explained that SB84, net metering, passed out of committee and on its way to the Senate. The renewable energy bills have not been released. Gary Hill stated that the under-grounding of utilities legislation passed and discussed a proposal to mandate state building permit numbers on local permits. If passed, this bill has the potential of costing the City $20,000 to reprogram Eden software and it is recommended that the City oppose the bill.

In response to a question from Joe Kernan about the private building inspector proposal, Mr. Hill explained that staff's concern is that structures be inspected consistent with the Code and that the same contractor not be involved with the installation and inspection of the work. He added that most cities oppose this bill because they are not meeting the 48 hour response time but it is not a huge concern to Park City where our issues relate to private contractors being properly licensed and finding private inspectors. Mr. Kernan felt it appropriate for the state to share a list of private certified inspectors to municipalities. Jim Hier brought up inherent conflicts with the contractor paying a private inspector to inspect his work rather than an independent person. Candace Erickson pointed out that cities fear being sued for faulty inspections on substandard work and Mr. Hill explained that this is not close to being passed.

Prepared by Janet M. Scott, City Recorder

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
FEBRUARY 14, 2008

I ROLL CALL

Mayor Dana Williams called the regular meeting of the City Council to order at approximately 6 p.m. at the Marsac Municipal Building on Thursday, February 14, 2008. Members in attendance were Dana Williams, Candace Erickson, Roger Harlan, Jim Hier, Joe Kernan, and Liza Simpson. Staff present was Tom Bakaly, City Manager; Mark Harrington, City Attorney; Kent Cashel, Deputy Public Works Director; Phyllis Robinson, Public Affairs Manager; Max Paap, Special Events Manager; and Kirsten Whetstone, Planner.

II COMMUNICATIONS AND DISCLOSURES FROM COUNCIL AND STAFF

1. Correspondence from Rabbi Josh Aaronson – Liza Simpson read a thank you letter from the Rabbi in appreciation of the valuable assistance from the Police Department for the historic torah trek held at the new Har Shalom Temple. He particularly thanked Chief Lloyd Evans, Officer Annette Ellis, Officer Wayne Young, and Sergeant Lynn Nagel.

2. Presidents Weekend preparations – Kent Cashel explained that staff is proactively working with the ski resorts to accommodate the large crowds expected this weekend. He explained that overflow parking will be directed to the school lots which hopefully will alleviate conflicts with Library parking. There will be increased bus service on the Prospector route and parking on the west side of Park Avenue from 9th Street to Heber Avenue will be prohibited.

3. Call-up of Planning Commission decision of an amendment to the technical report for affordable housing in the Flagstaff Development – Talisker Corp – Phyllis Robinson reported that last night the Planning Commission approved amendments, with conditions, to the technical report to the Flagstaff Agreement to allow Talisker Corp. to pull building permits before the first 15 affordable housing units are completed. After considerable discussion, three changes were made including a definition for *construction* which was defined to mean certificate of occupancy. Secondly, five units were added to the affordable housing obligation for Phase 2 and within five days of last night, Talisker will issue a corporate completion guarantee for the outstanding nine unit equivalents and 180 days from this point forward should it not receive approval from the Planning Commission, post a financial guarantee equivalent to $300 per square foot for the outstanding units or $2,160,000. Talisker would have 60 days to pull building permits and if not pulled, the City could make full demand on day 61. Talisker would then have 18 months to construct the units. Ms. Robinson clarified that these parameters only deal with the nine unit equivalents and during the discussion the Planning Commission emphasized that other on-mountain developers have met their obligations. The Commission also stressed that this is a one-time consideration.

Jim Hier stated that he is very disappointed with the situation and felt that some of the terms of the amendment should be stronger and the other members agreed. There was discussion about determining the 180 day timeframe. Mayor Williams added that these provisions are clearly stated in the 1999 Flagstaff Agreement. Jim Hier, "I move we call up the recently approved amendment to the technical report for the Flagstaff Development passed by the Planning Commission last night". Liza Simpson seconded. Motion unanimously carried.

Mr. Hier stated that he feels comfortable withholding the certificate of occupancy so permits can be issued on on-going construction to avoid penalizing contractors and subcontractors. Mark Harrington advised that the motion limits the appeal to not address this issue and Jim Hier noted that the permit change was not made and needs to be clarified. Ms. Robinson reiterated that certificates of occupancy relate only to the affordable housing and not the overall Flagstaff unit equivalents. Mr. Hier pointed out that about 100 units appear to have occupancy certificates and over 150 building permits have been issued which conflicts with an interpretation of the Agreement. He asked if the practice of issuing permits should continue, with the exception of certificates of occupancy. Mark Harrington stated that he can't verify the practice at this time and certainly the Council has the ability to waive contract terms, but advised against doing that. The City Manager suggested addressing this on the 28th when permit information is available, but the City's interpretation of the Agreement is *permits* not *certificates of occupancy*. David Smith, counsel for Talisker, indicated that the application of the phrase *permit* has not been defined. Phyllis Robinson explained that building permits were not an expressed concern of the Planning Commission.

4. Resolution of appreciation to Eric DeHaan for his commitment to quality engineering and his many contributions to the Park City Community – The Mayor read the proclamation into the record and presented it to Eric DeHaan who is retiring after 20 plus years of service. Mr. DeHaan expressed his appreciation to staff and elected officials over the years to achieve a vision for Park City.

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

None.

IV WORK SESSION NOTES AND MINUTES OF MEETING OF JANUARY 31, 2008

Candace Erickson, "I move we approve the work session notes and minutes of the meeting of January 31, 2008". Jim Hier seconded and Joe Kernan abstained as he was not in attendance. Motion carried.

Candace Erickson	Aye
Roger Harlan	Aye
Jim Hier	Aye

Joe Kernan	Abstention
Liza Simpson	Aye

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

1. Consideration of approval of a Master Festival License for the Queen's Cup Urban Rail Jam to be held on Main Street and approval of amplified music and a street closure from 5 p.m. to 8 p.m. on February 22, 2008 – Max Paap explained elements of the charity event to be held at PCMR and on Main Street benefitting the Breast Cancer Research Foundation. The HMBA has been notified of the partial closure of Main Street on Friday, February 22 and no negative comments were rendered. The Main Street event will begin at 5 p.m. and conclude by 8 p.m. and the organizers expect 100 spectators and 20 athletes. The applicant explained that this is the third year for the event but the first for the Urban Rail Jam and the community has been very supportive. Roger Harlan pointed out discrepancies between the application and the findings. Liza Simpson asked if Council is being asked to also waive the required 90 day review time and Max Paap believed the application was submitted approximately 60 days ago. Because previous applications were rejected based on non-compliance, Jim Hier felt it important that the submittal date appear in findings if future applications do not meet the 90 day requirement. Roger Harlan expressed his appreciation that the applicant contacted adjacent property owners regarding the amplified music. The Mayor opened the public hearing.

Mike Sweeney, business owner, stated that the event will take place on his deck at the Town Lift which is supported by PCMR. With no further input, the public hearing was closed.

Liza Simpson, "I move that we approve a master festival license for the Queen's Cup Urban Rail Jam to be held o Main Street and approval of amplified music and a street closure from 5 p.m. to 8 p.m. on February 22, 2008". Candace Erickson seconded. Motion unanimously carried.

2. Consideration of approval of an Ordinance approving a six month extension for the approval of the amended Spiro Condominiums Buildings A and G Record of Survey Plat and the Spiro Condominiums Buildings N - R (Silver Star Plaza) Record of Survey Plat located at 1825 and 1835 Three Kings Drive, Park City, Utah – Kirsten Whetstone explained that the request is for a six month extension to record associated plats. The applicant has been working with the City to address complex issues, including ADA units, affordable housing, trailhead parking, HOAs, and title issues. The mylars have been submitted and approved by the City Engineer and an extension is recommended. The Mayor opened the public hearing and with no public input requested a motion. Roger Harlan, "I move to approves an Ordinance approving a six month extension for the approval of the amended Spiro Condominiums Buildings A and G Record of Survey Plat and the Spiro Condominiums Buildings N - R (Silver Star Plaza) Record of Survey

Plat located at 1825 and 1835 Three Kings Drive, Park City, Utah”. Candace Erickson seconded. Motion unanimously carried.

VI ADDITIONAL DISCUSSION – AGENDA ITEMS

Roger Harlan recognized the two Park City police officers in the audience and thanked them for attending in consideration of the tragedy in Kirkwood, Missouri last Thursday where five public officials were gunned down at a Council meeting.

VII ADJOURNMENT

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

MEMORANDUM OF CLOSED SESSION

The City Council met in closed session at approximately 4:30 p.m. Members in attendance were Mayor Dana Williams, Candace Erickson, Roger Harlan, Jim Hier, Joe Kernan, and Liza Simpson. Staff present was Tom Bakaly, City Manager; Mark Harrington, City Attorney; Alison Butz, Environmental Specialist, Jon Weidenhamer, Project Manager; Tom Daley, Deputy City Attorney; Ken Fisher, Recreation Manager; and Jason Glidden, Ice Rink Coordinator. Joe Kernan, “I move to close the meeting to discuss property“. Roger Harlan seconded. Motion carried unanimously. The meeting opened at approximately 5:30 p.m. Jim Her, “I move to open the meeting”. Joe Kernan seconded. Motion unanimously carried.

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

Prepared by Janet M. Scott, City Recorder

City Council
Staff Report

Subject:	**Park Silly Sunday Market**
Author:	**Max J. Paap**
Department:	**Sustainability- Implementation**
Date:	**February 28, 2008**
Type of Item:	**Administrative –Third Amended Master Festival License**

Summary Recommendations:
Review the third amended Master Festival License application, conduct a public hearing, and consider approving the third amended Master Festival License for the Park City Silly Sunday Market, as conditioned, to be held on Main Street, between Heber Avenue and 9th Street on successive Sundays during June, July, August, September, and October of 2008, with the exception of August 3rd for the Park City Kimball Arts Festival.

Description:

A. Topic:
Review the third amended Master Festival License Application, submitted by Park "Silly" Sunday Market, L.L.C. on November 14, 2007, for the Park "Silly" Sunday Market on successive Sundays during June, July, August, September, and October of 2008, with the exception of August 3, 2008 on Lower Main Street.

B. Background:
The Park "Silly" Sunday Market submitted an application in August of 2006 to hold an eco-friendly, open air market that would feature local and regional arts and crafts, music and performance art, antiques, imports, and one-of-a-kind finds, gourmet foods and a farmers market with fruits and vegetables. The template for this event is similar to that of other such markets in western mountain ski towns. Park Silly Sunday Market was approved for a Master Festival License on November 30, 2006 and took place on successive Sundays from June to October of 2007, with the exception of the Park City Kimball Arts Festival.

The organizers submitted an amended Master Festival License application on March 29, 2007, that included:

1) A request for Local Consent for a beer garden.
2) Extend by two hours the closure of the MFL venue from 4:00 pm until 6:00 pm.
3) Change the ability of City Council to approve a different MFL at the same location from 30 days written notice to 90 days written notice
4) And the addition of a one time request for amplified music to hold an

Oktoberfest Celebration with a street closure from 6:00 am until 10:00 pm to accommodate set-up and take-down issues.

On April 19, 2007 Council approved the first amendment to the original MFL approval that allowed the preceding.

The Park Silly Sunday Market has operated for the first four Sundays with the original MFL Conditions of Approval and the first amendment in place. The market opened on June 17, 2007 to a much larger crowd than was originally expected. There has been a wide variety of vendors including food, art, and fresh produce; they number between 75-90 per week. HMBA has indicated that market-goers are staying on Main Street after the hours of the Silly Market operation. The organizers have been in compliance with all previous Conditions of Approval to their Master Festival License.

On July 5, 2007 the organizers submitted a second amended Master Festival License application that included a request for amplified music and/or artistic demonstrations on certain stages throughout the venue. This application included possible times for amplification between 9:00 am and 3:00 pm. No amplified music would be programmed before 10:00 am.

That amendment was approved by Council on July 19, 2007 and those changes were successfully implemented for the duration of the 2007 PSSM season.

The Park Silly Sunday Market opened its doors to a very large response from the community, estimated at over 1000 attendees. Throughout the season the market enjoyed very good weather, attendance, and positive response. The organizers continue meeting with City staff on a regular basis as they plan for the 2008 season. Feedback from the merchants, market-goers, and the community in general, has been favorable for the market. In November of 2007 HMBA conducted a survey of their membership and asked if the membership would like to see the hours of the Market change; the majority of the membership indicated “Start later, end later”. Vendor participation has been consistent throughout the first season.

There have been a few logistical challenges as the organizers set-up and take-down the programmed portion of Main Street, but through good lines of communication have been adequately mitigated. PCMC staff has debriefed on the market and indicated that dedicated PCPD may need to be staffed each Sunday and that Special Events staff may need to be in attendance, as well. Additionally, the Building Department staffed the event load-in each week. The applicant is aware that staffing costs will be the responsibility of the applicant. Overall, PCMC staff had very positive feedback in regards to the event.

The Park “Silly” Sunday Market is consistent with the City Council’s Goal #4 which is to promote Park City as a multi-seasonal resort by maintaining its status as a World Class Resort which hosts such events as this and to increase the number of events.

C. Analysis:

The Third Amendment to the Master Festival includes the following changes:

<u>Market Operation Times and consequent street closures</u>
Previously the Park Silly Sunday Market's operating hours were from 9:00 am to 3:00 pm on each Sunday. The organizers are proposing that for the 2008 season the hours of operation be from 10:00 am to 5:00 pm. To accommodate the load-in and load-out of participants Main Street, between 7th and 9th Street, would be closed to vehicular traffic between 6:00 am and 9:00 pm. Again, the organizers would staff and monitor the access of vendors into and out of the market venue. For the October SillyFest on September 28, 2008 the hours of operation would be 10 am until 10 pm. This would require a street closure from 6:00 am until 12:00 am for this one time event.

<u>Street closure to include 9th Street</u>
The applicant has requested closure of 9th Street between Park Avenue and Deer Valley Drive to accommodate additional vendors and venue space. Staff Review has determined that a 12' Fire Lane will be maintained to provide access from Deer Valley Drive through to Park Avenue at all time of market operation. Applicant will provide signage to indicate closures and detour options.

<u>Use of Coalition Park</u>
The applicant has requested use of the southeast corner of Coalition Park to provide a venue for selected vendors and informational speakers. PCMC Parks has requested that no temporary shade structures be utilized in the park. Concerns about abuse to the grass will be monitored by the Special Events and Parks staff to determine use in that area does not negatively impact that park. The Coalition Park is also the designated area for the Art in the Park Ordinance, the area would have to be shared with non-vendor artists should any registered for use under the Art in the Park Ordinance.

<u>Parking plan for 2009</u>
Due to the 9th Street closure, market patrons will be directed from SR 224 and Deer Valley Drive to Marsac Avenue and to China Bridge with both static signs and use of the electronic message boards. HMBA indicated in the 2007 season that they felt China Bridge was under utilized and market-goers were not making it to upper Main Street. A trial sign plan was used for the October SillyFest with some success; and plans for 2008 are to start with that plan and monitor its success.

<u>PCMC Staffing</u>
In 2007, the Park Silly Sunday Market approval did not include dedicated PCMC staff. Based on the 2007 Event debrief, the proposal of an expanded venue and street closure, staff has identified the following staffing resources necessary to manage the proposed 2008 event:

- Police Department - Indicated that 2 dedicated officers in the venue in 2008 would be a necessity due to the strong attendance and public safety concerns. The approximate cost is $8,400 ($35hr * 16 hours * 15 days)
- Building Department - Building Inspector 3 hours weekly to conduct inspections of temporary structures and cooking equipment. The approximate cost is $2,925 ($65/hr * 3 hours * 15 days)
- Special Events Department – We expect heavy participation over the first few weeks that will reduce significantly over time. However many of these hours will incur overtime. For the duration of the event approval, the Events Departments anticipates an approximate cost of $3,000 ($50/hr * 4 hours * 15 days).

PCMC Parks and Streets have been able to perform their Main Street maintenance with cooperation of the festival organizers. PCMC Events staff will have representation at each event. There will be minor additional costs for installation of banners.

<u>Fee Waivers</u>
The Park Silly Sunday Market has submitted a Fee Waiver Request for the 2008 market. See Exhibit C for a breakdown of all estimated fees and fee waiver requests. In 2006 Council approved an enhanced business license fee to facilitate special events. That license fee automatically waives event fees for: Main Street cleaning; Electronic sign rental; Traffic control signs; Police time (for directing traffic only); and Bus service.

Section 4-8-9 of the Municipal Code (Exhibit B) provides Master Festival and Special Event License applicants with the ability to request a waiver for all or a portion of other associated fees. Unless otherwise approved administratively by the City Manager, or in a long-term contract by City Council, other fee waivers must be filed before the beginning of the Event. As many of the fees are covered by revenues generated by the 2006 Festival Facilitation Fee, staff recommends that the remaining fees not be eligible to be waived. All fee waiver determinations made by the City Manager may be appealed to the City Council.

<u>Economic Development Grant Update</u>
The Park Silly Sunday Market received $7,000.00 in the form of ED Grant from PCMC in April of 2007. The grant was earmarked to cover marketing cost to bring people to Main Street for the Park Silly Sunday Market. Applicants will provide an update on the grant at the February 28, 2008 meeting.

D. Department Review:
All applicable departments have reviewed the third amendment to the Park “Silly” Sunday Market.

Comments from PCMC staff include both Parks and Streets Departments having adequate access to perform routine watering and street cleaning activities on those proposed days. The Parking Department has indicated that there is a cost to purchase the pay-and-display spaces for the duration of the market. HMBA has been presented with this new request and had no dissenting comments at their recent board meeting.

PCPD will staff officers in the venue and the cost will be the responsibility of the applicant. PCMC Transit is willing to alter the Main Street Trolley route as in the 2007 season.

Alternatives:

Approve the Request:

Approve the third amendment to the Master Festival License allowing the Park “Silly” Sunday Market as described or as amended. This is staff’s recommendation.

Deny the Request:

Deny the third amendment to the Master Festival License, allowing the Park “Silly” Sunday Market to operate in the form approved by Council on July 19, 2007.

Continue the Item:

The City Council may continue the discussion in order to receive additional information.

Modify the Request:

Council may wish to modify the third amendment to the Master festival License.

Significant Impacts:

Park City has held many similar events as the Park “Silly” Sunday Market. Impacts include closure of Lower Main Street for 15 Sundays throughout the summer. At this time, City staff has identified additional staffing necessary for logistical coordination on event days. The applicant is aware that additional City staff time is a cost incurred by the applicant. The activities, including amplified music, will be contained within described venues and will conclude by 5:00pm.

Consequences of not taking the recommended action:

The Park “Silly” Sunday Market would continue to operate in a form approved by Council on July 19, 2007, the second amended MFL.

<u>RECOMMENDATION</u>:

Staff recommends the City Council conduct a public hearing and approve the third amendment to the Master Festival License for the Park “Silly” Sunday Market for successive Sundays during June, July, August, September, and October of 2008, with the exception of August 3rd for the Park City Kimball Arts Festival, based on the following Findings of Fact, Conclusions of Law and Conditions of Approval.

<u>Findings of Fact:</u>

1. The Park “Silly” Sunday Market be held on successive Sundays during June, July, August, September, and October of 2008, with the exception of August 3rd for the Park City Kimball Arts Festival. The event will last from 10:00 am to 5:00 pm and will occur at described locations. Street closures would be from 6:00 am to 9:00 pm.
2. Parking for the anticipated crowd of 1500 people can be accommodated with the existing parking in and around the venue and the use of China Bridge parking structure. The conduct of the Park “Silly” Sunday Market will not substantially interrupt or prevent the safe and orderly movement of public transportation or other vehicular and pedestrian traffic in the area of its venue.

3. The event is oriented towards families and youth. The events associated with the Park “Silly” Sunday Market will not require the diversion of so great a number of police, fire, or other essential public employees from their normal duties as to prevent reasonable police, fire, or other public services protection to the remainder of the City.
4. The event will be held on lower Main Street between Heber Avenue and 9th Street. The concentration of persons, vehicles, or animals will not unduly interfere with the movement of police, fire, ambulance, and other emergency vehicles on the streets or with the provision of other public health or safety services.
5. At this time, no other Master Festival and Special Event License has been issued for any Sunday during June, July, August, September, and October of 2008, with the exception of August 3rd for the Park City Kimball Arts Festival.
6. The size of the crowd and nature of the event will not create an imminent possibility of violent disorderly conduct likely to endanger public safety or cause significant property damage.
7. The applicant has been working with City Staff and applicable departments to address all event concerns. The Applicant demonstrates an ability and willingness to conduct the event pursuant to the terms and conditions of this Chapter and has not failed to conduct a previously authorized event in accordance with the law or the terms of a license, or both.
8. The event necessitates additional city staff resources be provided; namely Police, Special Events, Building Department and Streets.

<u>Conclusions of Law</u>:

1. The application is consistent with the requirements of the Park City Municipal Code, Title 4, Chapter 8.

<u>Conditions of Approval</u>:

1. The applicant, at its' cost, shall incorporate such measures as directed by Staff in order to ensure that any safety, health, or sanitation equipment, and services or facilities reasonably necessary to ensure that the event will be conducted with due regard for safety are provided.
2. Applicants shall provide proof of liability insurance in the amount of two million dollars ($2,000,000) or more as may be required by the Special Events Manager or the City Attorney's Office, and shall further name Park City Municipal Corporation as additional insured. All Applicants shall further indemnify the City from liability occurring at the event except for any claim arising out of the sole negligence or intentional torts of the City or its employees.
3. Applicant shall notify all adjacent neighbors 48 hours prior to the event in June of the dates and a description of the event. The applicant shall provide to the City a list of all vendors that participated in the event for each Sunday during the license period on the Monday following the event.
4. Applicant shall obtain Relief from Noise Restrictions (6-3-11) for any set-up activity occurring before 9:00 am on any given Sunday.

5. Applicant shall work with the UDABC to comply with all regulations for the beer garden area and all other areas of compliance.
6. A sound technician shall provide on-site monitoring for each site. Sound regulations shall be an A-weighted sound level adjustment and maximum decibel level of 90, as measured twenty-five feet (25’) in front of the stage.
7. Applicant has met with Park City Police and is aware that event has grown to a level where it warrants more than routine patrol and the cost of additional Police will be the responsibility of the applicant.
8. All plans for tents, stages and other temporary structures shall be submitted to the Building Department for review and permitting by May 15, 2008. The cost of Building Inspection time will be the responsibility of the applicant.
9. The costs to provide additional City staff, as estimated in the report herein, will be incurred by the applicant, unless otherwise waived by the City Council.
10. The applicant will work with City Staff to orient the six (6) temporary stages so as to minimize sound impacts to the neighborhood. Monitoring of the amplified shall be consistent with 4-8A-7; regulations for Public Outdoor Music Plazas. The General Regulations of this section indicate the following:

    4-8A-7. GENERAL REGULATIONS**.**

    (A) The program manager, or his/her designee, shall provide on-site management for each event.

    (B) A sound technician shall provide on-site monitoring for each event with music, amplified or otherwise, and any amplified event.

    (C) Except as otherwise provided at Subsection 6(A) herein, for amplified events or music, the program manager shall be responsible to ensure that the sound system maintains the sound at an A-weighted sound level adjustment and maximum decibel level of 90, as measured twenty-five feet (25') in front of the stage. The data currently available to the City indicates that a maximum decibel level of 90 satisfies the purpose of this ordinance. The City may amend this ordinance consistent with newly acquired data.

    (D) All events shall be open to the public and free of charge.

    (E) No event shall exceed 250 people at one time unless a separate Master Festival License is granted for that event.

    (F) The Police Department or other proper City official shall have access at all times to all Public Outdoor Music Plazas under this Chapter, and may make periodic inspection of said premises whether the officer or official is in uniform or plain clothes.

    (G) All events shall take place only on authorized Stages and shall have clean-up services directly following each event so as to leave the plazas in a clean and litter free manner.

    (H) All amplified music shall cease by 5:00, with the exception of the October SillyFest which shall end by 10:00 pm.

10. If at any time, the vendor participation drops to below 75% of its highest point, the City Council shall conduct a review of the MFL at the first available Council meeting. Event staff and public safety shall provide an assessment of success of the event pursuant to the criteria listed in the Master Festival License, PCMC

Title 4, Chapter 8 and whether the findings, conclusions and conditions are still correct and/or being implemented. Upon one or more findings that the MFL is no longer meeting the anticipated vendor/public participation levels justifying the street closure, the above MFL criteria, or conditions approval, the City Council may amend or revoke this approval accordingly.

11. As part of the Master Festival License, the applicant shall provide PCMC a list of participating vendors before the event begins. Consistent with section 4-8-7 of the Municipal Code, concessions directly related to the event do not require a regular business license. The Utah State Tax Commission does require a Temporary Sales Tax License. Included in that list, each vendor shall provide a Utah State Tax ID Number.
12. The City Council retains the ability to approve a different MFL at the location of lower Main used herein on one Sunday during the approval period, provided that the City gives the Applicant 90 days written notice, and the City provides an alternative location for the Sunday Silly Market, such as next to the Library or City Park.
13. Use of Coalition Park shall continue to allow use by non-vendors in accordance with the Art in the Park Ordinance PCMC {4-3A-7. No further written permission of applicant is necessary.

Attachments

A- Applicants Summary of Activities
B- Section 4-8-9 Municipal Code
C- Estimated Fees & Fee Waiver Requests

Attachment A-

PARK CITY MUNICIPAL CORPORATION
SPECIAL EVENT AND MASTER FESTIVAL LICENSE
EVENT APPLICATION-PART i
A completed electronic copy submitted to the Special Events Department

Special Events and Facilities Department
435.615.5150
specialevents@parkcity.org

APPLICATION FORM
Part I of the application form (pages 1 and 2) must be completed and submitted **electronically** to the Special Events Department no less than 90 days prior to a Master Festival or no less than 60 days prior to a Special Event. Part II of the application form (pages 3-6) which are more comprehensive, must be submitted 45 days before all events. **Parts I and II of the application must be sent electronically** to the Special Events Department at specialevents@parkcity.org. The application will be reviewed by the Special Events Department and compared to master calendar for date availability. Applicant must schedule a meeting with City Staff 30 days prior to the event to review logistics. Granting of the permit is not guaranteed.

EVENT NAME: Park Silly Sunday Market

FIRST TIME OR ANNUAL EVENT (IF ANNUAL, HOW MANY YEARS): Annual Event-1 year

EVENT DATE(S): June 15 (Opening day), 22, 29
July 6, 13, 20, 27
August 10, 17, 24, 31
September 7, 14, 21, 28 (Oktober Silly Fest-Closing celebration)
Total of 15 Sundays

EVENT TIME(S): Hours of operation 10:00am to 5:00pm-(close Main Street 7:00am to 8:00pm

EVENT LOCATION(S): *Please describe in detail the exact location(s)*
Lower Main Street between Heber Ave and 9th Street
7th Street
9th Street
9th Street-round green circle and green side park

ANTICIPATED ATTENDANCE: 1500

EVENT DESCRIPTION: *Please describe in detail the activities associated with the event*
Free community space to featured artist and chefs, sustainable issues, non-profits, musicians, performing artists

Arts, crafts, collectibles, music, food

APPLICANT: *(name of organization)* Park Silly Sunday Market

CONTACTS

Event Manager: Kimberly Kuehn
Mailing Address: PO BOX 684229 Park City, Utah 84068-4229
Phone: Fax:
Cell Phone: 435-901-0511
E-Mail: kimberly@parksillysundaymarket.com

Assistant Event Manager: Jewels Harrison
Mailing Address: same
Phone: Fax:
Cell Phone: 435-655-0994
E-Mail: jewels@parksillysundaymarket.com

TYPE OF EVENT: *to be confirmed by the Special Events Department*

☒ **Master Festival;** *(If even one box is checked, the event is automatically a Master Festival)*
A public event which any one of the following:
☒attraction of large crowds, (Over 500)
☒street closure,
☒use of City park, building or property,
☐use of off-site parking facility,
☒use of amplified music.

☐ **Special Event;**
A private or public event, which creates significant public impacts through:
☐causes significant public impacts via disturbance, crowd, traffic/parking,
☐disruption of the normal routine of the community or affected neighborhood,
☐necessitates temporary business or liquor licensing
☐event signs, visible from public property
☐temporary structures

CITY SERVICES (SERVICES WILL REQUIRE ADDITIONAL APPROVAL AND FEES)

- request for street closure(s)? ☒yes ☐no
  if yes, then list street(s) and closure time and date: Lower Main Street-7:00am to 8:00pm
  Heber Ave to 9th
  7th Street
  9th Street
  9th-Round circle/green patch park
- request for closure of or access to any public parking spaces? ☒yes ☐no
  if yes, then list lot and closure times and dates: 7:00am to 8:00pm

if yes, complete and attach *Request for Special Use of Public Parking* form.

- request for use of any City owned bleachers? ☐yes ☒no

SALES AND FOOD VENDING

- will there be beer, wine and/or liquor sales during the event? ☒yes ☐no
  if yes, have you filed a *Beer and Liquor License Application* with Park City Finance Department? ☒yes ☐no
  if yes, have you filed a **Single Event *or* Temporary Beer Permit** ***application w/ UDABC?*** ☒***yes*** ☐***no***

APPLICATION FEES

All new applications require a $100 processing fee, all applications for returning events require a $50 application fee, due at the time of application. Additional fees for other services, including Health Department and Fire Department, will be estimated and provided to the applicant. A final bill for services will be delivered to the applicant approximately two weeks after the event concludes. Please remit application check to:

Park City Municipal Corporation
Attn: Special Events and Facilities
P.O. Box 1480
Park City, UT 84060

INSURANCE

Park City Municipal requires proof of liability insurance in the amount of two million dollars ($2,000,000) or more, and applicant shall further name Park City Municipal Corporation as an additional insured. This must be submitted 10 days prior to the event.

Exhibit B – Section 4-8-9 Municipal Code

4-8-9. FEE WAIVERS.

(A) The City Manager may waive the following Master Festival or Special Event licensing and associated fees upon a finding of eligibility pursuant to the criteria provided herein:

(1) Application fee.

(2) Facility rentals.

(3) Field rentals; and

(4) Use of public parking spaces and bleachers.

(B) All fee waiver requests should be submitted to the Special Events Manager at the time of application, but no later than the first day of the proposed event. Fee waiver requests shall be reviewed and approved/denied by the City Manager. Fee waiver determinations made by the City Manager may be appealed to the City Council. Eligibility for a full or partial fee waiver shall be determined by the City Manager pursuant to the following criteria, none of which shall be individually controlling:

(1) for-profit or non-profit status of the Applicant;

(2) whether the event will charge admission fees;

(3) whether the event is youth-oriented;

(4) the duration of the event;

(5) whether and to what extent the City is likely to receive positive tax benefits by virtue of the event;

(6) the degree of City services involved and whether City costs are likely to be recovered by other revenue opportunities arising from the event;

(7) the season of occurrence; and

(8) demonstration of hardship by the Applicant.

(C) Fee waiver requests must be filed annually, unless otherwise approved in a City services agreement by the City Council. Approval of a fee waiver for any application shall not create a precedent for future requests.

Fee Estimate
PSSM
June-Sept. 2008

Special Events Department
PO Box 1480
Park City, UT 84060

SERVICE DESCRIPTION	COST	# OF ITEMS OR HOURS	# OF DAYS	FEES	Fees waived per Festival Fee Waiver Ordinance*	City Manager Waived Fees**	COST
	HIDE	HIDE	HIDE				
Special Events and Facilities Department							
Application Fee - Reoccuring Event	50.00	1.00	1.00	50.00			
Streets Department							
Electronic Sign Rental	120.00	2.00	15.00	3,600.00	3,600.00		
Police Department							
Base Officer Time	35.00	16.00	15.00	8,400.00			
Parking Department							
Application Fee	20.00	1.00	1.00	20.00		10.00	
Main Street Parking Space	12.00	38.00	15.00	6,840.00		3,420.00	
Parks Department							
Street Banner Installation	360.00	3.00	1.00	1,080.00			
Building Department							
Building Inspection	65.00	3.00	15.00	2,925.00			
Miscellaneous							
Payments Received							
TOTALS			**Totals**	22,915.00			22,915.00
WAIVED AMOUNT				7,030.00	***3,600.00***	**3,430.00**	**-7,030.00**
				TOTAL DUE			15,885.00

* Enhanced Business License Fee automatically waives fees for : Main St. cleaning; Electronic sign rental; Traffic control signs; Police time (directing traffic only); and bus service.

** Per Section 4-8-9 of the Municipal Code, the City Manager can administratively waive fees for: application costs; facility rental; field rentals; bleachers; and parking. The Manager has agreed to waive the fees indicated above.

*** Section 4-8-9 of the Municipal Code (Exhibit B) provides Master Festival and Special Event License applicants with the ability to request a waiver for all or a portion of other associated fees. Unless otherwise approved administratively by the City Manager, or in a long-term contract by City Council, other fee waivers must be filed before the beginning of the Event. As many of the fees are covered by revenues generated by the 2006 Festival Facilitation Fee, staff recommends that the remaining fees not be eligible to be waived. All fee waiver determinations made by the City Manager may be appealed to the City Council.

City Council Staff Report

Subject:
Author: Kent Cashel
Department: Public Works
Date: February 28th, 2008
Type of Item: Administrative

Summary Recommendations:
Authorize the City Manager to execute a professional services agreement, in a form approved by the City Attorney, with InterPlan Co. in an amount not to exceed $21,350 for the preparation of a corridor plan for SR-248.

Background:
Council adopted the Entry Corridors Management Strategic Plan on March 20th, 2006. This strategic plan set forth objectives for the management of transportation and traffic along the City's entry corridor's (SR-224, SR-248 and Bonanza Drive). One of the key objectives identified in the strategic document is, "to gain a thorough understanding of volumes and travel patterns that make up the current and future traffic conditions along the entry corridors." Another key objective identified in the plan is, "ensure current capacity of entry corridors are utilized effectively before expanding roads or related infrastructure." These two objectives have been the impetus behind six individual studies that have recently been completed for portions of the SR-248 corridor.

Summit county began assessing a $10 local option transportation corridor preservation fee in 2007. The Summit County Council of Governments (COG) has initially prioritized the SR-248 corridor as a corridor to consider for funding using corridor preservation fees. The County has collected approximately $615,000 to date, this amount is growing about $40,000 per month. The State of Utah has a program to provide local governments with one dollar of matching funds for every local corridor preservation dollar invested. These funds can only be utilized to secure right of way for major transportation corridors. The State matching funds are set to expire on June 30th, 2008.

The City's park and ride lot, to be located at Richardson Flats, will be utilized to remove single occupant vehicles, from the SR-248 corridor during peak hours and special events. The Richardson Flats park and ride is scheduled to open December 2008.

Staff has conducted a procurement to secure a consultant to consolidate existing SR-248 studies into one corridor plan. This project will accomplish the following tasks:

1. Consolidate existing studies of portions of SR-248 into one corridor plan.
2. Explore alternatives and make recommendations for reducing transit travel times to and from the park and ride (e.g., dedicated bus lanes, bus use of shoulders, HOV lanes, queue jumping, signal prioritization and etc.)

3. Research and recommend appropriate hours and frequency of bus service to the park and ride.
4. Inventory existing UDOT right of way and conduct a needs analysis for additional right of way.

Analysis:
Three key factors support the development of an SR-248 transportation corridor plan. Those factors are:

1. The six (6) individual studies provide a solid (nearly complete) foundation to complete a comprehensive corridor plan.
2. To access Corridor Preservation Fees a right-of-way project must be identified in an adopted corridor plan. The study will provide this plan.
3. The success of the Park and Ride will depend, in a large measure, upon the ability of transit to move patrons swiftly to and from the lot using SR-248. The corridor plan will study and make recommendations on improvements that will facilitate rapid transit movement along the corridor. (e.g., dedicated bus lanes, HOV lanes, bus use of shoulders, signal prioritization and etc.)

Staff has completed a procurement in compliance with all City policies. Numerous consultants requested RFP packages, two ultimately submitted proposals. The two companies and their proposal costs are contained in the table below

Consultant Team	Proposal Cost
Fehr and Peers	$69,999
InterPlan Co.	$21,315

A four member selection team made up of individuals from Public Works, Transit and the Sustainability Team evaluated and ranked the proposals. The selection team used five criterea, as detailed in the request for proposal, to rank the two proposals. Those criteria were:

- Quality of proposal
- Consultant team members relevant project experience
- Consultant firm's experience with similar projects
- Proposed project timeline
- Proposed cost.

The primary difference between the two proposals is that the Fehr & Peers proposal contained a considerably larger amount of engineering time which results in a much higher proposal cost. The selection team believes the InterPlan proposal utilizes an approach that best matches the City's needs for this study. This approach consists of identifying alternatives, conducting a concept level of engineering study and then making a well reasoned set of recommendations that will identify any right of way needs. These recommendations then can be presented to the public and prioritized by Council before significant engineering effort is expended.

It is important to note that some additional engineering work is likely to be required (as a second step after the study is completed) to determine true feasibility and hard costs of some alternatives. However, staff utilized this same two step approach to complete the Bonanza Corridor Plan and believes it is the most efficient and cost effective approach for completing this corridor plan.

The selection team recommends Council authorize the City Manager to execute a professional services agreement with InterPlan Co.

InterPlan Co. has agreed to an aggressive project schedule and Staff will return to Council on April 24th with a draft plan for review and comment. Staff will then incorporate Council direction into a final plan and return to request adoption of that plan in mid May.

Funding for this project exists in the Transit Fund CIP.

Department Review:
This report has been reviewed by The City Manager's office, The City Attorney's Office, Public Works, and the Office of Budget Debt and Grants. This report incorporates comments provided by these reviewer's.

Alternatives:

A. Approve the Request:
Council could authorize Staff to execute a professional services agreement with InterPlan Co. in an amount not to exceed $21,315 for the preparation of a corridor plan for SR-248. This is Staff's recommendation.

B. Deny the Request:
Council could deny Staff's request to execute a professional services agreement with InterPlan Co. This is not Staff's recommendation

C. Continue the Item:
Council could continue the item. This is not Staff's recommendation.

D. Do Nothing:
Council could do nothing. This is not Staff's recommendation

Consequences of not taking the recommended action:
Summit County has collected $615,000 in Corridor preservation fees (collections average about $40,000 a month). The State of Utah has available matching funds that would double the amount of corridor preservation funds available to procure right of way. The State has indicated that matching funds must be accessed on or before June 30th, 2008. To access corridor preservation fees a project must be included in an adopted corridor plan. Delaying completion of this study will put these matching corridor funds at risk.

The Richardson Flat Park and Ride is scheduled to open in December 2008. It is a critical that transit have some form of traffic prioritization on the SR-248 corridor in place prior to opening of the park and ride. The corridor plan is a necessary first step in working with UDOT to obtain this prioritization. Delaying development of a corridor plan will also delay the process of obtaining prioritization for transit buses.

Recommendation:
Authorize the City Manager to execute a Professional Services Agreement, in a form approved by the City Attorney, with InterPlan Co. in an amount not to exceed $21,350 for the preparation of a corridor plan for SR-248.

PARK CITY MUNICIPAL CORPORATION SERVICE PROVIDER/PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is made and entered into in duplicate this ____ day of _____________, 2008, by and between PARK CITY MUNICIPAL CORPORATION, a Utah municipal corporation, (“City”), and InterPlan Co., a Utah corporation (“Service Provider”).

WITNESSETH:

WHEREAS, the City desires to have certain services and tasks performed as set forth below requiring specialized skills and other supportive capabilities; and

WHEREAS, sufficient City resources are not available to provide such services; and

WHEREAS, the Service Provider represents that the Service Provider is qualified and possesses sufficient skills and the necessary capabilities, including technical and professional expertise, where required, to perform the services and/or tasks set forth in this Agreement.

NOW, THEREFORE, in consideration of the terms, conditions, covenants, and performance contained herein, the parties hereto agree as follows:

1. SCOPE OF SERVICES.

The Service Provider shall perform such services and accomplish such tasks, including the furnishing of all materials and equipment necessary for full performance thereof, as are identified and designated as Service Provider responsibilities throughout this Agreement and as set forth in the “Scope of Services” attached hereto as “Addendum A” and incorporated herein (the “Project”). The total fee for the Project shall not exceed **Twenty One Thousand Three Hundred and Fifty Dollars** ($21,350).

2. TERM.

The term of this Agreement shall commence on the date of execution on this Agreement and shall terminate on June 30th, 2008 or earlier, unless extended by mutual written agreement of the Parties.

3. **<u>COMPENSATION AND METHOD OF PAYMENT</u>**.

A. Payments for services provided hereunder shall be made monthly following the performance of such services.

B. No payment shall be made for any service rendered by the Service Provider except for services identified and set forth in this Agreement.

C. For all "extra" work the City requires, the City shall pay the Service Provider for work performed under this Agreement according to the schedule attached hereto as "Addendum B," or if none is attached, as subsequently agreed to by both parties in writing.

D. The Service Provider shall submit to the City Manager or his designee on forms approved by the City Manager, an invoice for services rendered during the pay period. The City shall make payment to the Service Provider within thirty (30) days thereafter. Requests for more rapid payment will be considered if a discount is offered for early payment. Interest shall accrue at a rate of six percent (6%) per annum for services remaining unpaid for sixty (60) days or more.

E. The Service Provider reserves the right to suspend or terminate work and this Agreement if any unpaid account exceeds sixty (60) days.

4. **<u>REPORTS AND INSPECTIONS</u>**.

A. The Service Provider, at such times and in such forms as the City may require, shall furnish the City such statements, records, reports, data, and information as the City may request pertaining to matters covered by this Agreement.

B. The Service Provider shall at any time during normal business hours and as often as the City may deem necessary, make available for examination of all its records and data with respect to all matters covered, directly or indirectly, by this Agreement and shall permit the City or its designated authorized representative to audit and inspect other data relating to all matters covered by this Agreement. The City may, at its discretion, conduct an audit at its expense, using its own or outside auditors, of the Service Provider's activities, which relate directly or indirectly, to this Agreement.

5. **INDEPENDENT CONTRACTOR RELATIONSHIP**.

A. The parties intend that an independent Service Provider/City relationship will be created by this Agreement. No agent, employee, or representative of the Service Provider shall be deemed to be an employee, agent, or representative of the City for any purpose, and the employees of the Service Provider are not entitled to any of the benefits the City provides for its employees. The Service Provider will be solely and entirely responsible for its acts and for the acts of its agents, employees, subcontractors or representatives during the performance of this Agreement.

B. In the performance of the services herein contemplated the Service Provider is an independent contractor with the authority to control and direct the performance of the details of the work, however, the results of the work contemplated herein must meet the approval of the City and shall be subject to the City's general rights of inspection and review to secure the satisfactory completion thereof.

6. **SERVICE PROVIDER EMPLOYEE/AGENTS**.

The City may at its sole discretion require the Service Provider to remove an employee(s), agent(s), or representative(s) from employment on this Project. The Service Provider may, however, employ that (those) individuals(s) on other non-City related projects.

7. **HOLD HARMLESS INDEMNIFICATION**.

A. The Service Provider shall indemnify and hold the City and its agents, employees, and officers, harmless from and shall process and defend at its own expense any and all claims, demands, suits, at law or equity, actions, penalties, losses, damages, or costs, of whatsoever kind or nature, brought against the City arising out of, in connection with, or incident to the execution of this Agreement and/or the Service Provider's defective performance or failure to perform any aspect of this Agreement; provided, however, that if such claims are caused by or result from the concurrent negligence of the City, its agents, employees, and officers, this indemnity provision shall be valid and enforceable only to the extent of the negligence of the Service Provider; and provided further, that nothing herein shall require the Service Provider to hold harmless or defend the City, its agents, employees and/or officers from any claims arising from the sole negligence of the City, its agents, employees, and/or officers. The Service Provider expressly agrees that the indemnification provided herein constitutes the Service Provider's limited waiver of immunity as an employer under Utah Code Section 34A-2-105; provided, however, this waiver shall apply only to the extent an employee of Service Provider claims or recovers compensation from the City for a loss or injury that Service Provider would be obligated to indemnify the City for under this Agreement. This limited waiver has been mutually negotiated by the parties, and is expressly made effective only for the purposes of this Agreement. The provisions of this section shall survive the expiration or termination of this Agreement.

B. No liability shall attach to the City by reason of entering into this Agreement except as expressly provided herein.

8. <u>INSURANCE</u>.

The Service Provider shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Service Provider, their agents, representatives, employees, or subcontractors. The Service Provider shall provide a Certificate of Insurance evidencing: *(amend the following insurance requirements as applicable)*

A. General Liability insurance written on an occurrence basis with limits no less than one million dollars ($1,000,000) combined single limit per occurrence and two million dollars ($2,000,000) aggregate for personal injury, bodily injury and property damage.

B. Automobile Liability insurance with limits no less than five hundred thousand dollars ($500,000) combined single limit per accident for bodily injury and property damage.

C. Professional Liability (Errors and Omissions) insurance written on claims made basis with limits no less than one half million dollars ($5,000,000) combined single limit per occurrence.

D. Workers Compensation insurance written on an occurrence basis with limits no less than one half million dollars ($500,000) combined single limit per occurrence.

E. The City shall be named as an additional insured on the insurance policies, as respect to work performed by or on behalf of the Service Provider and a copy of the endorsement naming the City as an additional insured shall be attached to the Certificate of Insurance. The Certificate of insurance shall warrant that the City shall receive thirty (30) days advance notice of cancellation. The City reserves the right to request certified copies of any required policies.

F. The Service Provider's insurance shall contain a clause stating that coverage shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

9. **TREATMENT OF ASSETS**.

Title to all property furnished by the City shall remain in the name of the City and the City shall become the owner of the work product and other documents, if any, prepared by the Service Provider pursuant to this Agreement (contingent on City's performance hereunder).

10. **COMPLIANCE WITH LAWS**.

A. The Service Provider, in the performance of this Agreement, shall comply with all applicable federal, state, and local laws and ordinances, including regulations for licensing, certification and operation of facilities, programs and accreditation, and licensing of individuals, and any other standards or criteria as described in this Agreement to assure quality of services.

B. The Service Provider specifically agrees to pay any applicable fees or charges which may be due on account of this Agreement.

11. **NONDISCRIMINATION**.

A. The City is an equal opportunity employer.

B. In the performance of this Agreement, the Service Provider will not discriminate against any employee or applicant for employment on the grounds of race, creed, color, national origin, sex, marital status, age or the presence of any sensory, mental or physical handicap; provided that the prohibition against discrimination in employment because of handicap shall not apply if the particular disability prevents the proper performance of the particular worker involved. The Service Provider shall ensure that applicants are employed, and that employees are treated during employment without discrimination because of their race, creed, color, national origin, sex, marital status, age or the presence of any sensory, mental or physical handicap. Such action shall include, but not be limited to: employment, upgrading, demotion or transfers, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and programs for training including apprenticeships. The Service Provider shall take such action with respect to this Agreement as may be required to ensure full compliance with local, state and federal laws prohibiting discrimination in employment.

C. The Service Provider will not discriminate against any recipient of any services or benefits provided for in this Agreement on the grounds of race, creed, color, national origin, sex, marital status, age or the presence of any sensory, mental or physical handicap.

D. If any assignment or subcontracting has been authorized by the City, said assignment or subcontract shall include appropriate safeguards against discrimination. The Service Provider shall take such action as may be required to ensure full compliance with the provisions in the immediately preceding paragraphs herein.

12. ASSIGNMENTS/SUBCONTRACTING.

A. The Service Provider shall not assign its performance under this Agreement or any portion of this Agreement without the written consent of the City, and it is further agreed that said consent must be sought in writing by the Service Provider not less than thirty (30) days prior to the date of any proposed assignment. The City reserves the right to reject without cause any such assignment.

B. Any work or services assigned hereunder shall be subject to each provision of this Agreement and property bidding procedures where applicable as set forth in local, state or federal statutes, ordinance and guidelines.

C. Any technical/professional service subcontract not listed in this Agreement, must have express advance approval by the City.

13. CHANGES.

Either party may request changes to the scope of services and performance to be provided hereunder, however, no change or addition to this Agreement shall be valid or binding upon either party unless such change or addition be in writing and signed by both parties. Such amendments shall be attached to and made part of this Agreement.

14. MAINTENANCE AND INSPECTION OF RECORDS.

A. The Service Provider shall maintain books, records and documents, which sufficiently and properly reflect all direct and indirect costs related to the performance of this Agreement and shall maintain such accounting procedures and practices as may be necessary to assure proper accounting of all funds paid pursuant to this Agreement. These records shall be subject at all reasonable times to inspection, review, or audit by the City, its authorized representative, the State

Auditor, or other governmental officials authorized by law to monitor this Agreement.

B. The Service Provider shall retain all books, records, documents and other material relevant to this Agreement for six (6) years after its expiration. The Service Provider agrees that the City or its designee shall have full access and right to examine any of said materials at all reasonable times during said period.

15. POLITICAL ACTIVITY PROHIBITED.

None of the funds, materials, property or services provided directly or indirectly under the Agreement shall be used for any partisan political activity, or to further the election or defeat of any candidate for public office.

16. PROHIBITED INTEREST.

No member, officer, or employee of the City shall have any interest, direct or indirect, in this Agreement or the proceeds thereof.

17. MODIFICATIONS TO TASKS AND MISCELLANEOUS PROVISIONS.

A. All work proposed by the Service Provider is based on current government ordinances and fees in effect as of the date of this Agreement.

B. Any changes to current government ordinances and fees which affect the scope or cost of the services proposed may be billed as an “extra” pursuant to Paragraph 3(C), or deleted from the scope, at the option of the City.

C. The City shall make provision for access to the property and/or project and adjacent properties, if necessary for performing the services herein.

18. TERMINATION.

A. Either party may terminate this Agreement, in whole or in part, at any time, by at least thirty (30) days written notice to the other party. The Service Provider shall be paid its costs, including contract close-out costs, and profit on work performed up to the time of termination. The Service Provider shall promptly submit a termination claim to the City. If the Service Provider has any property in its possession belonging to the City, the Service Provider will account for the same, and dispose of it in a manner directed by the City.

B. If the Service Provider fails to perform in the manner called for in this Agreement, or if the Service Provider fails to comply with any other provisions of the Agreement and fails to correct such noncompliance within three (3) days written notice thereof, the City may immediately terminate this Agreement for cause. Termination shall be effected by serving a notice of termination on the Service Provider setting forth the manner in which the Service Provider is in default. The Service Provider will only be paid for services performed in accordance with the manner of performance set forth in this Agreement.

19. NOTICE.

Notice provided for in this Agreement shall be sent by certified mail to the addresses designated for the parties on the last page of this Agreement.

20. ATTORNEYS FEES AND COSTS.

If any legal proceeding is brought for the enforcement of this Agreement, or because of a dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, the prevailing party shall be entitled to recover from the other party, in addition to any other relief to which such party may be entitled, reasonable attorney's fees and other costs incurred in that action or proceeding.

21. JURISDICTION AND VENUE.

A. This Agreement has been and shall be construed as having been made and delivered with the state of Utah, and it is agreed by each party hereto that this Agreement shall be governed by laws of the state of Utah, both as to interpretation and performance.

B. Any action of law, suit in equity, or judicial proceeding for the enforcement of this Agreement, or any provisions thereof, shall be instituted and maintained only in any of the courts of competent jurisdiction in Summit County, Utah.

22. SEVERABILITY.

A. If, for any reason, any part, term, or provision of this Agreement is held by a court of the United States to be illegal, void or unenforceable, the validity of the remaining provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular provision held to be invalid.

B. If it should appear that any provision hereof is in conflict with any statutory provision of the state of Utah, said provision which may conflict therewith shall be deemed inoperative and null and void insofar as it may be in conflict therewith, and shall be deemed modified to conform in such statutory provisions.

23. <u>ENTIRE AGREEMENT</u>.

The parties agree that this Agreement is the complete expression of the terms hereto and any oral representations or understandings not incorporated herein are excluded. Further, any modification of this Agreement shall be in writing and signed by both parties. Failure to comply with any of the provisions stated herein shall constitute material breach of contract and cause for termination. Both parties recognize time is of the essence in the performance of the provisions of this Agreement. It is also agreed by the parties that the forgiveness of the
nonperformance of any provision of this Agreement does not constitute a waiver of the provisions of this Agreement.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed the day and year first hereinabove written.

PARK CITY MUNICIPAL CORPORATION
445 Marsac Avenue
Post Office Box 1480
Park City UT 84060-1480

____
Thomas B. Bakaly, City Manager

Attest:

____
City Recorder's Office

Approved as to form:

____
City Attorney's Office

SERVICE PROVIDER
Address:

Tax ID#: _______________________

____
Signature

____
Printed name

____
Title

STATE OF UTAH)
) ss.
COUNTY OF SUMMIT)

On this ____ day of ________________, 2007, personally appeared before me _____________________________, whose identity is personally known to me/or proved to me on the basis of satisfactory evidence and who by me duly sworn/affirmed, did say that he/she is the _________________________ (*title or office*) of ____________________ Corporation by Authority of its Bylaws/Resolution of the Board of Directors, and acknowledged that he/she signed it voluntarily for its stated purpose as _______________________ *(title)* for _______________________________, a _______ corporation.

____
Notary Public

Scope of Work

InterPlan understands Park City's desire to analyze SR-248 and to work with UDOT to implement corridor preservation actions that will foster a more walkable, bikeable, and transit friendly environment in Park City while meeting long term transportation goals on the State Highway System. Using the Project Elements identified in Park City's Scope of Work, we have developed a more refined scope in this proposal. This scope may serve to provide a contract ready document or may be modified at the discretion of Park City.

Task 1
Analyze and Consolidate Existing Plans

Park City has outlined eight related documents and traffic studies that have been completed which affect SR-248, including the City's "Entry Corridors Transit and Transportation Management Strategic Plan." InterPlan was responsible for the development of three of these eight studies including the "Parking and Circulation Master Plan for Park City High School," "Bonanza Drive" and "State Route 248, SR-224 to SR-32, Level One Corridor Study."

Through our past work, InterPlan is very familiar with the issues on SR-248 and most of the recommendations for new traffic signals, expanded cross sections, pedestrian and bicycle conflicts, bypass roads, and related recommendations.

Through our past work, InterPlan is very familiar with the issues on SR-248 and most of the recommendations for new traffic signals, expanded cross sections, pedestrian and bicycle conflicts, bypass roads, and related recommendations. InterPlan will compile recommendations from each report, document conflicts in various issues and recommendations, and map a resulting "plan" based on existing studies. Although the resulting plan may not be embraced by Park City or UDOT, this effort will document the momentum of past analysis and begin the dialogue of conflicting goals.

Task 2
Park-and-Ride Transit Support

Park City is presently planning a public-private 750 space park-and-ride lot at Quinn's Junction of US-40 and SR-248. Plans and design are well developed and scheduled for a December 2008 opening. Ski and downtown employee shuttle service, Park City transit service, and a variety of privately developed carpools are expected to utilize this park-and-ride lot. InterPlan will assist Park City in estimating opening day, special event, and near term use of the park-and-ride lot. This effort will include analysis of transit routes and frequencies to serve the lot based on Park City Transit capital and operating constraints as well as exploration of various incentive programs to increase the private use of this lot. Although defined as a stand-alone task, this effort will analyze various options for transit and high-occupancy vehicle (HOV) travel times on SR-248 based on Tasks 3 and 4 defined in this section.

Task 3
Alternative Development

With the exception of Park City's Entry Corridor Strategic Plan, past traffic studies have primarily focused on roadway improvements that will facilitate traffic flow onto and through SR-248. This study will begin to shift the balance of analysis back towards Park City's strategic goals of exploring other options to reduce travel demand prior to expanding traffic capacity. InterPlan will work with Park City staff to identify and refine a range of alternatives designed to improve transit and HOV travel times on SR-248.

InterPlan proposes to make an initial effort at suggesting alternatives and providing graphical representations of those alternatives prior to meeting with Park City staff so that alternatives may be refined. At a minimum, alternatives will include the following:

- HOV and Toll (HOT) lanes,
- Queue Jumper Transit/HOV Lanes,
- HOV bypass road options,
- Traffic signal priority for HOV,
- Bus shoulders.

Each alternative will be refined to sufficient detail to understand intersection geometry and approximate right-of-way impacts and needs.

Task 4
Alternative Analysis

Each alternative developed in Task 3, through coordination with Park City staff, will be analyzed to determine the travel time advantage of non-single occupant vehicle travel and potential deferment or elimination of other single occupant vehicle (and general purpose) widening needs. Specifically, InterPlan proposes to perform morning and afternoon counts of HOV traffic (as a percentage of total traffic) as a base line and will develop mode shift estimates based on a literature review of travel time savings. For example CALTRANS estimates that each minute saved with HOV lanes results in a one percent (of total travel) increase in HOV use. Similar estimates will be developed and used to analyze the advantages of various HOV and transit alternatives.

InterPlan proposes to review alternatives based on transit and HOV advantage as well as provide conceptual costs and right of way impacts of various options. InterPlan proposes to work directly with Park City Public Works to review parcel level GIS data and overlay various roadway options on Park City supplied mapping.

Task 5
Right of Way Review and Summary

InterPlan recognizes Park City's desire to take advantage of the State match of corridor preservation funds generated through the $10 vehicle registration fee. We have teamed with Meridian Engineering to assist with right of way documents as a future effort and believe that there is significant value added by having Meridian work as part of the planning team to ensure the right of needs and complications are understood at the outset of this effort. Meridian will review the right of way requirements associated with UDOT matching funds and prepare a summary of necessary next steps that Park City will be required to address to use this State match as part of early action corridor preservation.

Task 6
Meetings and Coordination

InterPlan is proposing to meet twice with Park City staff, once during the development of alternatives and once to present the results of the alternative analysis and to discuss the right of way process and needs. In addition, InterPlan proposes to present all results to the Park City Council. Due to the short duration of this effort, a public meeting (in addition to the Council meeting) discussing this corridor to interested property owners and stakeholders is not proposed as part of this effort. However, such work can be added on a time and materials basis should the City desire additional input.

Task 7
Report Development

As a niche transportation planning firm, InterPlan has significant experience with specialized projects of limited time frame. As a result of our experience, we have learned to document as we go so that the report development can be produced in a timely manner and at high quality. As required, InterPlan is proposing to provide 10 bound copies of our draft reports for review and 10 bound copies of a final reports along with an electronic copy in PDF and WORD format. InterPlan prides itself on graphically strong reports and will develop a full report and an executive summary prepared for technical and non-technical audiences, respectively.

Cost Estimate

Consistent with the scope of services, InterPlan is proposing to complete all work by within a cost not-to-exceed $21,315.00 the following presents our person-hour costs based on fully loaded billing rates by staff.

Not-to-Exceed Cost Estimate

Task	Description	M. Riffkin Principal $130/hr	Andrea Olson Planning Manager $115/hr	R. Eldredge Planner $75/hr	Suellen Heath Planning Tech. $60/hr	J.Black Support $50/hr	Meridian Sub-consultant	Total Cost
1	Analyze and Consolidate Existing Plans	2	8	8		1		**$1,830.00**
2	Park-and-Ride Transit Support	6	2	4		1		**$1,360.00**
3	Transit Service Alternative Development	4	10	24	4	1		**$3,760.00**
4	Alternative Analysis	8	24	32	12	12		**$7,520.00**
5	Corridor ROW Review and Summary	3	3	8		1	$ 3,000.00	**$4,385.00**
6	Meetings and Admin.	8	8	6		1		**$2,460.00**
7	Report Development	4	8	32	16	2		**$4,900.00**
Total All Task		**35**	**63**	**114**	**32**	**19**	**$3,000.00**	**$21,315.00**

Project Schedule

InterPlan recognizes the short duration of this study and the need to provide written documentation of a corridor plan by mid-May to allow UDOT and Park City to work together towards corridor preservation efforts. InterPlan is committed to meeting the schedule for a draft report by April 11th to be presented to the Council on April 17th and for a final report for Council adoption by May 15th. This schedule assumes notice to proceed by February 25th and timely review and data flow by Park City staff of all information.

Project Timeline

Task	Description	March				April				May	
1	Analyze and Consolidate Existing Plans										
2	Park-and-Ride Transit Support										
3	Transit Service Alternative Development										
4	Alternative Analysis										
5	Corridor ROW Review and Summary										
6	Meetings and Admin.			*				P		*	
7	Report Development						DRAFT				FINAL

City Council
Staff Report

Subject:	**Empire Pass Employee/Affordable Housing Technical Report**
Author:	**Phyllis McDonough Robinson**
Department:	**Sustainability**
Date:	**February 28, 2008**
Type of Item:	**Administrative- City Council Call-Up Review**

Summary Recommendations: Staff recommends that the City Council discuss Staff's proposed amendments to the Employee/Affordable Housing Technical report and provide direction as to Council's preferred course of action.

Topic/Description:
Employee/Affordable Housing

Background:
On June 24, 1999, Council adopted Ordinance 99-30 and Resolution 20-99 approving the annexation and development agreement for the 1,655 acre Flagstaff Mountain area. Resolution 20-99 granted the equivalent of a "large-scale" master planned development (MPD) and set forth the types and locations of land use, maximum densities, timing of development, development approval process, as well as development conditions and amenities for each parcel. Ordinance 99-30 also required that the applicant submit 14 specific technical reports for review and approval by the City. The 14 studies, along with the Land Management Code and the Development Agreement (99-30) form the standards under which the any Master Planned Developments, Conditional Use Permits, and preliminary/final plat are reviewed.

United Park City Mines/Talisker (Talisker) is requesting an amendment to the Phasing Commitment of the Housing Technical Report. This report was revised and adopted in December 2001. Staff reviewed this request by Talisker and the approved Technical Report and finds that the applicant has not been fulfilling their obligation in numbers of Affordable Unit Equivalents (AUES), timing of AUE construction, or phasing as agreed to and adopted by the City pursuant to the Agreement.

The 2001 Housing Technical Report required 91 affordable housing unit equivalents, a *minimum* of 25 percent which must be located on-site. An affordable housing unit equivalent is defined as an 800 square foot, two-bedroom unit.

The Development Agreement requires that the affordable housing be phased with the development of the Flagstaff Mountain (now Empire Pass) Development. The Housing Technical Report further clarified this by stating that "*the goal of the Plan is to develop affordable housing units at a rate in excess of that required by the Resort's development schedule in order to mitigate the impact on the community*." (*page 20, Housing Technical Report)* The Housing Technical Report (HTR) outlined a number of options that that could be undertaken to fulfill employee/affordable housing obligation including the on-mountain obligation, developed on UPCM owned land, the purchase of existing market rate units, land exchanges with the City or the payment of in-lieu fees. (*pages 17 – 19, HTR)* The HTR further identified a multi-phased approach to fulfilling this obligation (*page 20, HTR*)

- Phase I focused on the smaller infill projects (Options B, C, &D) and that work would "commence immediately after the approval of this Plan in an attempt to develop these parcels as quickly as possible." (*page 20, HTR*)
- Phase II was intended to "coincide with the actual development of the Resort" and that as the on-mountain product was developed the proposed on-site units associated with the minimum 25% on-mountain requirement would be developed.
- Phase III was the development of the 20-acre Quinn's Junction Parcel with the intent to coordinate and integrate the development of this parcel with the other developments proposed for this corridor.

The Developer and the City Staff negotiated the following phasing commitment that was adopted as part of the Housing Technical Report "*to insure that the affordable housing is being constructed concurrently with the development of the Flagstaff Mountain Resort.*"

Montage AUE Amendment to Development Agreement
The total Employee/Affordable Housing increased in 2006 to 118.90 as part of the Amendment to the Development Agreement for the Montage Hotel and Spa. The base number of AUEs required for the overall development increased to 98.90. In addition, the Developer agreed to provide an additional 20 AUEs as a community benefit. A minimum of 25 percent of the base AUES shall be provided on-mountain, or 24.725 AUEs. The phasing plan is below.

Density Increment of Number of Flagstaff Unit Equivalents, with Certificate of Occupancy	Affordable Housing Units With Certificates of Occupancy Required Prior to COs for Next Density Increment
0-150	15
151-300	30
301-450	45
451-400	60
601-750	75
751 – 900	90
901 - 914	118.90

<u>Status as of February 20, 2008</u>

- A total of 195.2 Certificates of Occupancy and Temporary Certificates of Occupancy have been issued.

- Certificates of Occupancy have been issued for 96 Flagstaff Unit Equivalents
- Temporary Certificates of Occupancy have been issued for 99.2 Flagstaff Unit Equivalents. Final COs for these unit equivalents are expected Summer 2008.
- Requests for Temporary Certificates of Occupancy for an additional 40 - 50 Flagstaff Unit Equivalents are expected by late Fall 2008.
- Five Affordable Unit Equivalents are complete or substantially complete (Ironwood, Grand Lodge and Arrow Leaf, 3). One unit is under construction at Silver Strike and the unit at Flagstaff (formerly Snowberry) has Conditional Use Approval.
- Eight Affordable Unit Equivalents are outstanding.
- The Developer has a pending Affordable MPD application for Marsac Avenue that if approved, at its requested density, would satisfy the outstanding obligation for the first density increment.
- On May 13, 2007 a meeting was held with David Smith, General Counsel for Talisker and Park City Staff to review the status of Talisker's housing obligation and discuss options for meeting the initial 15 AUEs.
- On November 7, 2007 a letter was sent to Talisker advising them that they were getting close to their 150th Certificate of Occupancy and that the City would not issue additional COs beyond that without the required 15 units of affordable housing. (Attachment A). Staff met with Talisker representatives the following week to discuss options for meeting the initial 15 AUEs.
- Talisker provided an update on November 15, 2007 on their pending affordable housing projects with the request to discuss other options in order to permit continued issuance of Certificates of Occupancy for units at Empire Pass. (Attachment B)
- Subsequent meetings by City staff with Talisker outlined a number of options including the possibility of posting a financial guarantee for the outstanding number of AUEs, the donation of land owned by UPCM to a nonprofit housing organization, financial assistance in the acquisition of an existing property for emergency/transitional housing and the acquisition of existing units that would be available to employees at deed restricted rents.
- On December 27, 2007 City staff clarified that it did not have the ability to accept the pending applications outlined in the November 15 letter in fulfillment of the phasing obligation and the City would enforce the expressed and agreed upon obligations outlined in the Housing Technical Report including withholding Certificates of Occupancy. Staff also put the Developer on notice that a "*specific reading of the Phasing Commitment Table would indicate that no further permits should be issued at this time*." (Attachment C) Staff subsequently scheduled a Planning Commission item to amend the HTR.
- On February 8, 2008 Talisker submitted a letter affirming its commitment to its affordable housing obligations and detailed its ongoing activities including the completed on-mountain units, the pending MPD application for Marsac Avenue property, its participation on the Park City Heights Task Force and pending annexation request that, if approved, would allow for an MPD application and additional affordable housing units. Talisker requested that the Housing Technical Report be amended to permit units under "active review by the City

pursuant to a formal and compete affordable housing development submittal" to be counted towards the Certificate of Occupancy threshold test. (Attachment D)

The Planning Commission reviewed Talisker's request for an amendment to the technical report to include units "under active review" at its meeting of February 13. At that meeting the Planning Commission did not approve Talisker's request to allow units under active review to count toward the Certificate of Occupancy threshold. The Planning Commission approved the following amendments to the Housing Technical Report.

(1) Substituted "Certificate of Occupancy" for all references to units "under construction/constructed and construction."
(2) Increased the next affordable housing requirement increment to be completed from 30 to 35. Talisker will need to have 35 affordable units with COs at the time they reach 300 Flagstaff Unit Equivalents.
(3) Approved a set of parameters (Attachment E) for the outstanding affordable unit equivalents to be finalized in a form acceptable to the City Attorney.

Planning Commission was very clear that providing Talisker with the financial guarantee option was a one-time occurrence for these AUEs and that it would not be so favorably disposed to a similar request on future obligation. Bill Hummer representing a group of residents adjacent to the proposed Marsac Avenue affordable housing project currently pending before Planning Commission spoke in favor of the parameters. Mr. Hummer commented that the residents have met on separate occasions with City staff and the Developers about the project. The amendment to the HTR and the parameters providing for a set of financial guarantees would provide the community with some breathing room to continue dialog with the Developer and explore alternatives for density and site design that would be more compatible with the community. The Planning Commission staff report and draft minutes from that meeting are included as Attachments F & G.

On February 14, 2001 the City Council voted unanimously to call-up this item for review.

Analysis:
Staff has reviewed the request by Talisker to amend the HTR to include units "under active review by the City" and does not find that to be sufficient in fulfilling the phasing threshold outlined in the Development Agreement. While it is Talisker's expressed intent to move forward on pending applications should they be approved, allowing units that are "*under active review by the City*" does not provide the City with any guarantee or the Developer with any incentives to complete the units in a timely manner. Staff would support such a request only if coupled with a set of financial guarantees and benchmarks for the outstanding affordable unit equivalents.

Approved Phasing and Implementation Plan
The Development Agreement requires that the affordable housing be phased with the development of the Flagstaff Mountain (now Empire Pass) Development. The Housing

Technical Report further clarified this by outlining a phasing and implementation plan summarized below:

- Provide deed restricted employee/affordable units in an amount equal to 10 percent of the residential and 20 percent of the commercial Unit Equivalents approved by the City for the project.
- Provide a minimum of 25 percent of the affordable housing obligation on-site within the Project.
- Provide affordable housing units at a rate in excess of that required by the Resort's development schedule in order to mitigate the impact on the community.
- Phase One focused on smaller infill projects including parcels it owns on Marsac and Daly Avenues and was to begin immediately after the approval of the HTR and in advance of development in Empire Pass commencing in advance to develop these parcels as quickly as possible.
- Phase Two is the on-mountain units that are to coincide with the actual on-mountain development.
- Phase Three was to be the development at Quinn's Junction.
- Other options including the purchase of market rate units, other methods of subsidizing existing housing, the donation or exchange of the land at Quinn's Junction or the payment of in lieu fees would be considered as the opportunity presented.
- A Phasing Commitment was further outlined that tied the provision of Flagstaff Unit Equivalents to the provision of affordable housing. This chart as amended by the Montage requirements is provided in the background section of this report. Under the Phasing Commitment the density increment or number of Flagstaff Unit Equivalents with Certificates of Occupancy is tied to the number of number of affordable housing units constructed or in lieu fees paid. For example, by the 150^{th} Certificate of Occupancy the Developer is to have provided 15 AUES or the equivalent in lieu fees before the next density increment is permitted.

Issues for Council Discussion and Direction

Currently the City is enforcing the expressed and agreed upon obligations outlined in the Housing Technical Report including withholding Certificates of Occupancy because the current affordable housing obligation has not been met. The City has also put the Developer on notice that "*a specific reading of the Phasing Commitment Table would indicate that no further permits should be issued at this time*." Nakoma has not been able to pull full building permits due to the lack of affordable units provided to date. It is highly probably that additional building permits will be withheld this spring as the on-mountain developers begin applying for full building permits. While Staff is disappointed that the Developer has not met its affordable housing obligations, it is not our desire to disrupt construction this spring because of the impacts that it would have upon subcontractor, laborers and other for whom this housing obligation is not within their control to resolve. Attachment H is the Empire Pass Unit Equivalent and CO Tracking Chart.

Staff has drafted a set of terms and conditions for Council consideration that would allow the work to continue in advance of its initial affordable housing obligation. These are outlined in Item 1 below. Items 2 – 5 are further amendments to the Housing Technical Report recommended by Staff.

(1) Talisker has offered the City a corporate completion guarantee in a form consistent with prior guarantees used between United Park and the City. While the guarantee would contractually obligate Talisker to complete the units, the City's remedy would be civil not financial and would be difficult to call in the event of default. On the advice of the Chief Building official, Staff recommends that the City require the Developer to deposit the required amount of the financial guarantee into a Trust and Agency account. This is the most secure route to ensure that funds are available to the City immediately in the event of a default rather than attempting to collect through a bond or letter of credit. *S*taff recommends that Talisker fund the bond subject to the terms below in order to proceed to the of conditions and guarantees to allow Talisker to continue onto the second 150 Flagstaff Unit Equivalents 151 – 300 prior to fulfilling the outstanding eight AUEs.

a. Within 10 business days of notification by the City that the Developer has reached its maximum number of Certificates of Occupancy (temporary or permanent) for the current density increment, Talisker shall post a bond in the $500,000 per AUE in order to receive any additional CO for the next density increment.
b. The City shall release one-half of the per unit financial guarantee at the time of final building permit. The City will fully release the financial guarantee upon Certificate of Occupancy. In no case will a Temporary Certificate of Occupancy be permitted as satisfactory for the final release of the funds.
c. Talisker shall provide the outstanding AUEs within 18 months of posting the bond. The City, in its sole discretion, may grant an extension of either of these deadlines, in the event of unforeseen delays.
d. The City agrees to reduce the number of AUEs required to be constructed under this Amendment in the event that the Developer has satisfied other alternatives under the Technical Report.
e. This financial guarantee does not relieve the Developer of its responsibility to post a financial guarantee for construction of public improvements and landscaping or other improvements as may be required by the City Engineer and/or Chief Building Official under the Land Management Code or other City ordinances.

Is Council willing to allow Talisker and its merchant developers to move forward in advance of meeting the affordable housing requirement subject to the terms outlined above?

(2) The term "construction" or "under construction" is an undefined term in the HTR. Planning Commission replaced this term with "Certificates of Occupancy". Staff supports this amendment as it clearly communicates the expectation that the required AUEs must be completed. Staff further recommends that Temporary

Certificates of Occupancy (TCOs) for affordable units would be allowed only when in the discretion of the Chief Building Official the Certificate of Occupancy is delayed due to weather condition that prevent the inspection of landscaping and other exterior elements. Staff would recommend that TCOs would need to be resolved within 9 months of the date of issuance. Should the TCO not be finalized and a CO issued within 9 months, the AUE would no longer count toward completed units. ***Does Council concur with this definition?***

(3) The Phasing Commitment also makes reference to Flagstaff Unit Equivalents with “Certificate of Occupancy.” Staff has included in this definition Temporary Certificates of Occupancy (TCO). A TCO allows the building or structure to be occupied in advance of the full completion of the building. TCOs are generally issued during the fall and winter months when outside improvements such as landscaping cannot be inspected. Staff recommends clarifying the definition of Certificate of Occupancy to include Temporary Certificates of Occupancy. ***Does Council concur with this definition?***

(4) The HTR Phasing Commitment Table outlines the number of AUEs constructed or in lieu fees paid before the “*next density increment is permitted*”. In exchange for the financial guarantee outlined above, Staff is willing to remove this reference. This will provide Talisker and its merchant developers with the ability to continue to pull building permits for the next density increment before the initial 15 AUEs are provided. Talisker, however, must provide the units before the final Certificate of Occupancy (also defined as Temporary Certificate of Occupancy) is provided. This amendment clarifies that the TCO or CO is the benchmark that must be met. ***Does Council concur with this definition?***

(5) The approved phasing plan requires 15 AUEs to be provided along with each 150 Flagstaff Unit Equivalents. The Planning Commission accelerated that schedule to increase the second increment of affordable unit equivalents from 30 to 35 AUEs. ***Does Council wish to accelerate the number of units required in Phase 2?***

(6) Finally, Talisker is out of sync with the affordable housing options plan identified in the HTR. Staff recommends that Talisker provide an updated plan by March 31, 2008. This plan would be presented to Council in worksession for review. ***Does Council concur with the timeline for an updated housing plan?***

Implementation Example

Currently Talisker has 195.2 Certificates of Occupancy and Temporary Certificates of Occupancy issued. Assuming that COs and TCOs are both included in the definition of Certificate of Occupancy, Talisker is currently eight units behind in affordable housing. Technically they should not have received COs or TCOs for the last 45.2 Flagstaff Unit Equivalents.

Staff estimates that by late fall TCOs for an estimated 50 Flagstaff Unit Equivalents will be requested. This will bring the total COs/TCOs issued to just less than 250 Flagstaff Unit Equivalents. It is likely that the project will be bumping up against the 300 density unit equivalent by Summer 2009.

As proposed in Item 1, Talisker would be able to fund into a Trust and Escrow account $500,000 for each of the outstanding 8 AUEs associated with the first density increment. This will bring them current with the phasing plan. Should Talisker bump up against the next density increment this fall before additional units are provided, they could then fund into the Trust and Escrow account for the outstanding AUES.

Strict Interpretation Option
Should Council approve the ability for the Developer to provide a financial guarantee as outlined above and the Developer decline, Staff recommends that Council adopt a strict interpretation of the Housing Technical Report and Development Agreement that would define Certificate of Occupancy to include TCOs and to define before the next density increment is permitted to include any and all permits that would be issued by the Building Department.

A summary of the recommended changes to the Housing Technical Report are included as Attachment I.

Department Review:
This report was reviewed by the Planning, Building, Legal Departments and the City Manager.

Alternatives:

A. **Approve the Request:** Council may adopt the definitions and conditions precedent to Talisker moving to the next density increment as outlined by Staff. This is Staff's recommendation.
B. **Modify the Request:** Council may modify the definitions and/or conditions precedent to Talisker moving to the next density increment.
C. **Deny the Request:** Council may deny Talisker' request to proceed to the next density increment based upon applications under active review and enforce the
D. **Continue the Item:** Council may continue the item and direct staff to return with additional information or options.
E. **Do Nothing:** Council may elect not to take any action on this request.

Significant Impacts:
The amended Technical Report, as conditioned, is consistent with the Park City General Plan and the Flagstaff Development Agreement, as amended. The proposed recommendations to the Housing Technical Report comply with all the requirements of the Land Management Code and the minimum requirements of Section 15-6-5 of this Code. Approving the recommended amendments will permit the merchant developers to receive Certificates of Occupancy once it is feasible to complete the inspections. It will also allow Talisker/Montage as well as other on-mountain developers to pull new

building permits as weather permits in advance of the initial affordable unit equivalent requirements.

Consequences of not taking the recommended action:
Should Council deny the request to move to the next density increment in advance of completion of the first 15 affordable unit equivalents, no Certificates of Occupancy or final building permits will be issued. This will create a delay in the development of additional on-mountain lodging. Should work slow or stop on-mountain it will likely have a negative financial impact upon the subcontractors and others associated with the building industry based upon these units.

Recommendation:
Staff recommends that the City Council discuss Staff's proposed amendments to the Employee/Affordable Housing Technical report and provide direction as to Council's preferred course of action.

ATTACHMENT A

PARK CITY
1884

Building • Engineering • Planning

November 8, 2007

Mr. David Smith
Talisker Corporation
PO Box 4349
Park City, UT 84060

RE: Affordable Housing at Empire Pass

Dear David:

As you know, the Flagstaff Development Agreement, as amended, requires Affordable/Employee Housing as described in section 2.10.5. Further, the Affordable/Employee Housing is required to be phased with the project in accordance with the approved Phasing Plan. That Phasing Plan is found in Exhibit 14, the technical report on Affordable/Employee Housing. More specifically, Chapter VII of this plan requires that 15 Affordable Housing units be constructed with the first 150 Unit Equivalents of the Flagstaff (now Empire Pass) project.

As of this date, City staff estimates that 96 Unit Equivalents have Certificates of Occupancy, including Shooting Star, Ironwood, and a number of Paintbrush and Larkspur units. In addition, the Grand Lodge, Arrow Leaf A and B, and west side Larkspur units (#21-32) are nearing completion. These four projects total an additional 102.3 Unit Equivalents.

There is currently one Affordable Housing Unit in Ironwood, one in the Grand Lodge, and three in Arrow Leaf A that could be considered complete or nearly so. Only two others are even under construction, one at Silver Strike and one at Snowberry (Flagstaff).

The City will not issue Certificates of Occupancy for more than the 150 Unit Equivalents, or approximately two of the four projects listed above nearing completion, until the 15th Affordable/Employee Housing unit is also at completion. Depending on the timing of compliance with the Affordable/Employee Housing requirement, additional units at Nakoma, Christopher Homes, Silver Strike and Flagstaff may also be affected.

I recognize the importance of this matter and would be happy to arrange a meeting of stakeholders to discuss this in greater detail at your earliest convenience.

Park City Municipal Corporation • 445 Marsac Avenue • P.O. Box 1480 • Park City, UT 84060-1480
Building (435) 615-5100 • Engineering (435) 615-5055 • Planning (435) 615-5060
FAX (435) 615-4906

Sincerely,

Brooks T. Robinson, Principal Planner
Planning Department

c: Tom Bakaly, City Manager
Patrick Putt, Planning Director
Mark Harrington, City Attorney
Ron Ivie, Chief Building Official
Phyllis Robinson, Community Affairs Manager
Jim Hill, East West Partners
Jack Kosen, Ironwood Partners
Jack Thomas, Friends of Flagstaff (Nakoma)
Chris Stuhner, Friends of Bannerwood (Christopher Homes)

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ATTACHMENT B

United Park City Mines Company

COPY

November 15, 2007

Mr. Brooks Robinson, Principal Planner
Park City Municipal Corporation
445 Marsac Avenue
Park City, Utah 84060

Re: Affordable Housing

Dear Brooks:

Thanks to you and Phyllis for getting together this week to discuss affordable housing. As you and Phyllis suggested, this letter is to summarize the status of Talisker/United Park's affordable housing activities and related items.

Marsac Avenue United Park has filed an affordable housing MPD for 20 units on United Park's Marsac Avenue affordable housing site. We've also entered into a contract with PSC-Evergreene regarding the construction of these affordable units (subject to entitlements). As such, Talisker/United Park is bound by third-party contract to complete these affordable units.

As well, we've completed a site constraints analysis together with initial design, engineering, architecture and floor plans. This significant progress has occurred because we've been working since May to resolve the unique soils, access, historical and other issues impacting this site. The MPD, as submitted, complies with agency requirements including those of UDOT and the State Historical Society.

Quinns Junction/Park City Heights United Park's portion of the Quinns/PC Heights project submittal includes a total of 98 affordable/obtainable units, consisting of 68 required units and 30 additional units. Notably, all of the affordable/attainable units will be deed-restricted and will make housing available to individuals having a wide range of incomes.

Here again, United Park has entered into a contract with PSC-Evergreene regarding the construction of these affordable units (subject to entitlements). As such, Talisker/United Park is bound by third-party contract to complete these affordable units.

P.O. BOX 1450, PARK CITY, UTAH 84060, (435) 649-8011, FAX (435) 655-7479 OR (435) 615-1239

UPK has also completed the following key items: (i) soils testing and site constraints analysis, (ii) integrated utility plans, (iii) integrated preliminary site plans and road plans, and (iv) traffic and economic studies, and (v) preliminary design, engineering, architecture and floor plans.

As you know, we've worked closely with City staff on this project since United Park became aware of the PC Heights annexation. We've been in the entitlement process for nearly two years and are anxious to get through the annexation and obtain final City approval.

Conclusion We are extremely committed to affordable housing and are fully prepared to be out of the ground this spring with these projects that together represent 118 affordable units, 20 of which will be on Marsac, and 30 of which are over and above what Talisker and United Park are obligated to provide. We'd appreciate any assistance we can get in moving the Marsac submittal forward so we can get out of the ground this spring. As well, I'll call you and Phyllis on Monday to further our discussion regarding creative solutions and the continuing issuance of CO's in light of our commitment to affordable housing as outlined above.

As always, it is a pleasure to work with you and Phyllis.

Sincerely,

David J. Smith

David J. Smith
General Counsel

by

DJS:lh

cc: Tom Bakaly, City Manager
Patrick Putt, Planning Director
Mark Harrington, City Attorney
Ron Ivie, Chief Building Official
Phyllis Robinson, Community Affairs Manager
Jim Hill, East West Partners
Jacek Koson, Ironwood Partners
Jack Thomas, Friends of Flagstaff (Nakoma)
Chris Stuhmer, Friends of Bannerwood (Christopher Homes)

ATTACHMENT C

PARK CITY
1884

Building • Engineering • Planning

December 27, 2007

Mr. David Smith
Talisker Corporation
PO Box 4349
Park City, UT 84060

RE: Affordable Housing at Empire Pass

David:

Thank you for your response and update of November 15, 2007, to the Affordable Housing issues raised in the City's letter of October 30. The City appreciates receiving an update of the contractual obligations that United Park has entered into with PSC-Evergreen with regards to the Marsac Avenue site and the Park City Heights property. However, clearly the timing of these units will not meet with the phasing obligation agreed to by United Park in the Affordable/Employee Housing technical report. The Planning staff does not have the ability to accept your November 15, 2007, letter as a modification to the Technical Report. The City will continue to follow the expressed and agreed upon obligations to provide Affordable/Employee Housing in phase with the market units at Empire Pass, including withholding Certificates of Occupancy.

A specific reading of the Phasing Commitment Table, "Affordable Housing Units Construction or Fees Paid Before Next Density Increment is Permitted" would indicate that no further permits should be issued at this time. We will schedule time with the Planning Commission to review and possibly amend the technical report.

Sincerely,

Brooks T. Robinson, Principal Planner

c: Tom Bakaly, City Manager
Patrick Putt, Planning Director
Mark Harrington, City Attorney

Park City Municipal Corporation • 445 Marsac Avenue • P.O. Box 1480 • Park City, UT 84060-1480
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Jim Hill, East West Partners
Jack Kosen, Ironwood Partners
Jack Thomas, Friends of Flagstaff (Nakoma)
Chris Stuhmer, Friends of Bannerwood (Christopher Homes)

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VII. PHASING

The Development Agreement requires that the affordable housing be phased with the development of the Resort. The goal of this Plan is to develop affordable housing units at a rate in excess of that required by the Resort's development schedule in order to mitigate the impact on the community.

The Planning Commission has directed Staff to implement, to the extent practical, the units propose in options B, C and D (sites inside the City) first. Additional requirements will occur incrementally as the project is developed. The Quinn's Junction site should be considered for the later phases of the program. Detailed plans for site-specific design, phasing of occupancy and ownership mix, and price structure will be a requirement of the subsequent CUP(s) that trigger the commitment as laid out in the phasing schedule in this section.

Phase One of this Plan will focus on the smaller infill projects identified in Options B, C and D. Flagstaff Mountain Resort will complete its due diligence and planning relating to these sites, meet with the City, neighbors and the public in general to review any concerns and/or comments they might have relating to the development of these sites, and process the appropriate approvals for development. All of this work will commence immediately after the approval of this Plan in an attempt to develop these parcels as quickly as possible.

Phase Two of this Plan will coincide with the actual development of the Resort. As the Resort's built product comes on line, and the demand for employees grows, the proposed on-site units associated with Option A will be developed.

Phase 3 of the Plan will be the development of the 20-acre Quinn's Junction Parcel, Option E. The intention is to coordinate and integrate the development of this parcel with the other developments proposed for this corridor.

Finally, Flagstaff Mountain Resort is committed to pursuing Options F, G, H, I and J at any time those opportunities present themselves.

Additionally, FMP and City Planning staffs have negotiated the following phasing commitment to insure that affordable housing is being constructed concurrently with the development of the Flagstaff Mountain Resort.

Table 6: Phasing Commitment

Density Increment or Number of Flagstaff Unit Equivalents, with Certificate of Occupancy	Affordable Housing Units Construction or Fees Paid Before Next Density Increment is Permitted
0 – 150	15
151 – 300	30
301 – 450	45
451 – 600	60
601 – 750	75

ATTACHMENT D

TALISKER

February 6, 2008

Mr. Brooks Robinson, Sr. Planner
Park City Municipal Corporation
445 Marsac Avenue
Park City, Utah 84060

RE: Affordable Housing / Technical Report

Dear Brooks,

As you know, in November Talisker and builders in Empire Pass were advised that the City cannot issue Certificates of Occupancy until a shortfall of eight AUE's is properly addressed. Approximately two months later, this position changed and Talisker and builders in Empire Pass were advised around the first week in January that no permits ***of any kind*** (including building permits) can be issued in until that shortfall is addressed. Talisker believes this newly articulated position is a serious misapplication of the provisions of the Employee/Affordable Housing Technical Report that has substantive implications for the City and all of Empire Pass.

Since receiving these communications from the City, Talisker has met with Staff on multiple occasions to discuss addressing this shortfall by amending the Technical Report. During the past week, however, Talisker has been advised that an amendment may not be enough.

In preparing for the upcoming February 13 Planning Commission meeting to consider Talisker's proposed amendment to the Technical Report that would address this shortfall, Talisker would like to re-affirm that it is, and has been, seriously committed to satisfying United Park City Mines' affordable housing obligations under the 1999/2007 Development Agreement. In addition to the AUE's already constructed and under construction in Empire Pass, Talisker also has under active submittal two projects that together represent 118 affordable units, which probably represents more affordable housing than any developer has had in process with the City at any given time. Talisker's commitment is clearly borne out by the breadth of Talisker's affordable housing efforts during the past two years

Since early 2006, Talisker has, with the active involvement and direction of the City and other landowner/developers, worked diligently to create a joint master plan at Quinns having enough AUE's to fulfill 100% of United Park's offsite affordable housing obligations. At the City's specific request, Talisker entered into a cooperative undertaking with IHC and Plumb/Boyer to master plan a cohesive, integrated and unified multi-party submittal for Quinns. As part of that planning process, the City formed a Task Force which then spent nearly a year working with representatives of the County, Talisker, IHC and Plumb Boyer to evaluate and refine multiple iterations of the Quinns submittal. This process has made for intelligent planning, but has added significant delay and expense for Talisker.

At the same time, with the involvement and support of Staff, Talisker has created, revised, refined and submitted plans for the Marsac affordable housing site that are in full compliance with zoning and other regulatory requirements. Although there are several affordable housing options outlined in the

TALISKER MOUNTAIN INCORPORATED
900 Main Street Suite 611 P.O. Box 4349 Park City Utah 84060 tel 435.608.1300 fax 435.615.1239 www.talisker.com

Development Agreement, some of which have been ruled out by the City, United Park has, with the full cooperation, involvement and direction of the City, been actively pursuing these two particular options (Quinns and Marsac).

For the past two years, Talisker's ongoing affordable housing efforts have involved numerous studies, hundreds of man hours, dozens of City and public meetings (including the year long Task Force process), and a great deal of work by outside consultants and professionals. And, notably, with all of the efforts described above, Talisker also has entered into contracts with PSC/Evergreene for the actual construction of all of this affordable housing. As well, some of United Park's required affordable housing has already been constructed on site.

Although we believe our existing affordable housing construction contracts satisfy the timing requirements under the Development Agreement, the City has indicated we are short 8 AUE's. Nonetheless, in the spirit of getting to an expeditious and cooperative resolution, we have submitted a proposed footnote to the affordable housing completion table (Table 6) in the Affordable/Employee Housing Technical Report. Under this clarifying footnote, Certificates of Occupancy can be issued based on affordable housing units that are (i) constructed, (ii) under construction, and (iii) under active review by the City pursuant to a formal and complete affordable housing development submittal. It appears that affordable units under construction are already allowed to be counted toward the Certificate of Occupancy threshold based on the "Tracking" section of the Technical Report. This, together with the factors outlined above, should be sufficient to address the issue of continuing Certificates of Occupancy.

Although we have suggested a solution in the form of that proposed modification, the City has this past week asked Talisker to look at other options. In the spirit of further cooperation, Talisker would be prepared to provide the City with a corporate Completion Guarantee that specifically addressed the eight outstanding AUE's and contractually obligates United Park to complete them. The form of this Guarantee would be similar to that previously utilized by United Park and the City in relation to the completion of certain other items in Empire Pass.

It's important we resolve this expeditiously and cooperatively in light of the substantive implications for all of Empire Pass and the City. We hope the foregoing meets with the City's satisfaction.

Sincerely,

David J Smith /by [illegible]

David J. Smith
Sr. Vice President & General Counsel

DJS:lh

cc City Manager
Planning Director
City Attorney
Chief Building Official
Community Affairs Manager
East West Partners
Ironwood
Friends of Flagstaff (Nacoma)
Friends of Bannerwood

ATTACHMENT E
PROPOSED TERMS FOR AMENDMENT TO TECHNICAL REPORT

In exchange for the City allowing the Developer to proceed with the second 150 (151-300) Flagstaff Unit Equivalent density increment, Developer agrees to the following:

1. Developer shall, within five (5) business days of approval of this Amendment to Technical Report, execute a Corporate Completion Guarantee, which shall include all the terms of this amendment, in a form consistent with prior Corporate Completion Guarantees executed between Developer and City, and in a form acceptable to the City Attorney.

2. In the event that, within 180 days of approval of this Amendment to the Technical Report, Developer has not obtained approval from the City to construct at least nine Affordable Unit Equivalents (AUE) under the pending affordable housing master plan application, Developer shall post an escrow bond, letter of credit or other financial guarantee acceptable to the City Attorney in the amount of $2,160,000, or $240,000 per AUE. This amount is equivalent to the cost of land and construction for nine affordable unit equivalents should the City be required to acquire land and construct the project. These nine (9) AUES, together with the six (6) AUEs presently completed or nearing completion are required to satisfy the initial affordable housing obligation associated with the initial 150 Flagstaff Unit Equivalent increment.

3. Developer shall submit completed construction drawings for full building permits within 60 days of the approval of the pending Affordable Housing Master Plan application. If such drawings are not submitted within the 60 day period, Developer shall post the financial guarantee referred to in Section 2 above and such financial guarantee may be drawn upon immediately by the City to be used by the City for affordable housing.

4. Developer shall complete construction, defined as receiving Certificates of Occupancy for the AUEs, within 18 months from date of approval of the pending Affordable Master Planned Development application.

5. The City agrees to make no demand for the financial guarantee prior to the 60 day term described above in Section 3. Should the City not make a demand with ten (10) business days following the end of the term as described in Section 3, the City agrees to make no demand for the proceeds of the financial guarantee prior to the 18 month completion period described in Section 4 above.

6. The City, in its sole discretion, may grant an extension of either of these deadlines, in the event of unforeseen delays.

7. The City also agrees to reduce the number of AUEs required to be constructed under this Amendment in the event that the Developer has satisfied other alternatives under the Technical Report.

8. The City may, in its sole discretion, reduce the per unit financial guarantee from the required $240,000 per AUE in the event that Developer can demonstrate to the City's satisfaction that a reduced amount is warranted.

9. In the event that either of these requirements described in Section 3 or Section 4 above is not met, City shall be entitled to specifically enforce the terms of the financial guarantee. The City would permit the donation of the land to the City in partial fulfillment of the financial guarantee in the event of default, at the City's sole discretion.

10. The City agrees to a partial release of funds proportionate when the project has reached the 50% completion mark and the 75% completion mark. The City will fully release the financial guarantee upon Certificate of Occupancy. In no case will a Temporary Certificate of Occupancy be permitted as satisfactory for the final release of the funds.

11. This Agreement shall not relieve Developer of the obligation to install and fully pay for the improvements necessary to complete the construction of the nine Affordable Unit Equivalents. It is expressly understood and agreed among the Parties that this financial guarantee does not fulfill Developer's responsibility to post a financial guarantee for construction of public improvements and landscaping or other improvements as may be required by the City Engineer and/or Chief Building Official under the Land Management Code or other City ordinances.

ATTACHMENT F

Planning Commission Staff Report

PLANNING DEPARTMENT

Subject: Empire Pass Employee/Affordable Housing Technical Report
Author: Brooks T. Robinson
Date: February 13, 2008
Type of Item: Administrative – Amendment to Technical Report

Summary Recommendations

Staff recommends the Planning Commission open a public hearing and discuss the proposed change to the Employee/Affordable Housing Technical Report. Staff has provided findings of fact, conclusions of law, and conditions of approval for the Commission's consideration.

Topic

The United Park City Mines Company requests a modification to the Employee/Affordable Housing Technical Report Phasing Commitment found on page 21 of the Technical Report.

Background

On June 24, 1999, Council adopted Ordinance 99-30 and Resolution 20-99 approving the annexation and development agreement for the 1,655 acre Flagstaff Mountain area. Resolution 20-99 granted the equivalent of a "large-scale" master planned development (MPD) and set forth the types and locations of land use, maximum densities, timing of development, development approval process, as well as development conditions and amenities for each parcel. Ordinance 99-30 also required that the applicant submit 14 specific technical reports for review and approval by the City. The 14 studies, along with the Land Management Code and the Development Agreement (99-30) form the standards under which the any Master Planned Developments, Conditional Use Permits, and preliminary/final plat are reviewed.

One of those Technical Reports, the Employee/Affordable Housing Plan, is the subject of the proposed amendment. That plan was revised and adopted in December 2001 (Attached in its entirety).

The Phasing Commitment agreed to by the City and United Park City Mines Company is found on page 21. That commitment specifies the number of Affordable Housing Units construction or fees paid before the next increment of market unit density is permitted. The market units step in groups of 150 Unit Equivalent Certificates of Occupancy requiring 15 Affordable Housing units with each increment. Please see chart below:

Density Increment of Number of Flagstaff Unit Equivalents, with Certificate of Occupancy	Affordable Housing Units Construction or Fees Paid Before next Density Increment is Permitted
0-150	15
151-300	30
301-450	45
451-400	60
601-750	75

Currently there are 96 Unit Equivalents (UEs) that have Certificates of Occupancy (COs) and four projects totaling 102.3 UEs that have temporary COs (Arrow Leaf A and B, Grand Lodge, and Westside Larkspur units. Only six Affordable Housing Units (AHUs) are complete or under construction, not including Montage units which will not be available for three years.

United Park City Mines (UPCM) is requesting an amendment to the Phasing Commitment to allow the commitment to be met by a) units constructed, or b) units under construction, or c) units subject of a formal and complete application that is under review by the City. A subsequent letter from UPCM/Talisker's Senior Vice President and General Counsel, David Smith, suggests a corporate Completion Guarantee (Exhibit A). Under the current agreement, AHUs must be completed or fees paid for the commitment to be met.

Analysis

Staff has reviewed this request and the approved Technical Report and finds that the applicant has not been fulfilling their obligation in numbers of AHUs, timing of AHU construction, or phasing as agreed to and adopted by the City pursuant to the Agreement. Based on this finding the City has ceased issuing building permits for new units at Empire Pass and will not issue permanent COs above 150 Unit Equivalents.

The applicant committed to incorporating AHUs into each of the multi-family buildings and to "commence immediately after the approval of this plan to develop these parcels (Options B, C, and D, in-town) as quickly as possible" (page 20 of the Technical Report). Neither of these commitments has been fulfilled as neither Shooting Star nor Arrow Leaf B have AHUs and only one of the in-town parcels has been subject to a recent application, six years after the adoption of the plan.

While Staff finds that construction and completion of AHUs in conjunction with the construction and completion of the multi-family units is acceptable, units that are merely part of a formal application under review is beyond the scope of the phasing commitment and the application may not be approved in the applied-for density. Staff also finds that clarity of "under construction" should mean AHUs in conjunction with the density step that is also under construction.

On February 6, 2007, the City received a letter from Talisker (Exhibit B) suggesting another alternative. While the City appreciates Talisker's commitment to affordable housing as evidenced by their two applications (on Marsac Avenue and Quinn's Junction), this commitment is five years after the adoption of the Technical Report and puts the construction out of line with the phasing plan. Staff disagrees with the characterization that the City changed its position. Talisker has been told by the City of the issue for nearly a year and that there are multiple options that could be pursued (purchase other units; begin development on the sites listed in the Technical Report; pay fees in lieu; amend the Technical Report). The phrase "before the next density increment is permitted" is clear to staff that no additional units should have building permits, not just Certificates of Occupancy.

Staff finds that an amendment to the Technical Report would be sufficient if further defined. The original proposed amendment staff found inconsistent with the original intent of the agreement. The proposal for a corporate Completion Guarantee does go to the intent of the "Fees Paid", although staff recommends that the language be "a financial guarantee for the outstanding AHUs in a form acceptable to the City Attorney".

Department Review

This report has been reviewed by the City Public Affairs Manager, Planning, Engineering and Legal departments.

Recommendation

Staff recommends the Planning Commission open a public hearing and discuss the proposed change to the Employee/Affordable Housing Technical Report. Staff has provided findings of fact, conclusions of law, and conditions of approval for the Commission's consideration.

Findings of Fact

1. On June 24, 1999, Council adopted Ordinance 99-30 and Resolution 20-99 approving the annexation and development agreement for the 1,655 acre Flagstaff Mountain area. Resolution 20-99 granted the equivalent of a "large-scale" master planned development (MPD) and set forth the types and locations of land use, maximum densities, timing of development, development approval process, as well as development conditions and amenities for each parcel.
2. Ordinance 99-30 also required that the applicant submit 14 specific technical reports for review and approval by the City. The 14 studies, along with the Land Management Code and the Development Agreement (99-30) form the standards under which the any Master Planned Developments, Conditional Use Permits, and preliminary/final plat are reviewed.
3. One of those Technical Reports, the Employee/Affordable Housing Plan ("the Plan") was revised and adopted in December 2001.
4. The Phasing Commitment in the Plan required 15 Affordable Housing Units Construction or Fees Paid Before the Next Density Increment is Permitted.
5. The Density Increment of 150 Unit Equivalents will be exceeded with the permanent Certificates of Occupancy (COs) of units completed and under temporary COs.

Conclusions of Law

1. The amended Technical Report, as conditioned, complies with all the requirements of the Land Management Code.
2. The amended Technical Report, as conditioned, meets the minimum requirements of Section 15-6-5 of this Code.
3. The amended Technical Report, as conditioned, is consistent with the Park City General Plan and the Flagstaff Development Agreement, as amended.

Conditions of Approval

1. The Phasing Commitment will be clarified to include affordable units constructed, affordable units under construction in phase with the Density Increment, or a financial guarantee paid in a form to be approved by the City Attorney.

Exhibits

Exhibit A – February 6, 2007, letter from Talisker
(Adopted Technical Reports are under separate cover.

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ATTACHMENT G
PARK CITY MUNICIPAL CORPORATION
PLANNING COMMISSION MEETING MINUTES
COUNCIL CHAMBERS
MARSAC MUNICIPAL BUILDING
FEBRUARY 13, 2008

COMMISSIONERS IN ATTENDANCE:

Chair Michael O'Hara, Rory Murphy, Dick Peek, Julia Pettit, Evan Russack, Jack Thomas, Charlie Wintzer

EX OFFICIO:

Principle Planner, Brooks Robinson; Kirsten Whetstone, Planner; Polly Samuel McLean, Assistant City Attorney, Phyllis Robinson

==

REGULAR MEETING - 6:30 p.m.

I. **ROLL CALL**

Chair O'Hara called the meeting to order at 6:30 p.m. and noted that all Commissioners were present.

4. Affordable Employee Housing - Amendment to technical report for Empire Pass

Due to a conflict of interest, Commissioner Thomas recused himself from this item.

Planner Robinson reviewed the amendment request to the employee/affordable housing technical report. This report was originally adopted in December 2001 as one of the fourteen technical reports required with the master planned development of the Flagstaff annexation.

Planner Robinson stated that as they moved through the construction of what is now known as Empire Pass, the number of market units has exceeded the number of affordable housing units that were required to be constructed and fees paid. Planner Robinson reported that currently 96 unit equivalents have certificates of occupancy and another 102.3 in four projects which area Arrow Leaf A, Arrow Leaf B, Grand Lodge and the West Side Larkspur units. These units are occupiable but the landscape and grading has not been finalized because of the lateness of the installation due to weather. Once they hit 150, the Staff the Staff believes that before the next density increment is permitted, they would not allow further building permits of any kind.

Planner Robinson stated that the applicant Talisker/Park City Mines Company had requested an amendment initially to meet that commitment with units constructed, units under construction or units subject to a formal and complete application. The Staff disagreed, particularly with the last one, because no one knows what will finally get approved when an application is submitted. The Staff was not comfortable tying the density increment to an unknown.

Planner Robinson stated that in further discussions with the applicant, they talked about some type of financial guarantee. The Staff and applicant had worked out 11 point terms for an amendment to the technical report, which essentially requires a financial guarantee to be posted in the amount of $2,160,000, which equates to $140,000 per affordable unit equivalent.

Planner Robinson remarked that following the public hearing, they should consider amending the condition of approval by adding, "to include the following 11 items." Those items would be included into the filed conditions of approval.

Chair O'Hara wanted to know what would happen if the applicant would post a financial guarantee of $2,160,000 and then decide it is easier to walk away from the guarantee and walk away from the aue's. He wondered if this would be a way to default on the affordable unit commitment. Chair O'Hara asked if this was another way of paying in-lieu.

Phyllis Robinson explained that the default is really a penalty for the default. The City would still have the ability to withhold building permits and CO's. It does not take away that other obligation.

Commissioner Wintzer asked if there was a time restriction? Ms. Robinson replied that there is and building permits must be submitted within 60 days following approval of any pending master plan applications. Construction must be completed within 18 months. Commissioner Wintzer asked about the units that are behind schedule. Ms. Robinson clarified that this specifically addresses those nine affordable unit equivalents. This would allow the applicant to continue with their building permits.

Commissioner Peek understood that this would alleviate the requirement for the first 150. Ms. Phyllis replied that this was correct. She reiterated that this only applies to those nine affordable unit equivalents that are outstanding for that first density increment.

Commissioner Wintzer asked if there is a site for those nine affordable units. Ms. Robinson answered no and explained that it is based on the pending applications that the Planning Commission is in the process of reviewing for the Marsac Avenue property, as well as the pending annexation and potential MPD application for the annexation of Park City Heights. If those applications are not approved, the City would make a call on the financial guarantee and demand the $2,160,000 and use it for other affordable housing within the City. The developer would then be in the position of not being able to move forward with additional permits. Commissioner Wintzer clarified that posting the bond would not guarantee the developer any more building permits beyond the 150. Ms. Robinson explained that it would get them up to that 150. The next increment would be between 151 and 300. The developer could then continue to pull building permits up to the 300 level, should no additional units be provided.

Ms. Robinson remarked that the building cost is $300/square foot and each affordable unit equivalent is 800 square feet. Commissioner Russack asked if the land was included in that building cost. Ms. Robinson replied that currently the land is included. This is consistent with the preliminary estimates for a project the City is looking to develop.

Chair O'Hara opened the public hearing.

Bill Hummer, 32 Prospect Avenue, recalled that on January 9, 2008 the neighbors addressed this very issue on 100 Marsac Avenue. Since then, the neighbors had the opportunity to meet with Dave Smith and Mark Cohen and many questions were raised about the site. Mr. Hummer noted that the issues were not resolved at that meeting, but the neighbors were able to have an open discussion. He remarked that the neighbors feel that there is some opportunity to discuss the issues and make sure all the issues are out in the open. Mr. Hummer stated that on various occasions the neighbors spoke with the Mayor, Phyllis Robinson, Tom Bakaly and Brooks Robinson. As a group they have tried to gain enough information to better understand the issue and whether that is the best location. Mr. Hummer stated that he and most of the homeowners would support this action because it would provide the opportunity to continue their discussions and not force Talisker to immediately move forward with plans and construction. Mr. Hummer requested a deadline to avoid this from dragging out forever. He was happy to hear about the bond because it ensures a definite commitment that is not easy to walk away from. Mr. Hummer wanted a time frame where they can sit down and talk through all the issues. He stated that the issue of safety continually comes up in every meeting and the neighbors have six points they have addressed concerning safety. Also, from what they have seen, they do think it makes sense to move this to one of the other two sites Talisker has on Daly Avenue and further up the mine road. Mr. Hummer reiterated that the neighbors would like the time to further discuss the issues and come to a positive resolution that is agreeable to the homeowners and to Talisker.

Commissioner Wintzer commended Mr. Hummer and the homeowners for getting together with the developer in an effort to work something out.

Tom Bennett stated that he is an attorney representing a number of the property owners developing other properties in Empire Pass who have been significantly impacted by this situation. Mr. Bennett supported this compromise and proposal that Talisker has suggested primarily because it is a reasonable and realistic approach to dealing with a situation that is currently a problem. This problem has created a crisis situation for some of his clients and it needs to be resolved as quickly as possible. The fact that Talisker has proposed something of this nature with apparent support from the Staff is encouraging. Mr. Bennet believes this is a good step because it is more specific. Mr. Bennet stated that a second important issue is that you have developers who have approvals for their projects and there is no obligation to build affordable housing on their projects. Those developers move forward and do everything they were supposed to do but suddenly they cannot get building permits or certificates of occupancy. He believes this unfairly puts the burden of non-compliance on the wrong parties. He encouraged the Planning Commission to approve this proposal so everyone can move forward and Talisker can fulfill their affordable housing commitment. Mr. Bennet encouraged the Planning Commission, the Staff, and Talisker to move the process along as quickly as possible.

Chair O'Hara closed the public hearing.

Chair O'Hara asked if the proposed terms for the amendment to the technical report would change the findings of fact, conclusions of law, and conditions of approval included in the Staff report. Planner Robinson replied that the terms for the amendment would be added to the condition of approval written in the Staff report.

Commissioner Russack understood that Staff support of this agreement was made within the last few hours. He asked if the City Attorney was comfortable that they had enough time to review the proposed terms.

Assistant City Attorney, McLean felt it was really the Staff's call in terms of the conditions.
She believes it goes along with the form and compliance with other agreements. Ms. McLean understood that although it was last minute, the applicant wants to push forward and stipulates to these conditions.

Commissioner Murphy asked for an explanation of the corporate completion guarantee and how that differs from a standard bond from a financial institution. David Smith, representing United Park Mines stated that a corporate completion guarantee has been used before with the City and it deals with completion of various improvements or components at Empire Pass. It is focused on a specific obligation for a specific improvement, as opposed to being a broader development agreement covenant or a broader contract. Mr. Smith noted that it would adopt by contract, all the conditions of this amendment.

Commissioner Murphy wanted to know how that would be enforced, since the applicant is the responsible party and the one making the guarantee. Ms. Robinson explained that two parts are built into this amendment. The first is the corporate guarantee which would be posted immediately. The second part is if no approvals are received within 180 days then Talisker will post a bond of $2,160,000 in favor of the City. Commissioner Murphy wanted to know who would hold the $2,160,000. Ms. Robinson stated that it would either be a letter of credit or an escrow bond. Therefore, a third party would be holding the bond.

Commissioner Wintzer stated his concern that the developer would have spent this $2 million and essentially they are using this money interest free for another year. He felt there needed to be some type of penalty as an incentive for the developer to move faster in providing affordable housing. Mr. Smith noted that hard dates are sprinkled through the amendment. Commissioner Wintzer pointed out that theoretically the affordable housing should have already been completed. In his opinion, the $2 million is money they have not needed to borrow or already spend. He felt this was an advantage to the developer and not the City. In addition, the community lacks the housing opportunity for six months to a year.

Mr. Smith stated that the developer has been engaged in the affordable housing process for both locations for two years. They have spent an enormous amount of money on affordable housing and based on their contracts with PSC they have monthly payments whether or not the affordable housing is built. Commissioner Wintzer felt that was the cost of going through the process, but they still have the advantage of not paying to construct the buildings now. He worried that this would set a precedent for future developers.

Chair O'Hare felt Commissioner Wintzer raised a good point. On the other hand, the cost of land for development and construction materials continue to increase. In terms of an advantage, those increased expenses would be a disadvantage for not moving forward quickly.

Commissioner Peek agreed with Commissioner Wintzer that the guarantee should exceed the cost of the units if they were actually built in order to motivate the process.

Mr. Smith remarked that given the intensity of their involvement in the process for the last two years and the issue of permits being held, he did not believe the incentive could be any stronger than it currently is.

Commissioner Murphy did not favor this amendment due to the impacts that the lack of affordable housing has on this community. The developer has known about this for nine years and he could not understand why the community did not have anymore affordable housing. Commissioner Murphy stated his opposition to this amendment request.

Mr. Smith questioned Commissioner Murphy's reference to nine years, noting that United Park was not purchased until 2003 and there was a two year lag from that time until they ramped up a full scale effort on affordable housing. Commissioner Murphy still felt it was an unreasonable length of time and he could not support it.

Mr. Smith pointed out that they have six units and are shy nine. They have a fee in-lieu option that he understood the City did not want to entertain. Mr. Smith preferred to see the affordable units get built rather than take advantage of that option.

Commissioner Russack felt it a difficult situation for both sides. Talisker is a good partner for the community; however some agreements have not been met. Commissioner Russack suggested attaching a penalty for inactivity to the 151-300 level.

Planner Robinson liked the concept proposed by Commissioner Russack and suggested a formula for moving ahead of the curve in the next level.

Commissioner Pettit felt this was an appealing concept in terms of recognizing that the affordable housing component is off track from a timing perspective. Commissioner Pettit agreed that the units need to be built and she preferred that they keep working on a solution. She was uncomfortable with the lag time between the execution of this agreement and the time in which a bond or letter of credit would be posted. She thought 180 days may be too long.

Commissioner Wintzer agreed that if it is 180 days and the building permits and the certificates of occupancy are issued, the City loses a lot of leverage.

Ms. Robinson explained that the timing is not on the bond. The timing begins tonight and it is 180 days for an approval process for an application in process. The length was put on intentionally to take pressure off the Planning Commission in terms of time constraints. She was willing to shorten the time frame with the understanding that the intent is not to put pressure on the Planning Commission.

Commissioner Wintzer wanted to know when the developer has to put the bond together. Ms. Robinson replied that the corporate completion guarantee is posted immediately, within five business days. The bond is posted If approvals are not in place within 180 days. Commissioner Pettit preferred not that it not be tied to approval issues.

The Commissioners and Ms. Robinson discussed time frames, the approval process, and actual construction of the units. Ms. Robinson summarized that the Planning Commission would like the cost of the financial guarantee to be a greater rate than the actual cost to construct the units. The Staff could support increasing that to 125% of the building costs. so the amount of the financial guarantee would be $240,000 per au, plus 25% for each outstanding additional unit. The Planning Commission favored changing the density increment for the 151-300 units so instead of 30 units they would be splitting the difference between 30 and 45. The number would be 37 units unless the Planning Commission preferred to propose a slightly higher amount. The Planning Commission favored shortening the 180 day approval period. She recommended 90 days and looked to the developer for their thoughts.

Mr. Smith noted that 180 days came from the City for the reasons previously explained. He suggested that 120 days might work better. Mr. Smith stated that in terms of the deposit, the number came from the City based on the City's numbers for the actual cost to construct affordable units. That total of $240,000 per aue, multiplied by 9 equals $2,160,000. Because these are current number and they are attempting to be out of the ground this summer, he felt a 10% bump would make sense. Mr. Smith remarked that the irony with the density increment is that the developer has a proposal for 30 additional aue's at Quinn's, over and above the statutory requirement. He was not opposed to adding another 10% raising it to 33 units instead of 30 units, in light of the fact that they have current pending applications for excess units.

Commissioner Wintzer stated that he was more comfortable with the cost and the money because he knows it would be another stopping point. He felt there needed to be some type of penalty and he was satisfied that the increase in the next density increment would force them to construct the units faster. Commissioner Wintzer believed this was a fair trade-off. Commissioner Wintzer was uncomfortable approving something that was written three hours earlier. He wanted to find a way to move forward this evening but still allow time for someone to carefully review the document before it is approved.

Ms. Robinson stated that the language in the Staff report states that this amendment ultimately has to be in a form acceptable to the City Attorney. The Planning Commission would be approving the concept of the terms and the City Attorney would be crafting the final documents.

Mr. Smith noted that the document was originated with the City. The developer did not come in with it but they did fine tune it. He agreed that it is subject to approval by the City Attorney.

Commissioner Pettit pointed out that they did not address Commissioner Peek's comment about defining what they mean by affordable housing unit construction and whether that is under construction or completed. Commissioner Wintzer asked if the Planning Commission could add a definition of construction to the report. Ms. Robinson suggested saying, "when full construction permits have been pulled." The majority of Commissioners were comfortable with that language.

Commissioner Murphy made the point that pulling a permit does not produce affordable housing units. Commissioner Peek suggested that the final certificates of occupancy and the density increment are one to one with the certificates of occupancy for the affordable housing. Commissioner Pettit was more comfortable typing it to the certificates of occupancy. Mr. Smith asked for clarification and he was told that the definition of construction now becomes the certificate of occupancy of the affordable housing unit.
Mr. Smith felt this would resolve the disconnect in the two tables and accelerate the construction.

After further discussion, the Commissioners were comfortable leaving the 180 days based on the reason for that time frame.

Commissioner Wintzer and Russack emphasized that they were giving the applicant the benefit of the doubt and this was the last time they expected the affordable housing commitment to be delayed. Chair O'Hara commented on the years and effort that has gone into providing affordable housing at Quinn Junction and noted that still might not happen. It points out that you can find a site and have great intentions but it still needs to pass the process.

Planner Robinson stated that if this moves forward, the Staff will modify the language as discussed. These are affordable housing units with certificates of occupancy before the next density increment is permitted and that is 15, 35, 45. They will come back at the next meeting with the revised document. Planner Robinson stated that he had not heard a consensus on the terms of the percentage increase and the City Attorney will review that and make any final changes in form. Planner Robinson amended the condition of approval to say that the affordable housing units constructed and issued certificates of occupancy with the equivalent density step or financial guarantee paid in a form to be approved by the City Attorney to include the terms as reviewed on this date.

MOTION: Commissioner Wintzer moved to APPROVE the amendment to the affordable employee housing technical report for Empire Pass with additional and modified language as stated by Planner Robinson and with the Findings of Fact, Conclusions of Law and the modified Condition of Approval. Commissioner Peek seconded the motion.

VOTE: The motion passed 5-1. Commissioner Murphy voted against the motion. Commissioner Thomas was recused.
<u>Findings of Fact - Amendment to affordable housing technical report.</u>

1. On June 24, 1999, Council adopted Ordinance 99-30 and Resolution 20-99 approving the annexation and development agreement for the 1,655 acre Flagstaff Mountain area.

Resolution 20-99 granted the equivalent of a "large-scale" master planned development (MPD) and set forth the types and locations of land use, maximum densities, timing of development, development approval process, as well as development conditions and amenities for each parcel.

2. Ordinance 99-30 also required that the applicant submit 14 specific technical reports for review and approval by the City. The 14 studies, along with the Land Management Code and the Development Agreement (99-30) form the standards under which the Master Planned Developments, Conditional Use Permits, and preliminary final plat are reviewed.

3. One of those Technical Reports, the Employee/Affordable Housing Plan (the Plan) was revised and adopted in December 2001.

4. The Phasing Commitment in the Plan required 15 Affordable Housing Units Construction or Fees paid before the next density increment is permitted.

5. The Density Increment of 150 units equivalents will be exceeded with the permanent Certificates of Occupancy (Cos) of units completed and under temporary COs.

Conclusions of Law - Amendment to Affordable Housing technical report.

1. The amended Technical Report as conditioned, complies with all the requirements of the Land Management Code.

2. The amended Technical Report, as conditioned, meets the minimum requirements of Section 15-6-5 of this Code.

3. The amended Technical Report as conditioned is consistent with the Park City General Plan and the Flagstaff Development Agreement, as amended.

Conditions of Approval - Amendment to Affordable Housing technical report.

1. The Phasing Commitment will be clarified to define the affordable housing units constructed and issued certificates of occupancy with the equivalent density step or financial guarantee paid in a form to be approved by the City Attorney to include the terms as reviewed on this date:

    1) Developer shall, within five (5) business days of approval of this Amendment to Technical Report, execute a Corporate Completion Guarantee, which shall include all the terms of this amendment, in a form consistent with prior Corporate Completion Guarantees executed between Developer and City, and in a form acceptable to the City Attorney.

    2) In the event that, within 180 days of approval of this Amendment to the Technical Report, Developer has not obtained approval form the City to construct at least nine

Affordable Unit Equivalents (AUE) under the pending affordable housing master plan application, Developer shall post an escrow bond, letter of credit or other financial guarantee acceptable to the City Attorney in the amount of $2,160,000, or $240,000 per AUE. This amount is equivalent to the cost of land and construction for nine affordable unit equivalents should the City be required to acquire land and construct the project. These nine (9) AUEs, together with the six (6) AUEs presently completed or nearing completion are required to satisfy the initial affordable housing obligation associated with the initial 150 Flagstaff Unit Equivalent increment.

3) Developer shall submit completed construction drawings for full building permits within 60 days of the approval of the pending Affordable Housing Master Plan application. If such drawings are not submitted within the 60 day period, Developer shall post the financial guarantee referred to in Section 2 above and such financial guarantee may be drawn upon immediately by the City to be used by the City for affordable housing.

4) Developer shall complete construction, defined as receiving Certificates of Occupancy for the AUEs, within 18 months from date of approval of the pending Affordable Master Planned Development application.

5) The City agrees to make no demand for the financial guarantee prior to the 60 day term described above in Section 3. Should the City not make a demand within ten (10) business days following the end of the term as described in Section 3, the City agrees to make no demand for the proceeds of the financial guarantee prior to the 18 month completion period described in Section 4 above.

6) The City, in its sole discretion, may grant an extension of either of these deadlines, in the event of unforeseen delays.

7) The City also agrees to reduce the number of AUEs required to be constructed under this Agreement in the event that the Developer has satisfied other alternatives under the Technical Report.

8) The City may, in its sole discretion, reduce the per unit financial guarantee from the required $240,000 per AUE in the event that Developer can demonstrate to the City's satisfaction that a reduce amount is warranted.

9) In the event that either of these requirements described in Section 3 or Section 4 above is not met. City shall be entitled to specifically enforce the terms of the financial guarantee. The City would permit the donation of the land to the City in partial fulfillment of the financial guarantee in the event of default, at the City's sole discretion.

10) The City agrees to a partial release of funds proportionate when the project has reached the 50% completion mark and the 75% completion mark. The City will fully

release the financial guarantee upon Certificate of Occupancy. In no case will a Temporary Certificate of Occupancy be permitted as satisfactory for the final release of the funds.

11) This Agreement shall not relieve Developer of the obligation to install and fully pay for the improvements necessary to complete the construction of the nine Affordable Unit Equivalents. It is expressly understood and agreed among the Parties that this financial guarantee does not fulfill Developer's responsibility to post a financial guarantee for construction of public improvements and landscaping or other improvements as may be required by the City Engineer and/or Chief Building Official under the Land Management Code or other City ordinances.

Attachment H

Empire Pass Units and Unit Equivalents Tracking Chart

Single Family	
Northside	10 lots, platted, most under construction
Red Cloud	30 lots, platted, some under construction
Banner Wood	6 lots, approved, plat not recorded, no construction

Multi-family	Units	UEs		CO UE's	
Shooting Star	21	18.3	1 ADA	18.3	Completed
Grand Lodge	27	32.7	2 ADA, 1 EHU	29.6	Temp CO on all but 2 units (3.1 UEs)
Arrow Leaf A	28	24.5	2 ADA, 3 EHU	24.5	Temp CO
Arrow Leaf B	28	24.4	2 ADA	24.4	Temp CO
Silver Strike	33	35	2 ADA, 1 EHU		Platted, under construction
Flagstaff (formerly Snowberry)	37	35.9	1 ADA, 1 EHU		CUP approved, building permit received
Ironwood	25	37.5	1 ADA, 1 EHU	37.5	Completed
Larkspur #1 (1-5)	5	7.1		7.1	Completed
Larkspur #2 (10-15)	6	10.5		10.5	Completed
Larkspur #3 (6-9)	4	6.9		6.9	Completed
Larkspur #4 (16-17)	2	3.5			Pending plat approval
Larkspur #4 (21-26)	6	10.2		10.2	Temp CO
Larkspur #4 (27-32)	6	10.5		10.5	Temp CO
Paintbrush #1 (1-7)	7	10.5		10.5	Completed
Paintbrush #2 (11-12)	2	5.2		5.2	Completed
Christopher Homes (Silver Strike subdivision)	18	45			Two condo plats with eight units approved.
Christopher Homes Unit 1 (5410 sf)					18 total units with a maximum of 45 UEs
Nakoma	18	45			Condo platted, several units under construction
Total	**273**	**362.7**		**195.2**	

MPD allocations	**Units**	**UEs**	
Paint Brush PUD-style	30	85.4	
Larkspur TH/PUD	51	64	
Multi Family buildings 1-9	217	225.6	
Grand Lodge	27	33	1UE Support Commercial
Christopher Homes (Silver Strike subdivision)	18	45	
Ironwood	25	37.5	
Nakoma PUD-style units (B-1)	18	45	
Total	**386**	**535.5**	
Maximum allowed	470	705	
Montage adds	77.5	80	192 hotel rooms

ATTACHMENT I

The following replaces page 21 in its entirety. New language is in black, bold.

TABLE 6: ~~Phasing Commitment~~ Proportion of Affordable Units Required per Flagstaff Unit Equivalents

~~Density Increment or~~ Number of Flagstaff Unit Equivalents, with **Temporary or** Permanent Certificates of Occupancy	**Affordable Housing Units** ~~Construction or Fees Paid Before Next Density Increment is Permitted~~ **With Certificates of Occupancy Required to Receive Temporary or Permanent COs for Next Density Increment** [1]
0-150	15
151-300	~~30~~ **35**
301-450	45
451-400	60
601-750	75
751 – 900	**90**
901 - 914	**118.90**

[1] ***In order to receive COs for units in advance of the provision of affordable housing, the Developer may elect to fund into a Trust and Agency Account the amount of $500,000 per outstanding Affordable Unit Equivalent. The City shall release one-half of the per unit financial guarantee at the time of final building permit. The City will fully release the financial guarantee upon Certificate of Occupancy. In no case will a Temporary Certificate of Occupancy be permitted as satisfactory for the final release of the funds. The AUES shall be provided within 18 months from the date of funding to the Trust and Agency Account. The City, in its sole discretion, may grant an extension of either of these deadlines, in the event of unforeseen delays. The City agrees to reduce the number of AUEs required to be constructed under this Amendment in the event that the Developer has satisfied other alternatives under the Technical Report. This financial guarantee does not relieve the Developer of its responsibility to post a financial guarantee for construction of public improvements and landscaping or other improvements as may be required by the City Engineer and/or Chief Building Official under the Land Management Code or other City ordinances.***

NEW PAGE 23

The 2007 AMENDED AND RESTATED DEVELOPMENT AGREEMENT FOR FLAGSTAFF MOUNTAIN, BONANZA FLATS, RICHARDSON FLATS, THE 20-Acre QUINN'S JUNCTION PARCEL AND IRON MOUNTAIN outlined additional housing obligations and are summarized below:

DEVELOPER shall provide deed- restricted employee/affordable housing units ("Affordable Unit Equivalents" or "AUEs") as defined by the City's affordable housing policy in an amount equal to 10% of the residential Unit Equivalents and 20% of the commercial Unit Equivalents approved by the City for the Project (collectively, the "Base AUEs"). The employee/affordable housing requirement for the Project, including the Montage, is 98.9 Base AUEs. One AUE equals 800 square feet. In addition to the Base AUEs, DEVELOPER has committed to construct, off-site, 20 additional AUEs (the "Additional AUEs") as an additional community benefit for the Project. Within 24 months from the effective date of this Agreement, the DEVELOPER (or any assignee thereof) shall either (i) begin construction of the 20 Additional AUEs, or (ii) post a financial guarantee in a form acceptable to the City Attorney in favor of the City equal to 10 percent of the estimated construction costs of the Additional AUEs. Each AUE shall be sold or rented at prices and terms consistent with the City's affordable housing guidelines in effect at the time a Certificate of Occupancy is issued for the AUE. The calculation of total AUEs is detailed in the following table:

Type of Use	Unit Equivalents	Mitigation Rate	AUEs Required
Residential			
Residential Units	785	0.1	78.50
Single Family Home Sites	54	0.1	5.40
Subtotal Residential	***839***		***83.90***
Commercial	**Square Footage/ 1,000 SF**	**Mitigation Rate**	**AUEs Required**
Commercial Unit Equivalents	75	0.2	15.00
Subtotal Commercial	***75***		***15.00***
Base AUEs On-Site (25%): 24.725			
*Base AUEs Off-Site (75%): 74.175**			
Total Base AUEs			***98.90***
Additional AUEs Contributed by Developer (located at Quinns Junction)			***20.00***
TOTAL AUEs			***118.90***

**May be located at Quinns Junction, consistent with the City's approved employee/affordable housing plan.*