PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
FEBRUARY 19, 2004

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 19, 2004.

AGENDA

Closed Session – Executive Office Conference Room
4:00 p.m. Personnel

Work Session – City Council Chambers
4:30 p.m. Council questions/comments
4:45 p.m. Legislative update
5:00 p.m. Neighborhood and business district request process
5:30 p.m. Review of regular meeting - leases
5:50 p.m. Break

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

I ROLL CALL

II COMMUNICATIONS FROM COUNCIL AND STAFF

Swearing-in of Police Officers Michael Fierro and Chris Gebhardt

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

IV WORK SESSION NOTES AND MINUTES OF MEETING OF FEBRUARY 5, 2004 AND FEBRUARY 12, 2004

V CONSENT AGENDA

1. Amended lease with the Park City Cooperative Preschool for space located at the Library and Education Center, 1255 Park Avenue

2. Amended lease with the University of Utah for space located at the Library and Education Center, 1255 Park Avenue

3. Lease with the Summit County/Park City Arts Council for space located at the Miners Hospital Community Center, 1354 Park Avenue

4. Lease with Mountain Trails Foundation for space located at the Miners Hospital Community Center, 1354 Park Avenue

VI ADJOURNMENT

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
FEBRUARY 26, 2004

PUBLIC NOTICE IS HEREBY GIVEN that the City Council of Park City, Utah will **not** hold its regularly scheduled meeting on Thursday, February 26, 2004.

Posted: 02/17/04
see: parkcity.org

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

February 2004

26 **No meeting**
27 Managers' workshop

March 2004

4 Orientation – new Council members –Library, Recreation and Golf
Interviews – Police Complaint Review Committee
Public Safety facility feasibility study - work
Relocated utilities update – work (15 min)
CDGB grant – public hearing
LMC amendments - work and public hearing
Award of contract for upper Park Avenue reconstruction project
Westgate business license appeals – new business
WSD meeting – water agreement
11 Budget work session – Capital Improvement Project Fund
17 Summit County/Park City development community – Richens Building 3 p.m.
18 Golf fees - work
Award of contract for Olympic Legacy Project
Appointments - Police Complaint Review Committee
25 **No meeting**

April 2004

1
8 **No meeting**
15
22
29

May 2004

6 Tentative budget - work
13 Budget public hearing
20 Budget public hearing
27 Budget public hearing

June 2004

3 Resolution adopting tentative budget
10 **No meeting**
17 Budget public hearing
Resolution adopting final budget (no tax increase)
24

July 2004

1
8
15
22
29

August 2004

5
12 Resolution adopting final budget (tax increase)
19
26

- Art parks - public hearing/action
- Arts Council Request – Miners Hospital (public service contract)

City Council
Staff Report

Planning Department

Author: Jonathan Weidenhamer
Subject: Administrative Policy on Providing Enhanced Levels of Service/ Improvements For Neighborhoods & Business Districts
Date: February 19, 2004
Type of Item: Informational update & request for direction

Summary Recommendation:
Review the proposed administrative policy and provide input.

Description:
Topic:
Requests from neighborhoods and business districts for enhanced levels of service and or improvements.

Background
Special interest groups often request the City to provide enhanced levels of services and or improvements. While many of their requests would be covered under "normal" or "basic" level of city services, some requests would be considered an "enhanced" level of services or improvements not currently budgeted in the capital improvements program. Basic City services are things directly related to health and safety, like police, snow removal, general maintenance and upkeep, and routine five year CIP and streets maintenance plans. Enhanced services would be things like plowing public sidewalks, under-grounding utilities, and pedestrian enhancements like bulb-outs. Long-term maintenance of such improvements is not contemplated in the approved operating budget.

Typically groups seeking assistance represent business districts or individual neighborhoods. Recently the Upper Park Avenue Property Owners Association, Prospector Square Property Owners Association, and the lower Deer Valley neighborhood have been working with staff to address specific requests and issues. Consistent with Council's goals of creating a "Great Place for Families to Live", "Preservation of Park City Character (neighborhood parks & improvements), and lastly of being an "Open and Responsive Government to the Community", staff proposes an administrative policy by which to process these requests. This policy will be adopted and administered by the City Manager.

Analysis:

The proposed policy will provide the Council with a consistent framework by which to fund neighborhood requests within the confines of the annual CIP (Capital Improvement Project) budget review. Failure of a group to follow the process would likely preclude Council consideration. This method would encourage applicants to use normal means within the public process to advocate their requests.

The following is the proposed administrative process:

DRAFT

Administrative Policy for Business Districts and Neighborhoods
Needs Assessments

1) Submit a petition to the Executive Office
    a. Must be from a minimum of 5 individual residents, majority of a given subdivision, or a registered owners association. Accurate contact information must be provided.
    b. Define Boundary - Who does the petition represent? Is it inclusive to a specific neighborhood or business district? Explain why assessment area should be limited or expanded.
    c. Define issues - What is being requested (wish list)?
    d. Deadline – In order to be considered for upcoming fiscal year, the petition must be submitted by the end of the calendar year
2) Initial Presentation to Council (Managers Report)
    a. Inform Council of request for assistance - outlines specific issues/ requests.
    b. Define and initially identify appropriate basic level of services are being provided - Identify any gaps and provide.
    c. No input or direction from Council will be requested at this time.
3) Initial Internal Review
    a. Identify staff project manager
    b. Assemble background/history & existing conditions (Identify all participants, relevant City ordinances, approval timeline, other pertinent agreements/ studies & factors, etc.)
        i. Neighborhood meeting – clearly identify issues, discuss solutions, create active dialogue
    c. Criteria to analyze request - What should we do & with what rationale?
        i. Health, safety, welfare
            A. Define and verify appropriate, basic level of services are being
        ii. Consistency with Council goals and priorities
            A. Define enhanced level of services that are requested.
        iii. Cost/ Benefit Analysis - Define budgetary implications of providing Enhanced level of services
            A. Define initial capital improvement costs
            B. Define annual, ongoing maintenance and operational costs
            C. Gather input from city department identified as responsible for each individual item as listed
4) Initiate Public Forum (Applicant & Staff working together)
    a. Create consensus from petitioner and general public
        i. Neighborhood meeting(s)
    b. Use cost/benefit analysis to prioritize applicant's wish list

    c. Funding partner – any district that receives “enhanced” level of services should be an active participant in funding or, participate in identification of a funding source (other than City budget)

5) Presentation to Council (Work Session)
    a. Identify any gaps in provision of basic level of City services
    b. Receive authorization for technical review - using “outside” consultants if necessary
    c. Identify prioritized project wish list (unfunded)
    d. Identify funding source for each item; or
    e. Move to CIP committee review as “yet to be funded project” for prioritization comparison
6) Council decision whether to include in budget or not
    a. Spring of each year, consistent with budget policies of reviewing all new requests at once.

D. Department Review: The City Manager's Office, Planning, Engineering, Legal, Economic Development and Capital Projects, Budget and Grants, and Public Works Departments have reviewed this report.

Issues for Discussion

- What constitutes a representative sample of a neighborhood? Five people? A majority of lot owners in any given area or subdivision?

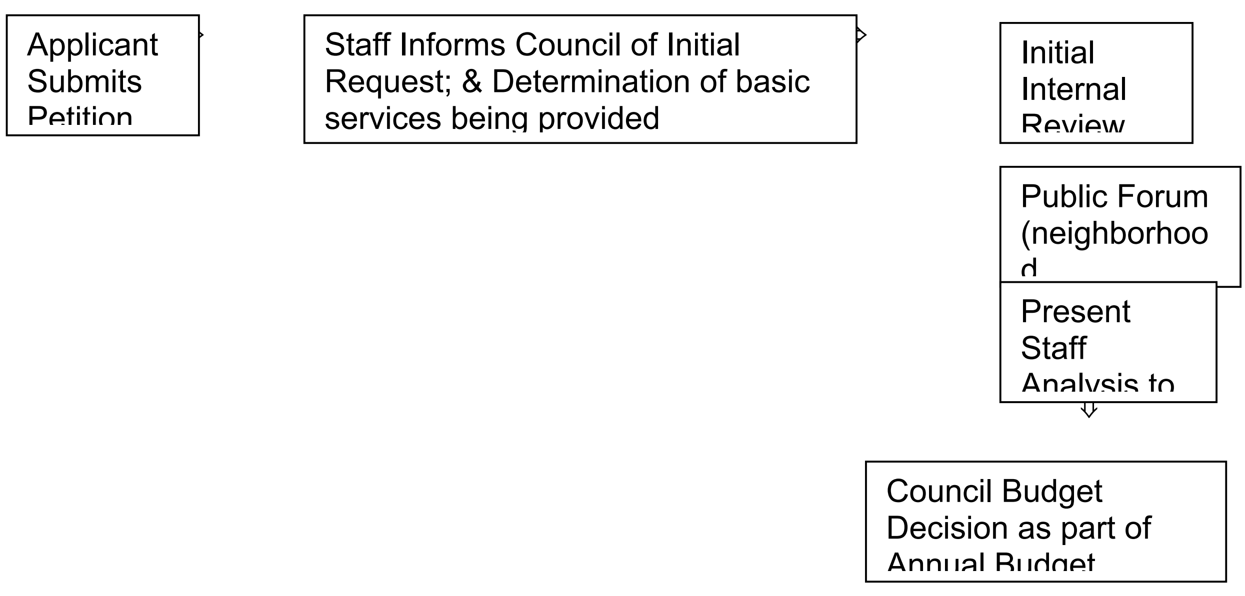
Alternatives:

- **Approve Staff's recommendation for the City Manager to to adopt the attached administrative policy**
- **Modify in some way the suggested Staff recommendation**
- **Deny approval to proceed with Staff's recommendation**

Significant Impacts / Consequences of not taking the recommended action:
If the City does not adopt this administrative policy, some other meaningful solution to processing requests for assistance from neighborhoods and business districts will need to reached.

Recommendation:
Review the proposed administrative policy and provide input.

Exhibits



PARK CITY COUNCIL WORK SESSION NOTES
SUMMIT COUNTY, UTAH
FEBRUARY 5, 2004

Present: **Mayor Dana Williams; Council members Kay Calvert, Marianne Cone, Candace Erickson, Jim Hier, and Joe Kernan**

Tom Bakaly, City Manager; Ken Fisher, Recreation Manager; Colin Hilton, Economic Development Director, Gary Hill, Analyst

Liza Simpson, Rich Miller, Dave Staley, Recreation Advisory Board; Mary Demcowicz and Michael Martin, Deer Valley Drive residents

1. Neighborhood Parks Subcommittee recommendation. Ken Fisher explained that in September, Council supported RAB's recommendation to improve the existing Prospector Park as well as develop a new park at the corner of Comstock and Sidewinder. A neighborhood meeting was held on January 5 and a survey was available on the website on January 18. About 36 citizens completed the survey and there were about 21 attendees at the meeting. He explained the process of providing people with a total of 100 points, which are allocated to potential park amenities to assess preferences. In the existing Prospector Park, open grass, playground, shade and restrooms were identified as important while the top preferences for the new park included open grass, playground, and dog park. Both RAB and the Subcommittee felt that Prospector Park is a good site for permanent restrooms, which is costly. Marianne Cone suggested that the restrooms be locked at night, and Candace Erickson agreed. Council unanimously supported installing restrooms as they are also an amenity to the Rail-Trail.

There was discussion about the assignment of points for the dog park and Mr. Fisher explained that seven citizens allocated most of their points for this, which heightened its ranking. RAB member Liza Simpson acknowledged that there is interest among dog owners, but this site may not be a good location because of its proximity to homes and its limited size. Jim Hier agreed that the site could not accommodate both a dog park and a playground. Joe Kernan felt that a dog park should provide adequate parking. There was discussion about not installing playground features at the new park because of existing equipment at the other park. RAB felt that a more passive type of design for the new park is appropriate and Rich Miller discussed the possibility of installing a climbing park, which has been quite successful in other communities. The Mayor summarized Council support for a climbing feature, open area, benches, and landscaping. Mr. Kernan supported the climbing boulder as long as it doesn't attract too many patrons.

Jim Hier expressed confusion about the process, and Mr. Fisher explained that staff is looking for Council's authorization to hire a landscape designer for conceptual drawings. Mayor Williams asked about utilizing staff and Mark Harrington pointed out that if there is a boulder element, in his opinion it would be best to contract with an independent professional. In response to a question from Ms. Cone about potential noise impacts, Ken Fisher responded that there were no negative comments, which often occurs after parks are operational.

Liza Simpson added that committee members plan on going door-to-door to the immediate neighbors before the open house is held to present conceptual designs. Tom Bakaly stated that the recommendation is to bring an architect on board, in the $10,000 range, to produce conceptual to quasi-schematic designs. Jim Hier and Kay Calvert agreed this is the way to proceed and the remainder of Council concurred. With regard to Council direction on creating a budget, Council member Hier emphasized that he is strongly against establishing a tentative budget first; he would rather review options and costs later and tailor the park to meet the needs of the neighborhood.

Ken Fisher added that staff is anticipating using the same process for Park Meadows for a site located on the eastside of the Racquet Club. The City Council expressed its support to initiate the process. Rich Miller pointed out the extensive public noticing involved and his disappointment with the small response. Jim Hier commended the committee on its public relations efforts and agreed that it's difficult to understand apathy among residents. There was discussion about a better turn-out at the upcoming open house.

2. Recreation Complex Task Force recommendations. Colin Hilton explained that the complex is proposed at Quinn's Junction near The National Ability Center. The Task Force was formed in November 2003 to formulate a series of recommendations on the following questions:

- What sports and recreation components should go into this complex?
- How many and of what type of recreation elements?
- List of recommendations on how the complex should be managed

He continued that members tried to balance meeting local resident needs for facilities and to incorporate the idea of the complex drawing existing and future visitors. The Task Force was encouraged to comment on any suggested design features or parameters before the design phase occurs. The membership of the Task Force is representative including two Council members, several stakeholders from a variety of sports, NAC, SBSRD, recreation staff and two members from RAB.

The Wikstrom Study was used as a tool to assess the current fields and facilities and the projected population demand. The multi-purpose rectangular field area is intended for sports with the most future demand; these include soccer, lacrosse, rugby, softball and baseball. Projections revealed the need for 11 more fields and about five additional softball fields. Colin Hilton stated that the Task Force acknowledged that not all recreation needs will be solved with one complex and rather than cramming too much, it was better to select a few sports and "do them really well". Although the Task Force considered incorporating a playground, trail head parking, trail connections, use of the parking elements as a park and ride, bike park, Frisbee golf, tennis, basketball and volleyball. The playground, trail head parking, bike park, and use of the parking lot as a park and ride lot are the only additional items above and beyond the fields.

Mr. Hilton summarized that the Task Force recommends three to five softball fields and four full-sized rectangular fields. Through illustration of a rendering, he explained the layout for the facility, concessions, equipment, parking, and the space for a playground, possible bike park, trail head parking, and park and ride lots. It is anticipated that the complex will be used and lit in the evening with a regulated lighting plan. He added that the Task Force felt that synthetic turf would allow for expanded seasonal use. Orientating the main rectangular field so it can accommodate 3,000 to 5,000 spectators for large soccer or baseball tournaments is another recommendation. It is further suggested to install permanent fencing on the parameter to curtail vandalism and field damage with minimal interior fencing to allow for flexibility. The facility should be designed with more than local use in mind by incorporating design elements that promote use of the facility as a tournament and event site. The Task Force felt that activities should not be crammed and the focus should be on a few spots. Additionally, the design should compliment present and anticipated development in the area and there should be an effort to promote public interest in the subsequent design and planning processes.

Mr. Hilton stated that to date, $450,000 is budgeted for the project and about $120,000 is from RAP Tax money. The overall project cost is $5 to $7 million. He noted that the property is deed restricted for recreation purposes. More specifically, to *"provide for limited recreational uses for the public such as walking, biking, cross-country skiing, horse back riding and other such activities consistent with the preservation and protection in perpetuity of the natural open space, agricultural purposes, public access, education. . .".* He continued to describe the limited additional recreational uses *"to construct, develop, operate, maintain activities and facilities open or available to the public. . .that would generally be considered recreational or athletic, including by way of illustration but not limitation, ice skating rinks and sheets, swimming pool, baseball/softball/soccer parks, playgrounds, and similar uses not to include amusement parks, carnivals, etc."*

Mr. Hilton urged Council to authorize staff to enter into a contract to delineate wetlands, prepare an RFP for design to be scheduled for advertising at the conclusion of the Quinns Junction process, prepare an operating and maintenance budget projection, and consider allocations or amendments appropriate for the upcoming budget review. Property boundaries were discussed as well as the complex meeting the deed restrictions of the Round Valley acquisition. Ms. Cone asked about the visual impacts of the complex from SR248 and Mr. Hilton pointed out that the majority of the property will be fields and it is anticipated that the structures will be tucked into the hillside, which will be part of the next design phase. However, lighting standards and bleachers may be visible. In response to another question from Ms. Cone, Mr. Hilton stated that Meechie White, Director of NAC has participated on the committee. Her only request is not to build a lighted field next to her area, but she is pleased to be surrounded with more activity. Jim Hier felt it important that trail connections are incorporated into the project and Mr. Hilton stated that theTask Force agreed. He felt it's time to bring this topic to the public to decipher components of the project and to develop a recreational facility consistent with the vision for Quinns Junction.

Dave Staley added that a bike park may be feasible to build in the available natural contoured terrain. There could be a track for beginners and a network of trails for more advanced riders. He discussed the formation of the Friends of Trails, which may be an asset in promoting trail connections. Jim Hier pointed out that the City has a master trails plan and trials planner and felt that trail links can be resolved relatively quickly without charging another task force.

Mr. Hilton recognized Bill Malone from the Chamber in the audience who also participated on the Task Force. There are groups, like Triple Crown Sports, who are looking for the City to develop additional softball fields in the Park City area. This is key from the Chamber's perspective in attracting sporting events. Jim Hier asked that funding distribution discussions be initiated.

Colin Hilton stated that the group would like to begin a wetland study and property survey. Jim Hier believed the group should also begin to prepare the RFP even if it's not released for awhile. Joe Kernan suggested that the group work with SBSRD on trail connections in the Trailside neighborhoods. Colin Hilton believed those links are being considered. The Mayor summsariezd that the Council is in support of the recommendations outlined in the staff report.

3. Legislative update. Gary Hill noted that the property rights bill passed the Senate and the resort community sales tax also passed through the legislature today. SB19, exemptions for clean energy facilities, was substituted last week with a new bill, which now includes smaller operations. SB121 is the bill forming a task force to review the distribution of local option sales tax. Mr. Hill explained that ULCT formally opposed the bill as many cities feel it is a municipal not a state issue. ULCT has a task force in place to make recommendations to the legislature early next fall. HB104 is a new proposal requiring cities to renew their water rights every 25 years, as opposed to 50 years, and in addition change due diligence standards to retain rights. HB243 creates an interim task force to look at all water right issues over the next 12 months so there will not be dramatic changes to water rights this year. HB109 would essentially undo a law created two years ago, which allowed non-legal residents to use their tax identification number or a Mexican government issued identification card to obtain a driver's license. This would require non-legal residents to obtain a social security card and has the potential of increasing the number of drivers without formal driving training, and/or auto insurance. No one has really taken a close look at this but Mr. Hill recommended opposing this legislation because of the difficulties it imposes on police. The Highway Patrol would essentially become immigration officials, authorized to check individuals for legal papers. SB10 would increase the number of days for filing a referendum petition from 35 to 45 days. ULCT opposes it, largely based on another bill, but as currently drafted, should not present a problem for cities. SB10 is a ULCT sponsored bill which makes some modifications to the Employees Transfer and

Discharge Appeals Board procedure. but the bill will be substituted with Park City's amendments. SB120 is a new bill, which will slightly changes eligibility requirements for two primary residential property tax exemptions. There is still no language for the tourism funding bill.

4. Council questions and comments. Kay Calvert reported that the Museum group is achieving its financial goals and acknowledged the complimentary emails from citizens regarding the Sundance Film Festival. Jim Hier noted that the Chamber Bureau Board of Directors is strongly in support of the tourism bill, as written, with an advisory group, representative of the industry. Both the lodging and restaurant associations are in support and he didn't feel the City needs to take a formal position on this bill. He also attended an HMBA meeting, which focused on Sundance and it appeared that most merchants were very pleased with event. Marianne Cone added that the Freestyle event was well done. She also reported on a seminar she attended on sustainability and will distribute information to Council members. Candace Erickson commented that the youth advisory committee will be coming to Council with recommendations on funding for the year. She stated that she and Joe Kernan attended the RAB meeting where the friends groups were discussed as well as the park proposals for Prospector. She suggested arranging a luncheon with senior citizens at the center. She thanked Chief Evans for his update on Sundance. The Historical Society is celebrating its 20th anniversary this year and is always looking for volunteers. Joe Kernan expressed his appreciation of the work of RAB who are diligent about projects and obtaining public input. He attended a CTAC meeting where a proposal to benchmark with other cities were reviewed. Dana Williams congratulated Deer Valley on the success of its Freestyle event and the 40th anniversary of PCMC. He disclosed that he met with Deer Valley Drive residents on issues and is working with staff on setting parameters for the charter of a sustainability committee. With regard to the Blue Sky Program, Park City has reached 53% of the goal set a couple of months ago. Moab City is at 59% and the Mayor may be visiting in a couple of weeks. Ms. Cone added that she attended a HPB meeting and felt the board consists of very committed members.

5. Public input:

Deer Valley Drive improvements. Resident Michael Martin pointed out that there is no sidewalk on the north side of the street for kids to access the bus stop. There is no crosswalk and there are speeding issues; no landscaping and little signage. Mr. Martin commented that there are more kids living in the neighborhood than he realized. A bus stop for the children is their highest priority and to install a sidewalk on the north side and a crosswalk. Additionally, the lighting is poor and the neighbors have formulated a plan, which was distributed to Council. He didn't feel these improvements are appropriate and not very expensive. Mr. Martin stated that Deer Valley Drive is the highest density neighborhood in the City, which has not been improved for a long time. Mary Demcowicz added that the Mountainlands Community Housing project will attract more families. She reiterated the dangers of kids waiting for a bus in the middle of the street because of snow and ice and the lack of a bus stop. Additionally, there are speeds in excess of 40 mph on the street. Michael Martin acknowledged that the bus stop is a condition of the Mountainlands project, which in his opinion, is poorly designed. Because of a variety of safety issues, he urged Council to make Deer Valley Drive a priority.

Jim Hier pointed out that there are many guests who stay in lower Deer Valley, and as part of the Council's goal to make the community pedestrian-oriented, supported installation of sidewalks. The City Manager reported that he is planning on coming to Council on February 19 with a recommended process for neighborhoods and business districts to make requests, similar to the traffic calming request procedures. This was briefly discussed during Council's visioning session. Safety issues will be address immediately by staff.

Marianne Cone stated that she can relate to these concerns and asked if residents have met with Deer Valley Resort. Mr. Martin stated that he has talked with Bob Wells. He again discussed his plan and previous meetings with staff and reiterated issues. The City has an obligation to look at the street quickly. Candace Erickson interjected that all of the street improvements needs to be analyzed as a whole plan, which may take some time. She agreed that the street needs to be addressed and budgeted. Projects like cross-walks could probably be piece-mealed and perhaps some sort of traffic calming. The Mayor pointed out that the police regularly monitor the area and hundreds of speeding tickets have been issued on Deer Valley Drive. He felt it would be fairly easily for the City to clear snow from the bus stop areas. Ms. Erickson pointed out the Council's immediate commitment to the upper Park Avenue project and Michael Martin expressed fears of his project not proceeding. Jim Hier felt it is critical to formulate a process so that requests are formally received and addressed. The Mayor pointed out that through a process, the opinions of the entire neighborhood can be gained rather than one or two citizens' public input. He added that many neighborhoods have issues, i.e., sidewalk on Comstock, and Council is amenable to responding to concerns. Mr. Martin commented that the moderate income housing project is conditioned to provide a sidewalk and bus stop so project costs are less onerous.

Prepared by Janet M. Scott, City Manager

PARK CITY COUNCIL WORK SESSION NOTES
SUMMIT COUNTY, UTAH
FEBRUARY 12, 2004

Present: **Mayor Dana Williams; Council members Kay Calvert, Marianne Cone, Candace Erickson, Jim Hier, and Joe Kernan**

Tom Bakaly, City Manager; and Director, Gary Hill, Analyst

1. Council questions and comments. Candace Erickson reported that she and the Mayor judged ice sculptures at PCMC as a part of its 40th Anniversary Celebration. Last Monday she attended the Legislature with Gary Hill, who is very helpful and well respected at the Capitol. She added that Recycle Utah is working on its own water conservation program. Mayor Williams congratulated PCMC on its anniversary and the wonderful events our ski resorts produce. Twelve exchange students from Beijing visited him this week which was a great experience; he showcased gifts from China and pointed out that kids are very similar from all parts of the world. Jim Hier commented on the COSAC meeting where John Pollard spoke about a project to preserve wildlife in Round Valley. He advised that COOL is intending to request funding from the City for open space management and stewardship of the Flagstaff easements it holds. The Roosevelt Gap hotel is back for review by the Planning Commission because of proposed changes to the project.

2. Legislative update. Gary Hill stated that the exemption for clean energy generating plants was amended to exclude municipal waste incinerators. SB10, increasing the number of days to file a petition for a referendum from 35 to 45 days, will probably not pass. The bill affecting the Employees Discharge and Transfer Appeals Board continues to be amended to address concerns expressed by Park City. He continued SB120, making legally separated couples eligible for primary home exceptions, is now consistent with the Tax Commission ruling. There is still no language for the tourism funding bill. SB26 is a bill which would increase the public safety cost of living benefit from 2.5% to 4%. Mr. Hill described in detail a proposal to defer the potential fiscal burden to municipalities, which the ULCT will support with this amendment. SB58, amendments to the Alcoholic Beverage Commission regulations, cleans up last year's legislation and clarifies intent. HB341, children's internet protection act, would require all libraries to implement an internet protection policy and install filtering software on all computers in order to receive state funding. He understood that filtering software is not very effective and purchasing it is expensive, and at this point, Park City is opposed because the bill is so broad. Mr. Hill assured both Mayor Williams and Marianne Cone that he will follow-up on legislation regarding the process for allowing radio-active waste to enter Utah.

3. Youth Services contract recommendations. Mayor Williams disclosed that his daughter participated on the committee for the past five years. Gary Hill explained that the pubic service contract policy was amended last year as a part of the budget process. The Youth Advisory Committee was disbanded and Council decided to distribute money for youth programs in the same manner other public service contracts are handled. An RFP was published last spring and the City received applications for several different services, but the committee felt they didn't meet the intent of the policy. Council then directed that funds could be spent on one contract or several, as long as the net benefit was to Park City youths. An RFP was again advertised, bids were received before Christmas, and a citizen subcommittee was formed to review applications. Mr. Hill noted that members were representative and very knowledgeable. The committee recommended funding for four applicants; no one was funded in full. These organizations include the Girls and Boys Clubs of Greater Salt Lake for $36,000; Big Brothers and Big Sisters of Utah for $10,000; Arts Kids for $20,000 and the Utah Athletic Foundation for $6,000, for a total of $72,000. The funding period is for 18 months or until June 30, 2005. The committee felt strongly that the money should be spent largely on Park City youth and recommend inserting performance measures in the contracts to ensure appropriate expenditures of funds. He mentioned that Council members Calvert and Erickson also served on the committee. Both expressed that they felt comfortable with recommending support to the Boys and Girls Clubs and Big Brothers and Sisters in response to a question from the Mayor. There was discussion about the program at the Winter Sports Parks and it was clarified that participation is available to kids within the School District which is consistent with the policy. Mr. Kernan asked why the application from the Norwegian School was denied. Gary Hill explained that there was some overlap of service and the dollars were intended for scholarships not general programs. Scholarships aren't specifically excluded, but funding them in the past has not been a practice and there was concern about how recipients would be selected. The committee also looked at the *best bang for the buck* by releasing funds for programs where it was felt that a greater number of individuals would be served.

The City Council supported staff's recommendations. Tom Bakaly stated that Council is not required to take formal action if there is agreement in work session.

4. Review of regular meeting. The Mayor announced that the Water Service District meeting has been canceled. With regard to the water agreement on the WSD agenda, Joe Kernan pointed out that the language describing the distribution of costs is confusing as well as a sentence in another paragraph. The City Manager expressed that the agreement provisions will be clarified before it returns to Council.

Prepared by Janet M. Scott, City Recorder

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
FEBRUARY 12, 2004

IROLL 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 12, 2004. Members in attendance were Dana Williams, Kay Calvert, Marianne Cone, Candace Erickson, Jim Hier, and Joe Kernan. Staff present were Tom Bakaly, City Manager; Mark Harrington, City Attorney; Colin Hilton, Economic Development Director; Alison Butz, Special Events and Facilities Manager; and Myles Rademan, Public Affairs Director.

II COMMUNICATIONS FROM COUNCIL AND STAFF

1, Regional Ice Facility – Colin Hilton advised that the letter of intent for the regional ice facility has expired. After meetings with the ice committee and the Snyderville Basin Special Recreation District, it is recommended to amend the letter of intent to include Quinns Junction as one of the possible site locations. This does not preclude The Canyons' site from still being considered. He stated that if there is agreement among Council members, an amended letter of intent will be brought back to Council. The City Council concurred.

2. Leadership 101 – Myles Rademan reported on the annual class, hosted by the City, to be held on February 18 at The Yarrow Hotel.

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

The Mayor invited the public to comment on any matter of City business, not scheduled on the agenda.

1. Wildlife preservation proposal for Round Valley – Resident John Pollard explained that he works with the Rocky Mountain Elk Foundation and would like to enhance the wildlife values in Round Valley. In the past, RMEF has pledged $50,000 to improve the natural grasslands and there may also be state funds available. He volunteered to work with the Department of Wildlife Resources with the blessing of Council. The interior barbwire could be removed and there are two or three springs in Round Valley that could be enhanced. The property requires on-going attention and coordination with the cutting of trails to protect elk habitat, for instance, would be helpful. He suggested forming a group like the *Keepers of Round Valley*. Jim Hier felt this is a great idea and suggested that Mr. Pollard work with staff and the group holding the conservation easements. Mayor Williams recommended conducting an inventory of fauna to control non-native species, which have invaded the area. The City Manager envisioned that an agreement between the City and this group outlining the scope and responsibilities of the project will be crafted.

2. Park City Debate Society – Colin Macaffey, resident, stated that his business refurbished the benches on Main Street as a contribution to the community last summer. He indicated that he is forming a newly formed social club, the Park City Debate Society. The purpose of the club is a forum for people to gather and discuss ideas relevant to Park City and the first debate is the mural in Swede Alley. Mr. Macaffey discussed in detail the artwork depicting our history from the settlement of the area to mining, skiing, and golfing. Members of the club disagree with the imagery of the mural and have a different perspective on our history. He asked for guidance for the club, including organizational suggestions, licensing, and holding a fund-raiser. The club will be meeting on Wednesdays at 7 p.m. at the Library and members are planning to raise funds by offering snow and ice removal services. The Mayor suggested that he work with the City Manager. The City Attorney advised that there are no City requirements on forming a club and as a non-profit, he would be exempt from licensing for a fund-raising event. In response to a question from Marianne Cone, Mr. Macaffey stated that there are now eight members.

Brian Hess, Director of the Arts Council, added that the mural was painted by Andrea Lichtner and was commissioned as part of the 1984 Centennial Celebration. The Arts Council has inventoried public art throughout town and has noted that this piece is in disrepair. He invited the debate group's input on the mural.

With no further comments, the pubic input session was closed.

IV WORK SESSION NOTES AND MINUTES OF MEETING OF JANUARY 22, 2004

Jim Hier, "I move approval of the Work Session Notes and Minutes of the meeting of January 22, 2004". Kay Calvert seconded. Motion unanimously carried.

V CONSENT AGENDA

In response to a question from Jim Hier, Alison Butz explained that there is a lot of fluctuation with regard to what pieces will be permanently displayed on City property and moose that will remain displayed until April, but she will report back to Council. Candace Erickson, "I move approval of the Consent Agenda, Items 1 and 2". Jim Hier seconded. Motion carried unanimously.

1. Acceptance of disclosure statements – See attached affidavits.

2. Approval of display public art to be located at the Racquet Club and Coalition Park – Moose on the Loose Project – See staff report.

VINEW BUSINESS

Authorize the City Manager to negotiate a contract in the amount of $100,000 in a form approved by the City Attorney for design and art work for the Olympic Legacy Entryway Enhancement Project on Highway 224 – Myles Rademan stated that in September 2002, the Council appointed an Olympic Legacy Committee to generate ideas for City projects and projects produced by other entities. In October 2003, the entryway project was authorized and the old Chamber kiosk site between the barn and Payday Drive was selected as the location. Olympic legacies are budgeted in the Capital Improvements Fund in the amount of $128,000 and Council discussed spending $100,000 on the entryway project and the remainder to purchase two mini-towers to be placed on Main Street and to fund site work. It was decided that the selection committee would be a jury and representative of interests and it was felt that this format would help to eliminate people lobbying members. He explained in detail the membership, including Jim Glenn from the state. Mr. Glenn works with communities on public arts projects for the state of Utah and his participation was very helpful in an effort to mirror national standards. The group extensively researched requests for proposals for public art projects on a nation-wide level, and it was decided early on that the award would not be limited locally, but the best project submitted would be recommended for our entryway. The RFP was published and placed on the Internet in October, which eventually was posted on web sites all over the country. On December 21, the City received 33 responses compliant with provisions outlined in the RFP. He described the pre-proposal meeting held for interested artists held in October. There was extensive publicity in Park City and Salt Lake.

The selection committee ranked proposals according to set criteria and narrowed them down to three finalists, who were provided $500 to produce a model and to present their proposal on January 30. This was a published public meeting but Mr. Rademan emphasized that selection was not accomplished through popular vote. The selection committee overwhelming agreed to recommend to Council the award to *Making Tracks*, conceived by Gerry Brown and Steven Gilbert of G Brown Designs, and Cliff Garden, from Cliff Garden Studio. He continued to relay that Jim Glenn, who couldn't be in attendance tonight, stated that this was one of the finest art selection processes he has ever participated in.

Brian Hess, Arts Council and selection committee member, stated that he felt the process was very systematic and fair. He is very comfortable with the process and pleased with the result.

Peter Roberts, Arts Council and selection committee member, explained that a variety of quality projects were submitted, and the committee conducted a good exchange on the merits of entries. There was a strong consensus among members and a belief that they selected the best project.

Elizabeth Swank, Arts Council and selection committee, stated she was thrilled with the jury process. There were diverse opinions in the beginning, but the final decision was enthusiastically supported by all members.

Gerry Brown, landscape architect, noted that there were many associated requirements that the proposal needed to meet, including a budget. In meeting funding, the team has procured donations of work and materials from interested contractors in the amount of $40,000.

Steven Gilbert, through illustration of the model, described in detail the components of the project, including the sculpture and landscaping. The message integrates the recreational nature of our community and the sculpture metaphorically suggests a track, i.e., skiing, biking, etc. while integrating the mountains in the background.

Cliff Garden, artist, explained that his public art pieces are designed to represent the feel of communities. Landscape features are essential to the sculpture, which could be expanded on the other side of the road. It is important to reflect the Olympics, but also capture the future. The stainless steel structure will play with light and can be treated with different finishes. He felt that the legacy should be unique, elegant, and something that represents Park City. Steven Gilbert discussed the shadow the sculpture will cast on the anniversary of the Games.

In response to questions from Jim Hier, Mr. Garden indicated that the finish has not been determined yet. He explained that the piece will be fabricated in Salt Lake where it will be built. Once it is constructed at the foundry, it will be cut apart and transported to the site, where it will be again welded into place. The Mayor asked if the piece will be lit. Mr. Brown explained that they are sensitive to the night sky ordinance and the sculpture will be lit within.

The Mayor invited the public to comment. Hearing no input, he requested a motion to approve. Kay Calvert, "I move approval to authorize the City Manager to negotiate a contract in the amount of $100,000 in a form approved by the City Attorney for design and art work for the Olympic Legacy Entryway Enhancement Project on Highway 224". Candace Erickson seconded. Motion unanimously carried

VII ADJOURNMENT

With no further business, the regular meeting of the City Council was adjourned. The scheduled Water Service District meeting was canceled.

MEMORANDUM OF CLOSED SESSION

The City Council met in closed session at approximately 3 p.m. Members in attendance were Mayor Dana Williams, Kay Calvert, Marianne Cone, Candace Erickson, Jim Hier, and Joe Kernan. Staff present were Tom Bakaly, City Manager; and Mark Harrington, City Attorney. Jim Hier "I move to close the meeting to discuss ". Candace Erickson seconded. Motion carried unanimously. The meeting opened at approximately 5 p.m.

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 Council
Staff Report

Economic Development & Capital Projects

Author: Colin Hilton
Subject: Cooperative Preschool Relocation Agreement & Amended Lease
Date: February 19, 2004
Type of Item: Administrative – Relocation Agreement & Amended Lease

Summary Recommendation:
Staff recommends that:
1. Council approve the relocation agreement with the Cooperative Preschool
2. Council approve the amended lease with the Cooperative Preschool

Description:
Topic:
Relocation Agreement and amended lease to allow for preferred library expansion project option.

Background:
At the direction of City Council, Staff has worked with the building tenants on the first and second floors in order to pave the way for the preferred library expansion option.

The preferred library expansion option was derived through an extensive series of design workshops held in early December. Various stakeholders representing the Library Board, Friends of the Library, Library Staff, and the public at large all preferred and lobbied for a design option that requires a relocation of the tenants in Rooms 111 & 109 (Cooperative Preschool & Montessori School). The Montessori's lease currently expires in July. The City met and advised the Montessori School representatives that the option to renew a lease would not be offered due to the desired library expansion option. The school officials subsequently were kind enough to scale back the lease period to a proposed June 14th date, therefore assisting in the proposed construction scheduling.

The Cooperative Preschool's lease had been reworked in 2003 with a 2008 expiration. Discussions with the Cooperative Preschool have worked through a variety of issues that would allow the preferred library expansion to still occur in April 2004, while addressing concerns expressed by the Preschool over a second move within a year's time frame. Those relocation terms have been negotiated through the preparation of the attached "Relocation Agreement."

Analysis:
City staff is appreciative of the Cooperative Preschool's actions in offering to move

again in such a short period of time. Without their willingness to relocate, the preferred library expansion option would not have been able to occur.

The forecasted expenses to relocate the Cooperative Preschool can be accommodated given the current project cost estimates for the entire expansion project budget. They are outlined below:

Summary-forecasted library expansion project budget:	Original Forecast (Current)
a. Estimated Construction Budget	= $280,000 ($260,000)
b. Design & Engineering costs	= $30,000 ($30,000)
c. Contingency (10%)	= $30,200 ($26,400)
d. Advertisements / Admin. / Inspection	= $ 2,000 ($2,000)
e. FF&E	= $40,000 ($40,000)
f. Tenant Relocations	= ($24,000)
g. 1% Arts Component	= $ 2,800 ($2,600)
Total project cost	= $385,000 ($385,000)

Under the process that has allowed this preferred library expansion to occur, the following positives have occurred:

- The library expansion has added an additional 1342 sq' of usable space.
- The preferred design of the expanded library eliminates the need to spend upwards of $25-$35,000 on a second set of ADA ramps & restrooms or compromising access corridors or two-door entry ideas.
- The layout of the Children's section of the library can now be done under the optimal design and desired function adjacencies.
- The estimated need for future library expansions has been extended for an additional 3-4 years (now 10-13 years as opposed to 7-10 years as previously reported).

The current plan would be to renovate Room 209 in March for an April move-in by the Cooperative Preschool. This would allow for the major expansion construction to occur from April through July 2004.

Alternatives:

- Authorize execution of the proposed Relocation Agreement & amended lease
- Modify terms of the proposed Relocation Agreement & amended lease
- Denial of the proposed Relocation Agreement & amended lease
- The City Council may continue the discussion in order to receive additional information.

Significant Impacts:

The costs associated with the Cooperative Preschool's relocation allow for the preferred library expansion project to occur. The incurred costs would come from the Library expansion budget and are broken down in roughly three categories:

1. Structural / Mechanical – estimated at $13,500
2. Finishes - $7,000
3. Design/Moving Costs/Contingency - $3,500

Recommendation:
Staff recommends that:
1. Council approve the relocation agreement with the Cooperative Preschool
2. Council approve the amended lease with the Cooperative Preschool

Exhibits:
Exhibit A – Second Floor of Library & Education Center
Attachment B - Relocation Agreement
Attachment C – Amended Lease

Exhibit A


224 651 SQ. FT.
UP
DN
221 541 SQ. FT.
220 543 SQ. FT.
219 159 SQ. FT.
218 235 SQ. FT.
217 159 SQ. FT.
216 159 SQ. FT.
215 188 SQ. FT.
210 2855 SQ. FT.
OPEN TO BELOW
211 130 SQ. FT.
212 130 SQ. FT.
213 130 SQ. FT.
214 161 SQ. FT.
203 106 SQ. FT.
201 123 SQ. FT.
202 539 SQ. FT.
206 305 SQ. FT.
205 1091 SQ. FT.
209 560 SQ. FT.
239 SQ. FT.
208 164 SQ. FT.
207 531 SQ. FT.

Attachment B
Relocation Agreement Between Park City Municipal Corporation and Park City Cooperative Preschool

1. Park City Municipal Corporation ("Park City") entered into a lease dated June 17, 2003 ("2003 Property Lease") with Park City Cooperative Preschool ("Preschool") regarding the rental of Room 111 in the Carl Winters Building located at 1255 Park Avenue, Park City, Utah.

2. In order to accommodate an expansion of the library located within the Carl Winters Building, Park City has requested that the Preschool relocate to other space within the Carl Winters Building identified as Rooms 208, 209 and 210 as more particularly described at Exhibit A, attached hereto and incorporated by reference herein. These rooms collectively constitute approximately Nine Hundred Sixty Three (963) square feet and are hereinafter collectively referred to as "Room 209."

3. Pursuant to the 2003 Property Lease, Park City has leased to the Preschool Room 111 of the Carl Winters Building through June 30, 2008. Nevertheless, in an effort to cooperate with Park City with respect to the desired expansion of the library, the Preschool has agreed to enter into this Relocation Agreement with Park City whereby the Preschool and Park City agree to explore and negotiate the remodeling of Room 209 pursuant to the terms of this Relocation Agreement.

4. The Preschool is not obligated in any manner to actually approve any proposed design, finishes and furnishings of the remodeled Room 209, and if the Preschool does not agree to any such proposed remodeling, then upon written notice to Park City from the Preschool of such lack of agreement by the Preschool this Relocation Agreement shall terminate and be of no further force or effect, and the 2003 Property Lease shall remain in full force and effect as currently constituted, including the ongoing use of Room 111 by the Preschool.

5. If the Preschool and Park City mutually agree (in a written document dated and signed by each party) upon the design, finishes and furnishings of the remodeled Room 209 as set forth in this Relocation Agreement, then Park City shall proceed to remodel Room 209 at the sole expense of Park City, and at absolutely no cost to the Preschool, including all finishes and furnishings, as set forth in this Relocation Agreement. Any and all changes to the mutually agreed upon design, finishes and furnishings must be agreed to in advance by both the Preschool and Park City (in a written document dated and signed by each party).

6. Upon completion of the remodeling of Room 209 in accordance with the mutual written agreement of the Preschool and Park City pursuant to this Relocation Agreement, and further upon acceptance of such work by the Preschool as set forth in this Relocation Agreement, the Preschool and Park City shall execute the "First Addendum to 2003 Property Lease Between Park City Cooperative Preschool and Park City Municipal

Corporation" in the form attached hereto, and the Preschool shall relocate from Room 111 to Room 209 as set forth in this Relocation Agreement.

7. Upon the execution of this Relocation Agreement by both the Preschool and Park City, the Preschool will identify through its attorney which individuals shall constitute the "Design Subcommittee" on behalf of the Preschool for purposes of negotiating with Park City the actual design, finishes and furnishings of the remodeled Room 209. Park City, including, but not necessarily limited to, any architects or other design professionals working on the library expansion, shall communicate only with the individuals on the Design Subcommittee concerning the design, finishes and furnishings of the remodeled Room 209, and shall not make any direct contact with any other individuals associated with the Preschool with respect to any aspect of the remodeling of Room 209 during such remodeling, including, but not limited to, its Board of Trustees, officers, teachers and parents of students.

8. Absolutely no work (including, but not limited to, demolition and/or construction) shall be done on the first floor of the Carl Winters Building with respect to the library expansion until after the Preschool vacates Room 111 and relocates to Room 209 as set forth in this Relocation Agreement, with the sole exception of connecting plumbing to Room 209 through Room 111, which work shall be scheduled in advance with the Preschool over one or more weekends when the Preschool is not in session.

9. The Preschool will not vacate Room 111 and relocate to Room 209 until such time as Room 209 has been remodeled in accordance with the mutually agreed upon design, finishes and furnishings pursuant to this Relocation Agreement, and a walk-through of Room 209 by Park City and the Preschool has been completed at least twenty-four (24) hours in advance of the date that the Preschool is to commence its physical relocation, whereby the Preschool confirms that Room 209 has indeed been remodeled and completely finished in accordance with the mutually agreed upon design, finishes and furnishings (including, but not limited to, all walls must be freshly painted and dry, all flooring and carpet must be installed, all electrical, heating, plumbing, etc. must be finally completed and have received final written approval by a city building inspector, etc.). In other words, all punch list items must be completed at least twenty-four (24) hours prior to the date that the Preschool is to commence its physical relocation. Assuming that the targeted date for the relocation is 9:00 a.m. on Tuesday, April 6, 2004, then the walkthrough and all punch list items must all be completed no later than 9:00 a.m. on Monday, April 5, 2004. Under no circumstances shall the Preschool be required to physically relocate prior to the week of April 5, 2004 (which is the Preschool's Spring Break).

10. Park City shall pay any and all costs and expenses for the remodeling of Room 209 in accordance with the mutually agreed upon design, finishes and furnishings, including, but not not necessarily limited to, new carpet, new flooring, new paint, all structural modifications, plumbing, electrical and wiring, phone jacks, appliances, etc.

11. Park City shall pay any and all costs and expenses related to physically moving the Preschool to the remodeled Room 209, including, but not limited to, professional movers (not city employees), all packing, unpacking, removing all debris (such as boxes and packing materials), re-keying the new locks for Room 209 as well as any exterior doors that connect to Room 209, etc.

12. Park City shall pay the Preschool's two teachers for two eight-hour work days (in the total amount of $487.52)) to cover the cost of them having to put the new classroom back together during off-hours when the Preschool is not in session. The payments shall be made directly to the teachers by Park City no later than thirty calendar days after the Preschool actually moves into Room 209.

13. In the event that Room 209 is not ready for the Preschool to move-in pursuant to Paragraph 9 herein (i.e., final walk-through and all punch list items completed to the reasonable satisfaction of the Preschool based upon the mutually agreed upon design, finishes and furnishings) on or before 9:00 a.m. on Wednesday, April 7, 2004, then the the Preschool shall postpone its physical relocation from Room 111 to Room 209 until late the week of August 13-20, 2004 when all Preschool summer camps have been completed, but before the start of the 2004-2005 school year. Park City shall not be allowed to cause the Preschool to relocate to other temporary space pending completion of Room 209, and Park City hereby covenants not to even ask the Preschool to do so. The physical relocation by the Preschool from Room 111 to Room 209 shall occur during regular business hours Monday through Friday, and Park City hereby covenants not to even ask the Preschool to physically relocate over a weekend.

14. The parties hereby agree that Park City's aggregate costs for relocating the Preschool from Room 111 to Room 209 pursuant to this Relocation Agreement, including the remodel of Room 209 (includes design and engineering costs), payment of costs and expenses related to physically moving the Preschool to the remodeled Room 209 pursuant to Paragraph 11 herein, and payment of two Preschool teachers pursuant to Paragraph 12 herein, shall not exceed Twenty Four Thousand Dollars ($24,000.00), provided however, that once the Park City and the Preschool have mutually agreed in writing upon the design, finishes, and furnishings as set forth in this Relocation Agreement—including an agreed upon itemized written budget for all aspects of the remodeling project—any additional and/or unforeseen costs incurred in the remodeling process shall be paid by Park City.

15. Park City hereby acknowledges and agrees that in the event of a breach by Park City (and/or any of its employees, representatives, contractors, or other agents) of the terms set forth at Paragraph 8 in this Relocation Agreement, the Preschool will be irreparably harmed and it will be extremely difficult if not impossible to ascertain with any degree of certainty the damages that the Preschool will suffer as a result of such breach, and Park City further acknowledges and agrees that the disruption of the Preschool classes cannot be adequately compensated for in the form of money damages. Therefore, Park City hereby acknowledges and agrees that in addition to, and without limiting any other remedy or right that the Preschool may have, the

Preschool shall have the absolute right to obtain injunctive relief against Park City (and/or its offending employee, representative, contractor, or other agent), issued by a court of competent jurisdiction enjoining any such breach of Paragraph 8, including temporary, preliminary and/or permanent injunctive relief, without the need for the Preschool to further establish the existence of irreparable harm over and above the agreed upon irreparable harm set forth in this Agreement, and without the need for the Preschool to post any amount of security as a condition of such relief.

16. This Relocation Agreement, or any provision thereof, shall not be construed against any party due to the fact that this Relocation Agreement, or any provision thereof, was drafted by that party or that party's agent, but rather shall be construed and interpreted as if it was the product of the joint efforts of all parties, with all parties having equal input thereto.

17. Should any litigation, action, arbitration, or other proceeding be commenced between the parties to this Relocation Agreement arising from this Relocation Agreement, or concerning the rights or duties of either party under this Relocation Agreement, in addition to any other relief which may be granted, the prevailing party shall be entitled to recover its reasonable costs and attorney's fees incurred therein.

18. The parties agree that this Relocation Agreement, or a photocopy thereof, may be used in evidence in a subsequent proceeding in which any of the parties seeks an interpretation or enforcement of any term or provision of this Relocation Agreement.

19. This Relocation Agreement shall be governed by and construed in accordance with the laws of the State of Utah.

20. Each party to this Relocation Agreement, by execution of the Relocation Agreement, consents and submits to personal jurisdiction over the party by, and venue in, the courts of the State of Utah in and for Summit County, Utah, regarding any legal action arising from, or otherwise related to, this Relocation Agreement.

21. This Relocation Agreement and the attached First Amendment to 2003 Property Lease Between Park City Cooperative Preschool and Park City Municipal Corporation constitute the entire agreement between the parties, and the parties declare that there is no promise or agreement relating to the subject matter of this Relocation Agreement which is not expressly set forth in this Relocation Agreement and the attached First Amendment to 2003 Property Lease Between Park City Cooperative Preschool and Park City Municipal Corporation.

22. No amendment, change or modification of this Relocation Agreement shall be valid unless set forth in writing, signed by all parties hereto and expressly stating that the parties specifically intend to amend, change or modify this Agreement thereby.

23. Any individual executing this Relocation Agreement on behalf of an entity hereby individually represents and warrants that they are duly authorized to execute this

Relocation Agreement on behalf of the entity and to cause the entity to be bound thereby.

Effective as of the _____ day of February, 2004.

Attachment C
FIRST ADDENDUM TO 2003 PROPERTY LEASE BETWEEN
PARK CITY MUNICIPAL CORPORATION AND
PARK CITY COOPERATIVE PRESCHOOL

THIS FIRST ADDENDUM is made and entered into in duplicate this ____ day of February, 2004, by and between PARK CITY MUNICIPAL CORPORATION, a Utah municipal corporation and political subdivision of the State of Utah (hereinafter “Landlord”), and PARK CITY COOPERATIVE PRESCHOOL, a Utah nonprofit organization (hereinafter “Tenant”) to amend the 2003 Property Lease signed and executed by the Parties on June 17, 2003.

WITNESSETH:

WHEREAS, the parties entered into a Property Lease on June 17, 2003 (hereinafter “2003 Property Lease”) whereby Tenant leased Room 111 of the Carl Winters Building; and

WHEREAS, Landlord desires to expand the Park City Library, currently located in the Carl Winters Building, utilizing Room 111; and

WHEREAS, Tenant has agreed to accommodate Landlord’s desire to expand the Library by relocating to Room 209 of the Carl Winters Building;

WHEREAS, the parties have signed and executed a Relocation Agreement governing the process of remodeling Room 209 and the relocation of Tenant thereto;

NOW, THEREFORE, in consideration of the mutual promises made herein and other valuable consideration, the parties hereto now amend the 2003 Property Lease as follows:

1. **PROPERTY**. Any and all references to Room 111 in the 2003 Property Lease are hereby replaced by Room 209. As used herein, Room 209 is defined as the three rooms on the second floor of the Carl Winters Building currently identified as Rooms 208, 209 and 210, consisting of approximately nine hundred sixty-three (963) square feet, as more particularly described in Exhibit A, attached hereto and incorporated by reference herein. The parties hereby acknowledge and agree that although the actual square footage of the leased space increases as a result of this First Addendum, the amount of rent paid pursuant to Paragraph 3 of the 2003 Property Lease shall remain the same.

2. **OTHER TERMS**. All other terms and conditions of the 2003 Property Lease shall continue to apply.

3. **FUTURE RELOCATION.** Landlord hereby covenants to never even ask Tenant to relocate for any reason for the duration of the term of the 2003 Property Lease.

4. **ENTIRE AGREEMENT**. This First Addendum is a written instrument pursuant to Paragraph 31 of the 2003 Property Lease between the parties and cannot be altered or amended except by written instrument, signed by both parties.

IN WITNESS WHEREOF the parties hereto have caused this First Addendum to be executed the day and year first herein above written.

City Council
Staff Report

Special Events and Facilities Department

Author:	**Alison Butz**
Subject:	**Lease Authorizations for Arts Council, Mountain Trails & U 0f U**
Date:	**February 17, 2004**
Type of Item:	**Administrative – Lease Authorizations**

Summary Recommendations:
Staff recommends that:

(1) Council approve the lease for the Park City/Summit County Arts Council;
(2) Council approve the lease for Mountain Trails Foundation; and
(3) Council approve the Sixth Addendum to the U of U Lease, thereby allowing for the Library expansion.

Description:

Topic:
Review the draft leases for the rental of office space in Miners Hospital, and the Sixth Addendum to the lease agreement between the City and the U of U.

Background:
On April 24, 2003, Council received a presentation in public session from the Library regarding an expansion, and at that time seemed positive regarding the proposed budget option. Staff moved forward with the negotiations to take effect as of July 1, 2003. The FY 2004 budget, approved by Council, allocated money for the Library expansion. Plans for the expansion focused on extending the Library across the first floor hallway into Room 105 and 106.

After an extensive series of design workshops, held in December 2003, a preferred Library expansion option was settled on. Various stakeholders representing the Library Board, Friends of the Library, Library Staff, and the public at large all preferred and lobbied for a design option that will require the relocation of several tenants. This relocation will allow for an expansion that does not isolate any particular area.

Analysis:
The City will need to free up leased space on the first floor in order to expand the Library per the preferred design. By moving the Park City/Summit County Arts Council and the Mountain Trails Foundation from their current location (Room 208), the tenant in Room 111 will be able to relocate to the second floor (Rooms 208 and 209). Room 111 will then become part of the new Library expansion. Additionally, the U of U will release Rooms 208 and 301 in order to accommodate the relocation of other existing Tenants within the Library. The U of U will also forgo future restricted use of Room 209 in exchange for conditional use of Room 109 once the

Library expansion is completed. Approval of the attached leases and the lease addendum will allow the Library to expand and to increase its services and offerings to accommodate the growing needs of the community.

The attached leases will be in effect upon execution, and the addendum will become effective on March 1, 2004. Staff anticipates that the Tenants will be able to move from the Library to the new leased spaces at Miners Hospital during the first week of March.

Duration of the Leases

Both leases will have an expiration date of June 30, 2005, which coincides with the City's fiscal year. The lease addendum will not alter the current lease term.

Copies of the draft leases and the Sixth Addendum are attached.

ALTERNATIVES

A. Recommend the draft leases and the lease addendum, thereby allowing the Park City/Summit County Arts Council and Mountain Trails Foundation to move from the Library to Miners Hospital, which will allow for the Library expansion, be approved.

B. Modify terms of the leases and the addendum and approve in order to allow for the Library expansion.

C. Recommend denial of the new leases and the addendum thereby preventing the expansion of the Library.

D. The City Council may continue the action for more information and discussion.

RECOMMENDATION:

Staff recommends that Council approve the leases for the two offices in Miners Hospital and the Sixth Addendum thereby allowing for the Library expansion.

Exhibits

Exhibit A - Park City Arts Council 2004 Property Lease
Exhibit B - Mountain Trails Foundation 2004 Property Lease
Exhibit C – Sixth Addendum to the Lease Agreement Between the University of Utah and Park City Municipal Corporation

EXHIBIT A
PARK CITY ARTS COUNCIL

Park City Municipal Corporation
2004 Property Lease

THIS AGREEMENT is made by and between Park City Municipal Corporation (hereinafter referred to as "Landlord") and the Park City Foundation for the Arts & Humanities d/b/a/ Park City/Summit County Arts Council (hereinafter referred to as "Tenant") to set forth the terms and conditions under which Landlord will lease space in Miners Hospital at 1354 Park Avenue, Park City Utah (hereinafter referred to as "Miners Hospital") to Tenant. The parties agree as follows:

1. Property. The property leased is within Miners Hospital as described in Exhibit A (attached and hereafter referred to as Premises). The leased space includes the following property on the first floor of Miners Hospital: 1st floor office (Room 11) as is. The Premises contains approximately one hundred (100) square feet.

2. Term. The Lease term shall commence upon execution, and shall expire on June 30, 2005. The property being leased is currently surplus municipal space, but may be required for municipal purposes by Landlord at the conclusion of the lease term. Landlord may terminate this lease upon three (3) months prior written notice if the leased space is required for municipal purposes. No option of first refusal is granted to Tenant.

3. Rent. The rent for the leased space shall be as follows:

(1) Rate: One Thousand Five Hundred Seventy-Five Dollars ($1575.00) annually.

(2) Payments: Rent shall be paid in equal monthly installments of One Hundred Thirty-One Dollars and Twenty-Five Cents ($131.25). Rent shall be due on the first of each month, and past due if not paid by the tenth (10th) of the month.

(3) Credit for Relocation: Landlord agrees to waive the first monthly installment due following execution of the Lease.

(4) Deposit: No Deposit is required.

(5) Credit for Early Payment. Beginning in Calendar Year 2004, if Tenant pays Landlord the annual rent in full by July 15, then rent will be reduced by four percent (4%).

4. Utility Service. Landlord shall be responsible for natural gas, electricity, sewer, refuse collection and water for the leased space. Tenant will be responsible for any other utilities such as telephone and cable television and shall establish an account with each of these utilities in its own name.

5. Use of the Premises. The premises shall be used only for quasi-public administrative use.

6. Telephone, Cable and Microwave. The Tenant will install its own

telephone, television, computer and other communication equipment in the leased space. The remodeled space will include wiring, cables or chases for a wide variety for communications between spaces within the building and externally. Any specialized communication facilities, equipment, wiring, cables or installations will be the Tenant's responsibility.

7. Insurance. The Tenant will provide insurance at its expense covering its contents against loss through theft, fire, vandalism or similar casualties. The Landlord will maintain insurance on the structure for the replacement of the building itself, and the contents of the building owned by Landlord. The Landlord also carries a public liability policy insuring it against claims of personal injury on Landlord's property. The Landlord's policy does not cover the Tenant's employees or patrons who are on Landlord's property exclusively for the purpose of doing business with the Tenant. The Tenant agrees to maintain a comprehensive property liability policy in the amount of Five Hundred Thousand Dollars ($500,000) (each person and each occurrence) and to obtain a certificate of insurance naming Park City Municipal Corporation and the Municipal Building Authority of Park City as additional insured and evidencing coverage as to any person on the Premises as a result of Tenant's programs or activities. The Landlord is protected by the Utah Governmental Immunity Act, and nothing herein is intended to waive or limit the protection of the Act in behalf of either entity, but to the extent it is consistent with this intent, it is the purpose of this provision to protect the Landlord for liability or allegations arising out of the Tenant's use of Landlord's property.

8. Payment of Taxes and Other Assessments. As a tax exempt entity, the Landlord does not expect to be assessed real estate and personal property taxes and other related assessments or taxes on the Premises. However should the Tenant change the tax status or should other circumstances cause taxes or assessments to be imposed on the Premises, then Tenant shall pay real estate and personal property taxes and other related assessments or taxes on the Tenant's Premises during the term of this lease.

9. Liens. Tenant shall not permit any liens to attach to the property for work done at Tenant's request or for Tenant's benefit. If Landlord received notice of any such against the property, Tenant shall promptly discharge the lien at Landlord's request, or post fund sufficient to satisfy the lien during any period of good faith contest of the lien by Tenant. In the event Landlord reasonably feels its title to the property is in jeopardy because of any lien Tenant has elected to attach to the property, Landlord may discharge the lien and collect the amount paid from the Tenant. The Tenant agrees to pay all reasonable costs incurred by the Landlord in the defense or discharge of any liens on the property.

10. Tenant Improvements. The Premises are being leased to Tenant in as-is condition. Any additional interior finish or furnishings desired by the Tenant must be approved in advance by the Landlord and Owner in writing and are the

responsibility of the Tenant, with no allowance made for the costs of the Tenant improvements unless agreed to by Landlord in writing. At the expiration or termination of the Lease, all Tenant improvements become property of the Landlord unless specifically exempted in writing prior to installation.

11. Signs. Landlord reserves the right to specifically review and approve or reject proposed signs on or in the building. Landlord's approval for signs will not be unreasonably withheld, so long as the sign is directional rather than promotional, meets the requirements of the Park City Sign Code, and conforms with the historic nature and architectural detailing of the building. Signs shall be removed and any damage resulting from removal shall be repaired at the termination of the Lease.

12. Assignment/Sublease. The Lease may not be assigned or the Premises sublet without the advance written consent of Landlord except that any space within the building may be sublet to any other tenant within the building. Landlord's consent to assignment or sublease will not be unreasonably withheld.

13. Remedies. In the event the Tenant fails to pay monthly installment payments when due, or violates or reaches any other term or condition of the Lease, Landlord shall have the right to exercise the following remedies, and any other remedies available at law or equity:
(1) Landlord may, by written notice to Tenant, demand that Tenant either pay rental installments due within ten (10) days, or quit the premises within fifteen (15) days;
(2) Landlord may permit the Tenant to remain in possession and sue for the installments that are past due;
(3) Landlord may re-let the premises for Tenant's account at the rate and on such terms as are commercially reasonable at the time and under the circumstances, and charge Tenant for any difference in the rental received and the rental agreed to herein, provided that any re-letting shall be done in good faith under the circumstances;
(4) Landlord may agree to a payment of damages in such amount as the parties then agree, and release the Tenant from obligations under this Lease entirely. Unless Landlord has released Tenant's continued performance under this Lease, Tenant is deemed to be in possession of the Premises, and any re-letting by Landlord in on Tenant's account. Tenant is responsible for all payments and obligations under the Lease until Landlord releases Tenant.

14. Covenant of Quiet Possession. Landlord covenants with Tenant that Landlord owns or controls the Premises and that Tenant's possession will not be disturbed by acts or omissions of the Landlord so long as Tenant faithfully performs the obligations of this Lease.

15. Maintenance. The Landlord shall be responsible for all structural maintenance of the Premises, including the roof, foundation, structural members,

and exterior wall surfaces. The Landlord will be responsible for janitorial service in areas used in common with the library and other tenants and cleaning the outside of the glass and replacement in the event of damage from an outside source. Tenant shall be responsible for all interior maintenance, including mechanical and electrical fixtures to the extent that they are located within and exclusively benefit the Premises, janitorial service, and glass maintenance (both cleaning the inside and replacement in the event of damage from an inside source) which is within the leased premises or solely serves the Premises. Landlord shall be responsible for mechanical systems, which serve space as reasonably necessary to maintain the structure and to service common utility facilities. Exterior maintenance of the site and snow removal shall be Landlord's responsibility.

16. Access to Other Spaces. Tenant shall not interfere with the access to other spaces within the building or obstruct the entrances to those other spaces in any way. Landlord shall have such access through Tenant's space as reasonably necessary to maintain the structure and to service common utility facilities. Landlord shall have the right to inspect the leased space during the Tenant's normal business hours.

17. Force Majeure. This Lease Agreement shall automatically terminate upon any holding, interpretation, or determination by a court, legislative, or administrative body that Landlord may not lease to a private educational entity or similar establishment or that the Landlord may not lease to a private entity either under existing state and federal law regulation or future state and federal law regulation.

18. Increased Insurance Risk. Tenant will not permit said premises to be used for any purpose which would render the fire insurance on the building or the premises void or cause cancellation thereof or increase the insurance risk or increase the insurance premium in effect at the time of the terms of this Lease. Tenant will not keep, use or sell, or allow to be kept, used or sold in or about the Premises any article or materials which are prohibited by law or by standard fire insurance policies of the kind customarily in force with respect to the Premises of the same general type as those covered by this Agreement.

19. Care and Repair of Premises by Tenant. Tenant will inspect and accept the Premises for the purposes of this agreement prior to taking occupancy. Tenant will not commit any waste on Premises nor shall it use or permit the use of the Premises in violation of any state law or county or municipal ordinance or regulation applicable thereto. Tenant may, with the prior written consent of the Landlord, but at its own cost and expense, in a good workmanlike manner, make such alterations and repairs to the leased space as Tenant may require for the conduct of its business without, however, materially altering the basic character for the building or improvements or weakening the structure on the leased premises. Any permanent alterations or improvements to the Premises shall

become the property of the Landlord upon expiration or termination of this Lease unless specifically exempted in writing prior to commencing work.

20. Damage or Destruction. If the Premises or any part thereof shall be damaged or destroyed by fire or other casualty, Landlord shall promptly repair all such damage and restore the premises without expense to the Tenant subject to delays due to adjustment in insurance claims, strikes and other causes beyond the Landlord's control. If such damage or destruction shall render the Premises uninhabitable in whole or in part, the rent shall be abated wholly or proportionately until the damage shall be repaired and the premises restored. If the damage or destruction shall be of which may require removal of Tenant's operations from the Premises, either Landlord or Tenant may elect to terminate this lease by written notice to the other within thirty (30) days after the occurrence of such damage or destruction.

21. Surrender of Premise. Tenant agrees to surrender the Premises at the expiration or sooner termination of this Agreement or any extension thereof in the same condition or as altered pursuant to the provisions of this Agreement. Ordinary war, tear and damage by the elements or other acts of God excepted.

22. Hold Over. Should Tenant hold over the Premises or any part thereof after the expiration of the term of this Lease unless otherwise agreed in writing, such holding over shall constitute a tenancy from month to month only, and Tenant shall pay as monthly rental the same monthly rental provided for herein.

23. Available Space. If additional space becomes available in Miners Hospital, Landlord agrees to offer such space to tenants in Miners Hospital before making it available to non-tenants. Landlord reserves the right to use space that becomes available and to assign the space through a competitive bid process with tenants of Miners Hospital who have been in the building for one (1) year or more, at the time the space becomes available.

24. Indemnity. The Tenant covenants and agrees to indemnify, hold Landlord harmless from all claims, loss damage, injury or liability (hereafter "Liability") resulting from Tenant's use and occupancy of the Premises to the full extent provided in the Utah Governmental Immunity Act, including reasonable attorney's fees, but excluding any Liability resulting from acts or omissions of Landlord, its officers, employees or agents. Nothing herein shall be construed as a waiver of any of the rights or defenses under the Utah Governmental Immunity Act (Utah Code Ann. Sections 63-30-1, et seq), as amended. The obligations hereunder shall be determined under principles of tort law including, but not limited to, the Governmental Immunity Act.

Landlord will indemnify and hold tenant and its employees harmless to the full extent provided in the Utah Governmental Immunity Act, and limited by Paragraph 25 of this lease, from claims, loss, damage, injury, or liability resulting from Landlord's use and occupancy of the Premises or from the conduct of Landlord's operations; including, but not limited to, Landlord's negligence or intentional acts. Nothing herein shall be construed as a waiver of any of the rights or defenses under the Utah Governmental Immunity Act (Utah Code Ann. Sections 63-30-1, et seq.), as amended.

25. Landlord Liable only for Negligence. Except where caused by Landlord's negligence, Landlord shall not be liable for any failure of water supply, natural gas supply or electrical supply; or for any injury or damage to persons or property caused by gasoline, oil, steam, gas or electricity; or hurricane, tornado, flood, wind or similar storms or disturbances; or water, rain or snow which may leak or flow from the street, sewer, gas mains or any subsurface area or from any part of the building or buildings or for an interference with light.

26. Nondiscrimination. Tenant agrees not to discriminate against anyone on the basis of race, color, national origin, age, sex or handicap in its hiring practices, services or operation of its business hereunder.

27. Waiver of Covenants. It is agreed that the waiver of any of the covenants of this Lease Agreement by either party shall be limited to the particular instance and shall not be deemed to waive any other breaches of such covenant or any provisions herein.

28. Rights of Successors and Assigns. The covenants and agreements contained within the Lease shall apply to the benefit of successors in interest and legal representatives, except as expressly otherwise hereinbefore provided.

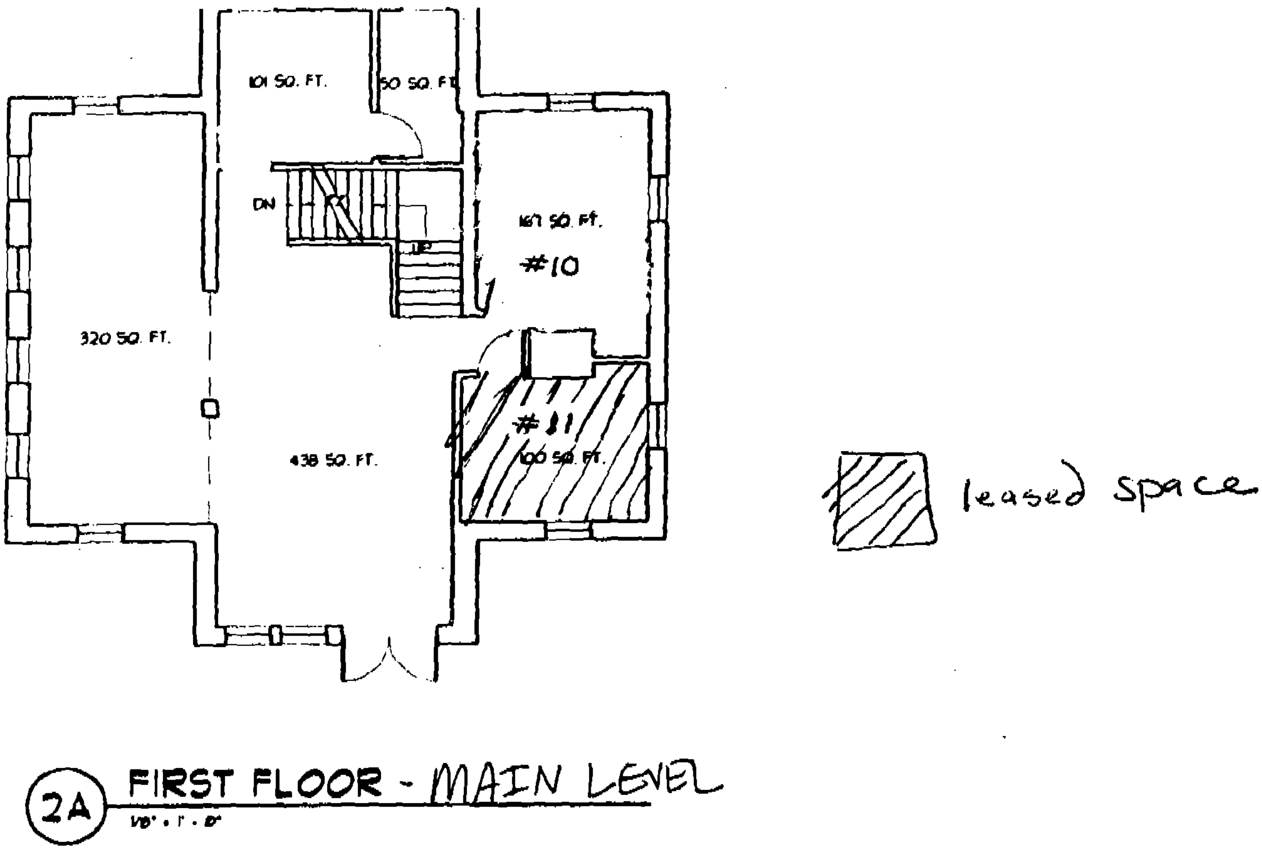
29. Security. The Landlord will install doors with locking hardware. The Tenant is entitled to put locks on the doors to its space, provided the Landlord is given keys for reasonable access and building maintenance. Both parties will attempt to keep the exterior doors locked after their use of the building is completed for the day, and the Tenant shall have the obligation of checking all exterior doors at the conclusion of each day to make sure that they are locked, and that windows in the rooms used by the Tenant are secured. Lights and radiators should be turned off at the conclusion of the Tenant's use each day.

30. Notice Provision. Any and all notices required by this Lease Agreement shall be in writing and delivered personally to the party to whom the notice is to be given, or mailed by certified mail, postage prepaid, and addressed as follows:
If to Landlord:
Alison Butz
Facilities Manager
Park City Municipal Corporation
P.O. Box 1480
Park City, Utah 84060

If to Tenant:
Park City Arts Council
1255 Park Ave.
P.O. Box 4455
Park City, Utah 84060

31. Entire Agreement. This agreement constitutes the entire and only agreement between parties and it cannot be altered or amended except by written instrument, signed by both parties.

EXHIBIT A



PARK CITY ARTS COUNCIL

EXHIBIT B
Mountain Trails Foundation
Park City Municipal Corporation
2004 Property Lease

THIS AGREEMENT is made by and between Park City Municipal Corporation (hereinafter referred to as "Landlord") and Mountain Trails Foundation (hereinafter referred to as "Tenant") to set forth the terms and conditions under which Landlord will lease space in Miners Hospital at 1354 Park Avenue, Park City Utah (hereinafter referred to as "Miners Hospital") to Tenant. The parties agree as follows:

1. Property. The property leased is within Miners Hospital as described in Exhibit A (attached and hereafter referred to as Premises). The leased space includes the following property on the second floor of Miners Hospital: 2nd floor office (Room 21) as is. The Premises contains approximately one hundred sixty three (163) square feet.

2. Term. The Lease term shall commence upon execution, and shall expire on June 30, 2005. The leased property is currently surplus municipal space, but may be required for municipal purposes by Landlord at the conclusion of the lease term. Landlord may terminate this lease upon three (3) months prior written notice if the leased space is required for municipal purposes. No option of first refusal is granted to Tenant.

3. Rent. The rent for the leased space shall be as follows:
(1) Rate: Two Thousand Five Hundred Sixty-Seven Dollars and Twenty-Five Cents ($2,567.25) annually.
(2) Payments: Rent shall be paid in equal monthly installments of Two Hundred Thirteen Dollars and Ninety-Four Cents ($213.94). Rent shall be due on the first of each month, and past due if not paid by the tenth (10th) of the month.
(3) Credit for Relocation: Landlord agrees to waive the first monthly installment due following execution of the Lease.
(4) Deposit: No Deposit is required.
(5) Credit for Early Payment. Beginning in Calendar Year 2004, if Tenant pays Landlord the annual rent in full by July 15, then rent will be reduced by four percent (4%).

4. Utility Service. Landlord shall be responsible for natural gas, electricity, sewer, refuse collection and water for the leased space. Tenant will be responsible for any other utilities such as telephone and cable television and shall establish an account with each of these utilities in its own name.

5. Use of the Premises. The premises shall be used only for quasi-public administrative use.

6. Telephone, Cable and Microwave. The Tenant will install its own telephone, television, computer and other communication equipment in the leased space. The remodeled space will include wiring, cables or chases for a wide variety for communications between spaces within the building and externally. Any specialized communication facilities, equipment, wiring, cables or installations will be the Tenant's responsibility.

7. Insurance. The Tenant will provide insurance at its expense covering its contents against loss through theft, fire, vandalism or similar casualties. The Landlord will maintain insurance on the structure for the replacement of the building itself, and the contents of the building owned by Landlord. The Landlord also carries a public liability policy insuring it against claims of personal injury on Landlord's property. The Landlord's policy does not cover the Tenant's employees or patrons who are on Landlord's property exclusively for the purpose of doing business with the Tenant. The Tenant agrees to maintain a comprehensive property liability policy in the amount of Five Hundred Thousand Dollars ($500,000) (each person and each occurrence) and to obtain a certificate of insurance naming Park City Municipal Corporation and the Municipal Building Authority of Park City as additional insured and evidencing coverage as to any person on the Premises as a result of Tenant's programs or activities. The Landlord is protected by the Utah Governmental Immunity Act, and nothing herein is intended to waive or limit the protection of the Act in behalf of either entity, but to the extent it is consistent with this intent, it is the purpose of this provision to protect the Landlord for liability or allegations arising out of the Tenant's use of Landlord's property.

8. Payment of Taxes and Other Assessments. As a tax exempt entity, the Landlord does not expect to be assessed real estate and personal property taxes and other related assessments or taxes on the Premises. However should the Tenant change the tax status or should other circumstances cause taxes or assessments to be imposed on the Premises, then Tenant shall pay real estate and personal property taxes and other related assessments or taxes on the Tenant's Premises during the term of this lease.

9. Liens. Tenant shall not permit any liens to attach to the property for work done at Tenant's request or for Tenant's benefit. If Landlord received notice of any such against the property, Tenant shall promptly discharge the lien at Landlord's request, or post fund sufficient to satisfy the lien during any period of good faith contest of the lien by Tenant. In the event Landlord reasonably feels its title to the property is in jeopardy because of any lien Tenant has elected to attach to the property, Landlord may discharge the lien and collect the amount paid from the Tenant. The Tenant agrees to pay all reasonable costs incurred by the Landlord in the defense or discharge of any liens on the property.

10. Tenant Improvements. The Premises are being leased to Tenant in as-is

condition. Any additional interior finish or furnishings desired by the Tenant must be approved in advance by the Landlord and Owner in writing and are the responsibility of the Tenant, with no allowance made for the costs of the Tenant improvements unless agreed to by Landlord in writing. At the expiration or termination of the Lease, all Tenant improvements become property of the Landlord unless specifically exempted in writing prior to installation.

11. Signs. Landlord reserves the right to specifically review and approve or reject proposed signs on or in the building. Landlord's approval for signs will not be unreasonably withheld, so long as the sign is directional rather than promotional, meets the requirements of the Park City Sign Code, and conforms with the historic nature and architectural detailing of the building. Signs shall be removed and any damage resulting from removal shall be repaired at the termination of the Lease.

12. Assignment/Sublease. The Lease may not be assigned or the Premises sublet without the advance written consent of Landlord except that any space within the building may be sublet to any other tenant within the building. Landlord's consent to assignment or sublease will not be unreasonably withheld.

13. Remedies. In the event the Tenant fails to pay monthly installment payments when due, or violates or reaches any other term or condition of the Lease, Landlord shall have the right to exercise the following remedies, and any other remedies available at law or equity:

(1) Landlord may, by written notice to Tenant, demand that Tenant either pay rental installments due within ten (10) days, or quit the premises within fifteen (15) days;

(2) Landlord may permit the Tenant to remain in possession and sue for the installments that are past due;

(3) Landlord may re-let the premises for Tenant's account at the rate and on such terms as are commercially reasonable at the time and under the circumstances, and charge Tenant for any difference in the rental received and the rental agreed to herein, provided that any re-letting shall be done in good faith under the circumstances;

(4) Landlord may agree to a payment of damages in such amount as the parties then agree, and release the Tenant from obligations under this Lease entirely. Unless Landlord has released Tenant's continued performance under this Lease, Tenant is deemed to be in possession of the Premises, and any re-letting by Landlord in on Tenant's account. Tenant is responsible for all payments and obligations under the Lease until Landlord releases Tenant.

14. Covenant of Quiet Possession. Landlord covenants with Tenant that Landlord owns or controls the Premises and that Tenant's possession will not be disturbed by acts or omissions of the Landlord so long as Tenant faithfully performs the obligations of this Lease.

15. Maintenance. The Landlord shall be responsible for all structural maintenance of the Premises, including the roof, foundation, structural members, and exterior wall surfaces. The Landlord will be responsible for janitorial service in areas used in common with the library and other tenants and cleaning the outside of the glass and replacement in the event of damage from an outside source. Tenant shall be responsible for all interior maintenance, including mechanical and electrical fixtures to the extent that they are located within and exclusively benefit the Premises, janitorial service, and glass maintenance (both cleaning the inside and replacement in the event of damage from an inside source) which is within the leased premises or solely serves the Premises. Landlord shall be responsible for mechanical systems, which serve space as reasonably necessary to maintain the structure and to service common utility facilities. Exterior maintenance of the site and snow removal shall be Landlord's responsibility.

16. Access to Other Spaces. Tenant shall not interfere with the access to other spaces within the building or obstruct the entrances to those other spaces in any way. Landlord shall have such access through Tenant's space as reasonably necessary to maintain the structure and to service common utility facilities. Landlord shall have the right to inspect the leased space during the Tenant's normal business hours.

17. Force Majeure. This Lease Agreement shall automatically terminate upon any holding, interpretation, or determination by a court, legislative, or administrative body that Landlord may not lease to a private educational entity or similar establishment or that the Landlord may not lease to a private entity either under existing state and federal law regulation or future state and federal law regulation.

18. Increased Insurance Risk. Tenant will not permit said premises to be used for any purpose which would render the fire insurance on the building or the premises void or cause cancellation thereof or increase the insurance risk or increase the insurance premium in effect at the time of the terms of this Lease. Tenant will not keep, use or sell, or allow to be kept, used or sold in or about the Premises any article or materials which are prohibited by law or by standard fire insurance policies of the kind customarily in force with respect to the Premises of the same general type as those covered by this Agreement.

19. Care and Repair of Premises by Tenant. Tenant will inspect and accept the Premises for the purposes of this agreement prior to taking occupancy. Tenant will not commit any waste on Premises nor shall it use or permit the use of the Premises in violation of any state law or county or municipal ordinance or regulation applicable thereto. Tenant may, with the prior written consent of the Landlord, but at its own cost and expense, in a good workmanlike manner, make such alterations and repairs to the leased space as Tenant may require for the conduct of its business without, however, materially altering the basic character

for the building or improvements or weakening the structure on the leased premises. Any permanent alterations or improvements to the Premises shall become the property of the Landlord upon expiration or termination of this Lease unless specifically exempted in writing prior to commencing work.

20. Damage or Destruction. If the Premises or any part thereof shall be damaged or destroyed by fire or other casualty, Landlord shall promptly repair all such damage and restore the premises without expense to the Tenant subject to delays due to adjustment in insurance claims, strikes and other causes beyond the Landlord's control. If such damage or destruction shall render the Premises uninhabitable in whole or in part, the rent shall be abated wholly or proportionately until the damage shall be repaired and the premises restored. If the damage or destruction shall be of which may require removal of Tenant's operations from the Premises, either Landlord or Tenant may elect to terminate this lease by written notice to the other within thirty (30) days after the occurrence of such damage or destruction.

21. Surrender of Premise. Tenant agrees to surrender the Premises at the expiration or sooner termination of this Agreement or any extension thereof in the same condition or as altered pursuant to the provisions of this Agreement. Ordinary war, tear and damage by the elements or other acts of God excepted.

22. Hold Over. Should Tenant hold over the Premises or any part thereof after the expiration of the term of this Lease unless otherwise agreed in writing, such holding over shall constitute a tenancy from month to month only, and Tenant shall pay as monthly rental the same monthly rental provided for herein.

23. Available Space. If additional space becomes available in Miners Hospital, Landlord agrees to offer such space to tenants in Miners Hospital before making it available to non-tenants. Landlord reserves the right to use space that becomes available and to assign the space through a competitive bid process with tenants of Miners Hospital who have been in the building for one (1) year or more, at the time the space becomes available.

24. Indemnity. The Tenant covenants and agrees to indemnify, hold Landlord harmless from all claims, loss damage, injury or liability (hereafter "Liability") resulting from Tenant's use and occupancy of the Premises to the full extent provided in the Utah Governmental Immunity Act, including reasonable attorney's fees, but excluding any Liability resulting from acts or omissions of Landlord, its officers, employees or agents. Nothing herein shall be construed as a waiver of any of the rights or defenses under the Utah Governmental Immunity Act (Utah Code Ann. Sections 63-30-1, et seq), as amended. The obligations hereunder shall be determined under principles of tort law including, but not limited to, the Governmental Immunity Act.

Landlord will indemnify and hold tenant and its employees harmless to the full extent provided in the Utah Governmental Immunity Act, and limited by Paragraph 25 of this lease, from claims, loss, damage, injury, or liability resulting from Landlord's use and occupancy of the Premises or from the conduct of Landlord's operations; including, but not limited to, Landlord's negligence or intentional acts. Nothing herein shall be construed as a waiver of any of the rights or defenses under the Utah Governmental Immunity Act (Utah Code Ann. Sections 63-30-1, et seq.), as amended.

25. Landlord Liable only for Negligence. Except where caused by Landlord's negligence, Landlord shall not be liable for any failure of water supply, natural gas supply or electrical supply; or for any injury or damage to persons or property caused by gasoline, oil, steam, gas or electricity; or hurricane, tornado, flood, wind or similar storms or disturbances; or water, rain or snow which may leak or flow from the street, sewer, gas mains or any subsurface area or from any part of the building or buildings or for an interference with light.

26. Nondiscrimination. Tenant agrees not to discriminate against anyone on the basis of race, color, national origin, age, sex or handicap in its hiring practices, services or operation of its business hereunder.

27. Waiver of Covenants. It is agreed that the waiver of any of the covenants of this Lease Agreement by either party shall be limited to the particular instance and shall not be deemed to waive any other breaches of such covenant or any provisions herein.

28. Rights of Successors and Assigns. The covenants and agreements contained within the Lease shall apply to the benefit of successors in interest and legal representatives, except as expressly otherwise hereinbefore provided.

29. Security. The Landlord will install doors with locking hardware. The Tenant is entitled to put locks on the doors to its space, provided the Landlord is given keys for reasonable access and building maintenance. Both parties will attempt to keep the exterior doors locked after their use of the building is completed for the day, and the Tenant shall have the obligation of checking all exterior doors at the conclusion of each day to make sure that they are locked, and that windows in the rooms used by the Tenant are secured. Lights and radiators should be turned off at the conclusion of the Tenant's use each day.

30. Notice Provision. Any and all notices required by this Lease Agreement shall be in writing and delivered personally to the party to whom the notice is to be given, or mailed by certified mail, postage prepaid, and addressed as follows:

If to Landlord:
Alison Butz

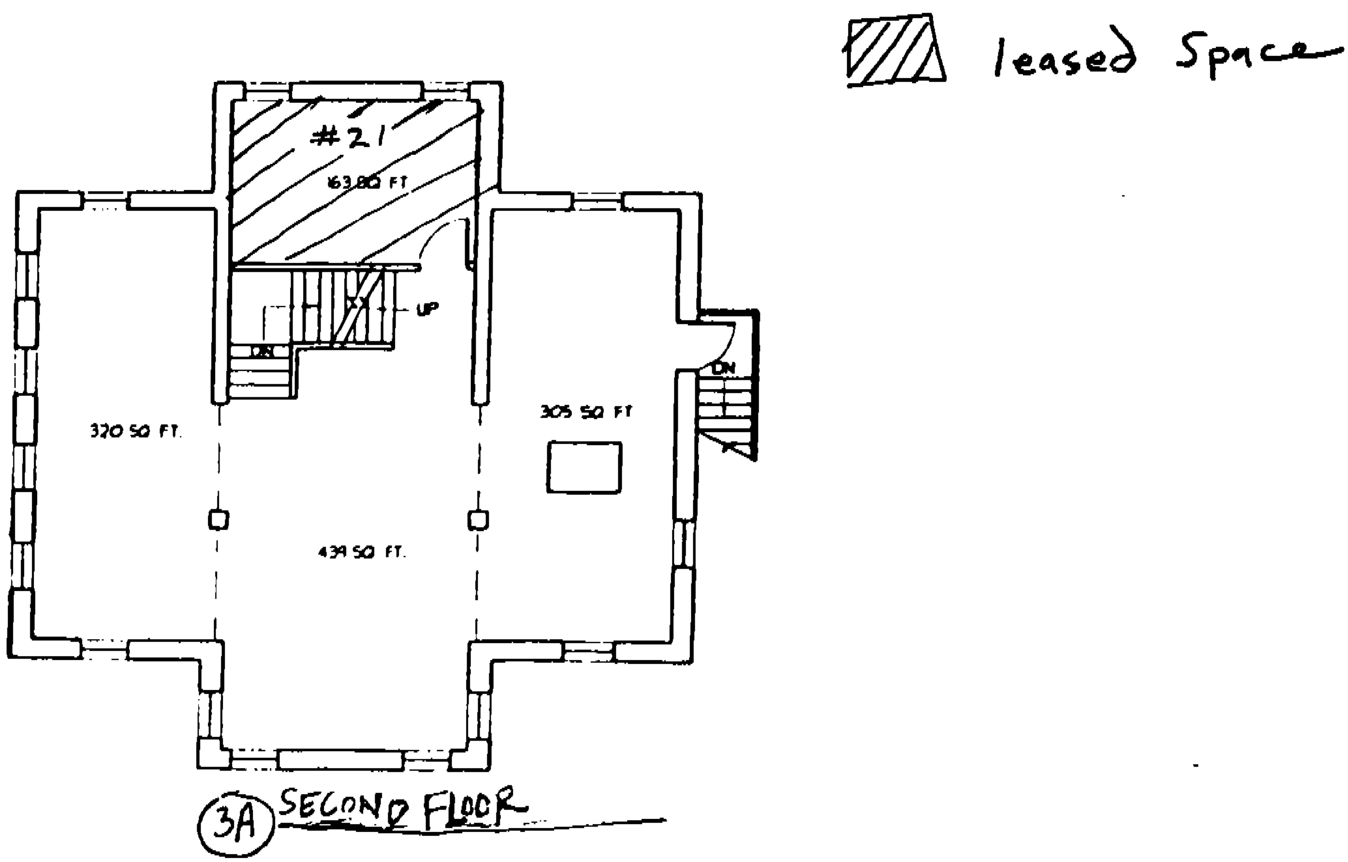
Facilities Manager
Park City Municipal Corporation
P.O. Box 1480
Park City, Utah 84060

If to Tenant:
Mountain Trails Foundation
1255 Park Ave.
P.O. Box
Park City, Utah 84060

31. Entire Agreement. This agreement constitutes the entire and only agreement between parties and it cannot be altered or amended except by written instrument, signed by both parties.

EXHIBIT A

MOUNTAIN TRAILS FOUNDATION



3A SECOND FLOOR

EXHIBIT C
SIXTH ADDENDUM TO THE LEASE AGREEMENT BETWEEN THE UNIVERSITY OF UTAH AND PARK CITY MUNICIPAL CORPORATION

THIS SIXTH ADDENDUM is made by and between Park City Municipal Corporation ("Landlord") and the University of Utah ("Tenant") to amend the Lease Agreement signed and executed by the parties on May 7, 1992 ("Lease") as amended and to set forth the terms and conditions under which Tenant will release to Landlord certain areas of the property in the Carl Winters Building (hereinafter referred to as the "CW Building") subject to the Lease, as amended. The parties agree as follows:

1. Released Space. Tenant, pursuant to the schedule provided below, hereby releases to Landlord the following property on the second and third floor of the CW Building: Room 208, and Room 301 as described in Exhibits A and B (attached and hereinafter referred to as "Released Space"). The Released Space contains a total of five hundred forty-six (546) square feet. The release of Room 208 and Room 301 shall occur on March 1, 2004.

2. Rent. The rent for the remaining leased space shall be as follows:

(A) Rate: Tenant has pre-paid the rent for Calendar Year 2003 (July 1, 2003 – June 30, 2004). Tenant is due Two Thousand, Five Hundred Seventy-Seven Dollars and Fourteen Cents ($2,577.14) as a refund for the released space. Landlord will apply this refund to Tenant's July 1, 2004 rental obligation. Beginning July 1, 2004, Tenant's annual rental obligation shall be Fifty Thousand Seven Hundred Forty-Six Dollars and Fifty-Six Cents annually ($50,746.56) for the remaining leased space.

(B) Payments: Beginning July1, 2004, rent shall be paid in equal monthly installments of Four Thousand Two Hundred Twenty-Eight Dollars and Eighty-Eight Cents ($4,228.88). Rent shall be due on the first of each month, and past due if not paid by the tenth of the month.

(C) Deposit: No additional deposit shall be required.

(D) Rent Adjustment: The annual rent for the remaining leased Rooms shall increase Three Thousand Two Hundred Twenty-Two Dollars ($3222.00) per year at the beginning of each two-year term with the next term beginning on July 1, 2006. For example, monthly rent payments shall increase to Four Thousand Four Hundred Ninety-Seven Dollars and Thirty-Eight Cents ($4,497.38) on July 1, 2006.

(E) Credit for Early Payment: For Calendar Year 2004, if Tenant pays Landlord the annual rent in full by July 15, then rent will be reduced by four percent (4%). Beginning in Calendar Year 2005, if Tenant pays Landlord the annual rent in full by July 15 of each year, then rent will be reduced by four percent (4%).

3. Use of Room 209. Once remodeling begins on Room 209, Tenant shall no longer have the right to use Room 209 for evening and weekend classes. Once Room 109 has been remodeled, Tenant shall have the right to use Room 109 for evening and weekend classes based on availability with prior notice by Tenant.

4. Other Terms: All other terms and conditions of the Lease, as amended, shall apply.

5. Effective Date: The terms of this Sixth Addendum to the Lease shall be effective upon execution.

6. Entire Agreement: This Sixth Addendum is a written instrument pursuant to Paragraph 31 of the Lease between the parties and it cannot be altered or amended except by written instrument, signed by both parties.