PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
FEBRUARY 17, 2005

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 17, 2005.

Closed Session – Executive Conference Room
2:30 p.m. Personnel and property
Snack will be provided

Work Session – City Council Chambers (time to be determined)
3:45 p.m. Council questions/comments
4:00 p.m. Golf Course analysis update
5:00 p.m. Ice and parking structure funding update
5:45 p.m. Break

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

I ROLL CALL

II COMMUNICATIONS AND DISCLOSURES FROM COUNCIL AND STAFF

Legislative update – Representative David Ure

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

IV WORK SESSION NOTES AND MINUTES OF MEETING OF FEBRUARY 3, 2005

V NEW BUSINESS

1. Consideration of Park City Heights Annexation Petition

2. Consideration of Quinn's Junction Partnership Annexation Petition

VI ADJOURNMENT

A majority of City Council members may meet socially after the meeting. If so, the location will be announced by the Mayor. City business will not be conducted.

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
FEBRUARY 24, 2005

PUBLIC NOTICE IS HEREBY GIVEN that the City Council of Park City, Utah will **not** hold its regularly scheduled meeting on Thursday, February 24, 2005.

Posted: 02/14/05
See: parkcity.org

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

February 2005
24 **No meeting**
25 Management Team retreat – 12 p.m. – 4 p.m. - Miners

March 2005
3 Legislative update – work
MCHT special service agreement amendment – work/consent - PR
Quinns Recreation Complex update – work – (30 min) - CH
Taxi insurance liability levels – work
Final bond – public hearing and action
Public Use Transition District – work – public hearing – action
Debriefing of 2005 Storm and Snow Removal efforts – work 15 min – KC
Ordinance- 239 Woodside Avenue- plat amendment – AC
Ordinance - 44 Chambers Street final subdivision plat – BR
Ordinance - 2414 Iron Canyon Drive plat amendment – RM
Ordinance - Risner Ridge No. 2 Subdivision plat amendment – BR
Ordinance - 713 Norfolk Avenue pat amendment and vacation of ROW – PP
Ordinance – 437 Park Avenue plat amendment -– JW
Ordinance – Hwy 248 Rec Complex Subdivision plat – JW

Ordinance – 7101 Silver lake Drive, North Silver Lake Lodge, record of survey plat – RM
Ordinance - 2900 Deer Valley Drive Building, The Lodge, record of survey Plat - BR
10 Sound garden – work
Swearing in of police officers
Joint meeting with Planning Commission - work
Ordinance accepting certain public improvements at Empire Pass Subdivision
Strategic Plan for City properties with development potential – work (30 Min) KC
Sidewalk Snow Removal Policy – work 30 min - KC
17 **No meeting**
24 Ordinance – 2858 Estates Drive plat amendment - AC
Ordinance – 1301 Park Avenue plat amendment – KW
Ordinance - Parking Structure and Town Plaza – Rezone JW
Ordinance - Parking Structure and Town Plaza Subdivision – JW
Ordinance – Hwy 248 Rec Complex Subdivision plat – JW
Ordinance - Silver Star Subdivision – KW
Ordinance – 1053 Woodside Avenue plat amendment – KW
Ordinance – 1359 park Avenue plat - JW
31

Pending Items:
Regional bus service SLC - work
Water Service District – Grant of easement from Iron Mountain Associates
Transit Center Land Match Resolution – Gary
CDBG preliminary hearing - July

Author: Craig Sanchez and Gary Hill
Subject: Golf Course Financial Analysis
Date: February 17, 2005
Type of Item: Informational

Summary Recommendation:
Discuss the following and provide policy direction:

- Extension of the resident rate of $33 to the Snyderville Basin;
- Marketing the course to small groups and lodging;
- Reduction of expenditures, focusing on the personnel line items of the golf Pro Shop.
- Implementation of a contingency plan if revenues are not meeting expenditures
- Conversion of the Golf Course's Season Pass program into a lottery
- Reduction of the resident rate

Topic:
Golf Course analysis for the 2005 golf season.

Background

In April 2004, Staff presented City Council with an overview of the City Golf Fund. The analysis indicated that revenues were not sufficient to finance capital replacement. The Golf Fund has experienced a net loss each year with the exception of FY 2001 (see Figure 1 and Attachment A).

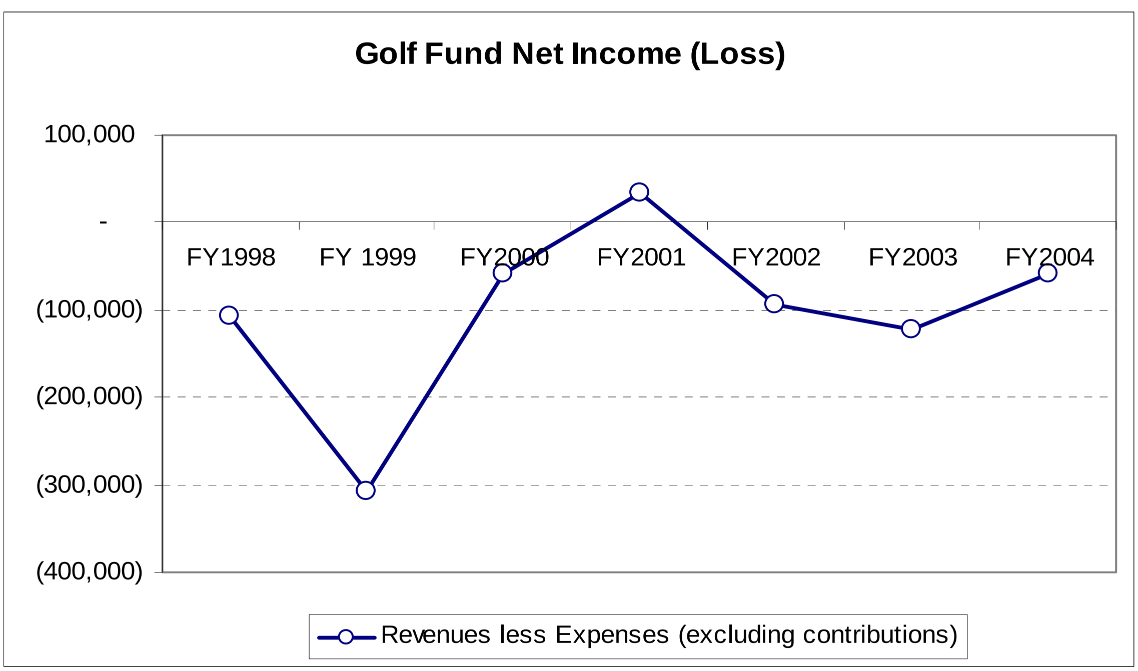


Figure 1 – Golf Fund Net Income (excluding contributions)

While operating revenues have usually been sufficient to cover operating expenditures, non-operating expenses, namely depreciation, have consistently outweighed the excess operating revenues. This has sparked concern over the issue of capital replacement and whether enough money is being generated from operations to replace existing capital as needed and fund future capital improvement/investment.

At the April 29th 2004 City Council meeting, Council authorized staff to increase fees across the board by $2.00 per 18 holes, and requested that staff return after the season with an update to the analysis. Over the past several months, a staff team including the Golf Course Manager, Golf and Parks (Maintenance) Manager, and the Budget Department have reviewed the impact of the $2.00 increase and performed a comprehensive study of the Golf Fund.

The $2.00 increase authorized by Council in April was expected to generate an 8% increase in revenues and help fund capital improvements. Currently, revenues compared to this point last fiscal year are down about 10.5%. Expenditure reductions ($105,000) were also made in the operating budget for FY05. Expenses are currently down about 2% compared to last season.

Attachment B shows current and projected capital needs. When compared to operating revenues (see Attachment C), it is apparent that the Golf Fund will not be able to fund future capital needs at the current revenue and expenditure levels.

Analysis
The primary issues for this analysis include:

1. Fee Structure and Revenues
2. Expenditure Reductions
3. Policy Changes
4. Contingency Measures

Fee Structure and Revenues
Figure 2 illustrates that resident play (defined as individuals living within Park City limits) has increased steadily since the 1998 season. Season pass and lodging play have remained flat during this time. Non-resident play has seen a steady decrease over the past 4 seasons. The reasons behind this decrease are significant, and form the basis of the rest of the analysis.

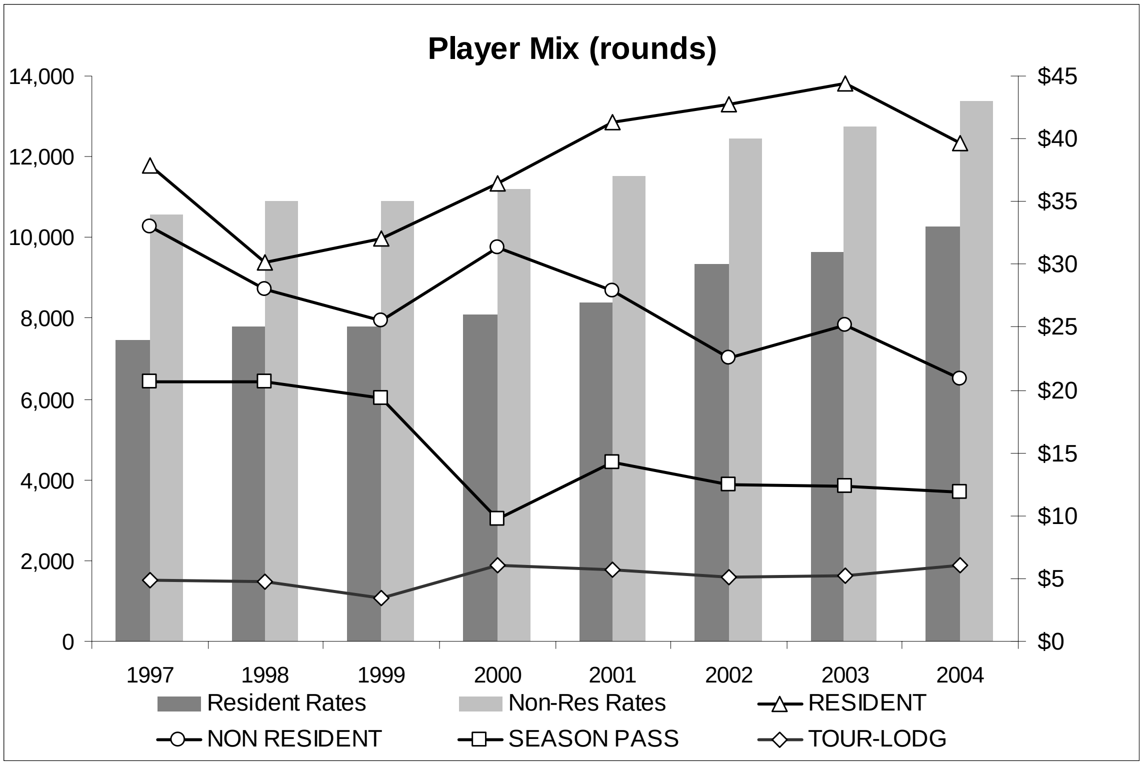


Figure 2 – Player Mix

In 1999 the City made the conscious decision to cater to locals and resort visitors. That decision led us to compare ourselves with other resort community golf courses, such as in 2000, when the City worked with Wikstrom Economic & Planning Consultants to provide a business plan for the Golf Course. Page five of the Wikstrom Report states,

> "Nonresident fees… appear to be low. These fees should be increased to reflect other resorts' rates. An increase of $5 to $10 may not result in noticeable reduction in play, but would have a significant impact on total revenues."

The City had assumed that its competition is with other resort courses, and used this comparison as a basis for its rate structure. It appears that this comparison was done without actually determining who is playing the Park City course.

In addition, this statement does not make any allowance for elasticity of demand: the idea that higher prices might drive golfers elsewhere. Besides increasing rates, several new private and public golf courses (most of which are less expensive) have opened and provided incentive for golfers to play elsewhere. Non-residents simply have more options than they did 5-10 years ago.

In the course of this year's analysis, staff has determined that the overwhelming majority of rounds played on our course (91%) are played by residents of Utah. (Figure 3 below).

Out of State vs. In State (% of Total Play)

Year	Out of State	In State
2002	8.69%	91.31%
2003	8.73%	91.27%
2004	9.77%	90.23%
Avg	**9.06%**	**90.94%**

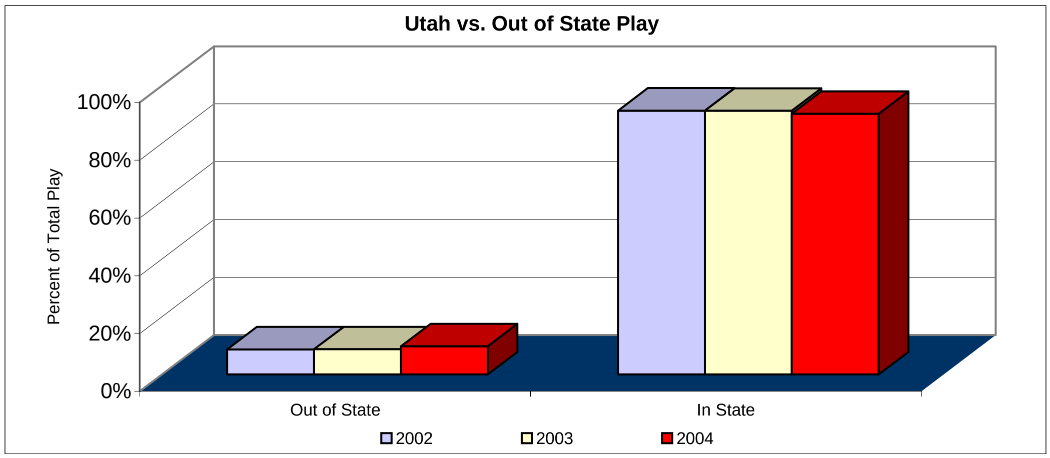


Figure 3 – In State vs. Out of State Play

Of the percentage of In-State players, approximately 70% are residents (defined as living within the City limits), and 30% are non-residents (Figure 4).

In State Play (based on sampling)

Year	Resident	Non-Resident
2002	71.35%	28.65%
2003	70.77%	29.23%
2004	67.36%	32.64%
Avg	**69.83%**	**30.17%**

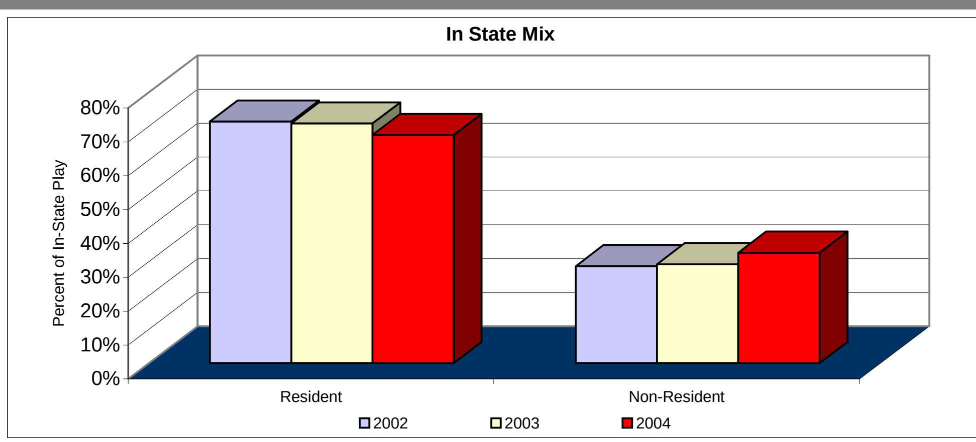


Figure 4 – Resident vs. Nonresident Play

Of the non-resident rounds played, 50% are played by Snyderville Basin residents (Figure 5).

Non-Resident Demographics Analysis

Year	Basin	Summit Co	Wasatch County	Utah County	SL County	Other
2002	74.13%	2.20%	2.60%	2.15%	16.99%	1.94%
2003	69.81%	1.40%	2.78%	1.56%	20.41%	4.04%
2004	51.64%	1.09%	2.33%	3.30%	32.34%	9.30%
Avg	**65.19%**	**1.56%**	**2.57%**	**2.34%**	**23.25%**	**5.09%**

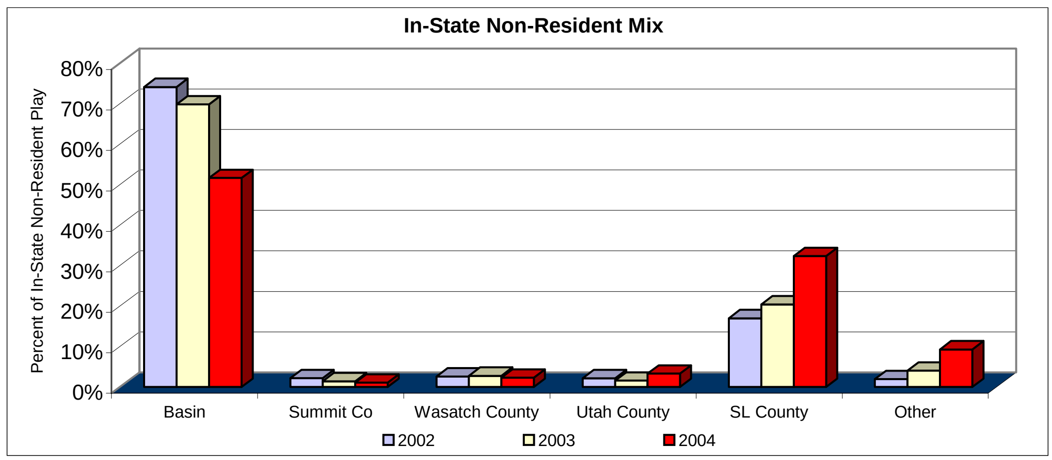


Figure 5 – In State, Non-Resident Player Mix

The course has been operated as a Resort/Locals course. The data, however, would suggest that Park City's golf course is actually a regional golf course and a resort amenity, not a resort destination. Staffing and expenditure levels were to some degree budgeted to provide a resort level of service.

It was also assumed that we are catering specifically to price-inelastic patrons. This analysis seems to refute that and shed some light on why rising green fees and the addition of low-priced competition in the area caused a sharp decrease in non-resident play.

Tourism and tourist dollars subsidize a large portion of local programs and services. Park City residents benefit from sales tax generated by visitors, and enjoy a high level of service in many areas, including parks, public safety, and transportation to name just a few. As can be seen from Figures 3 and 4, however, tourists are not subsidizing the golf course. Is it reasonable, therefore, to maintain a resort level of service? It is staff's opinion that the rate structure and expenditures should be adjusted to reflect the regional nature of the golf course.

Basin Play Analysis

Figure 6 specifically illustrates the decrease in the percentage of rounds played by Basin residents. This brings up the question, “What if Basin players were offered the resident rate?” The following analysis seeks to address this question.

It’s estimated that Basin players represented roughly $114,000 worth of green fee revenues in FY 1997. By FY 2002, this number had declined to an estimated $53,000 in FY 2004 (see Table 1). It is projected, given recent trends, that extending the City resident rate to Basin residents would result in increased Basin play. The question is: “How much would play increase, and would it be enough to exceed forgone revenues from the price cut?”

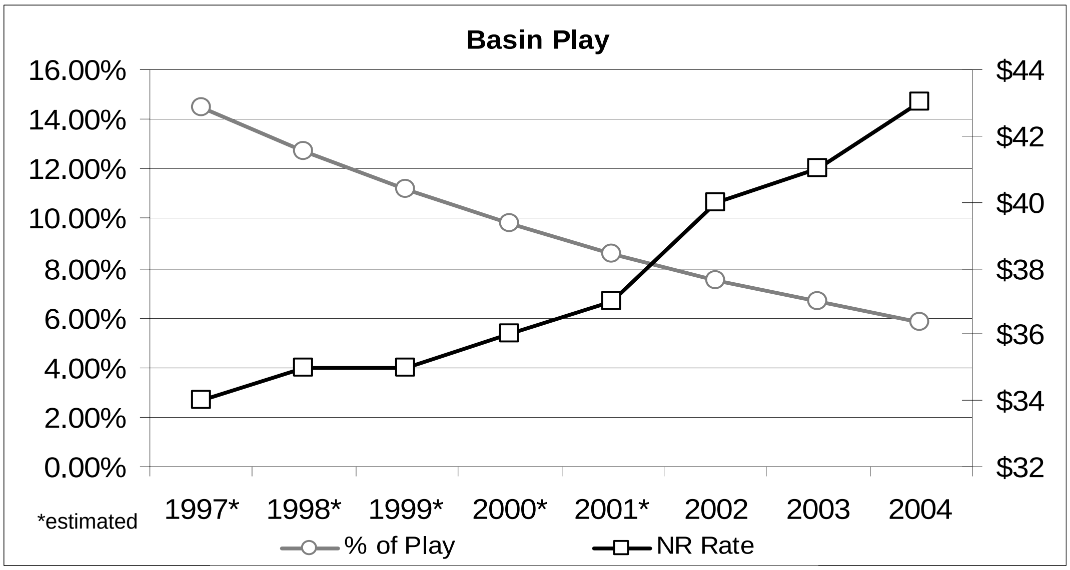


Figure 6 – Percent of Basin Rounds and Non-Resident Rates Over Time

To answer this question, staff looked at the past behavior of this player group. In 1997, at a price of $34 dollars per round, it’s estimated that 4,400 rounds were played by Basin golfers (Table 1). In 2004, there were only 1,458 rounds (a decrease of 2,940). The resident price in FY 2005 will be $33, comparable to the 1997 non-resident green fee of $34. Therefore, we can anticipate that, at a similar price, Basin play in FY 2005 would approach that of 1997.

Basin Play Analysis

	1997*	1998*	1999*	2000*	2001*	2002	2003	2004
NR Rate	$34	$35	$35	$36	$37	$40	$41	$43
Res Rate	$24	$25	$25	$26	$27	$30	$31	$33
Actual Rate (NR)	$26.02	$25.97	$31.93	$30.93	$34.49	$36.18	$35.31	$36.34
Actual Rate (Res)	$15.29	$15.97	$18.69	$21.49	$22.37	$24.34	$23.92	$24.62
Rounds	4402	3343	2857	2637	2452	1997	1855	1458
% of Play	14.47%	12.71%	11.16%	9.80%	8.60%	7.54%	6.66%	5.81%
Green Fees	$114,563	$86,826	$91,238	$81,555	$84,569	$72,238	$65,501	$52,972

* % of play for year based on estimate

Table 1 – Snyderville Basin Play since 1997

For the purposes of this analysis, we must assume that not all of the lost players will return. For that reason, staff has used a conservative range and projects that 30%-70% of the players will return. This estimate also takes into account possible errors due to population shifts in the Basin, acquired loyalty to other courses, and changes in price elasticity. The actual average rate expected to be collected per resident-class player in 2005 is $25 (less than the $33 green fee due to off-season rounds, discount rounds, etc.). So we would expect Basin play to bring in $58,700 to $88,300 during FY 05 if resident rates are extended. That is approximately $5,730 to $35,330 more than Basin play netted in FY 04 (or 11%-67% increase).

% of Return Play	Green Fee Revenue Increase
70%	$35,330
60%	$27,930
50%	$20,530
40%	$13,130
30%	$5,730
22%	$0

Table 2 – Breakeven range

At the very least, a change to resident rates for Basin golfers would have to net only 660 more rounds than in 2004 in order to break even. This equates to less than one foursome a day for the six months the course is open. Given that Basin play was estimated to be above that breakeven level of play in 2001 at a green fee of $37, 660 extra rounds is a feasible number.

*Please note that the breakeven analysis does not include cart fees or Pro Shop revenues. The breakeven rounds would be even lower if these revenues are considered.

Staff therefore recommends that the local rate of $33 be extended to Basin residents. This is consistent with the philosophy currently practiced by the City with regards to Basin Recreation and the Racquet Club, and is supported by staff's analysis that Park City's course is a regional amenity.

The concept of extending the local rate to residents of the Basin was discussed with the Friends of Golf. This group consists of Park City residents, Snyderville Basin residents, players from the Salt Lake valley, and a second-home owner. There was general consensus from the Friends of Golf group that Park City residents and Basin residents should pay the same rate.

<u>Resident Rate</u>

Upon completion of the Basin analysis, staff was asked to consider the outcome of a reduction in the resident rate. Staff will bring a dynamic model to Council meeting that will enable staff and council to consider how much revenue would be generated at a given number of rounds and price. In addition to potential revenue impact, issues to be considered could include:

- The feasibility of achieving an increase in rounds sufficient to break even;
- Whether or not a reduction should be offered this season;
- The relative financial risk/benefit of a reduction done at the same time as a concurrent inclusion of Basin residents in the local rate.

Additional Revenue-Generating Measures

In addition to rate reduction, staff considered several other areas to increase revenues. Tournament/Lodging provides a high revenue per round ratio ($41.00/round compared to $25/round from residents on average after discounts). Staff proposes the following measures:

- Increasing marketing efforts to generate additional play in the lodging program.
- Attract small tournaments. In the past, the City hosted several large tournaments each year. This practice was discontinued as it impacted staffing costs and was a disincentive for other players trying to book a time on the course. Staff recommends allowing small company tournaments to book the course at the premium rate. Small tournaments do not require the same level of staffing as large tournaments, and should not adversely impact the average player.

More information on Golf Fund revenues can be found in Attachment A.

Expenditure Reductions

The revenue analysis highlights an additional issue: it appears that players have reached a price sensitivity threshold. Even if extending the local rate to the Basin is very successful, staff anticipates it will only generate an additional $35,000 (see Table 2). As it appears that additional rate increases are not feasible, expenditure reductions are necessary.

Personnel

The 2000 Wikstrom analysis reported: "The biggest issue related to operations is the tremendous increase in expenses that has occurred since 1996. A primary cause has been the substantial increase in personnel and supplies costs." Table 3 illustrates personnel costs as a percent of revenue since 2001 as compared to Wikstrom's recommended ratio.

	2001	2002	2003	2004
Actual	41%	49%	38%	45%
Recommended	44%	38%	35%	35%

Table 3 – Personnel costs as a percent of revenues

Staff's analysis indicates that the largest increases in personnel have been in the Golf Pro Shop budget. Since 1999, the Personnel line item in the Pro Shop has increased 61% ($142,000). This is compared to a 10% *decrease* in Golf Maintenance personnel during that same time period. Some measures have already been taken to bring personnel costs in line with professional recommendations. The golf club initiated a volunteer program for the 2004 season. Roughly 30% of outside services staff were volunteers. Although it is early in the program, it looks as though savings will be seen in the personnel line item.

Management has also eliminated the contract for the Head Professional. The Park City Golf Club has, for some years now, operated with a professional manager model. The manager performs the majority of the tasks that many courses assign to a head pro: oversight of customer satisfaction and the Pro Shop, hiring and managing staff, setting fees, determining the mix of tournament and rounds play, and reporting to the City Manager and City Council. The current staff includes several PGA professionals and an LPGA professional who advise the manager on operations, programs, tournaments, and merchandising. Many private courses have found that the professional manager model is an effective one. This Head Professional position will not be refilled, and Staff recommends removing it from the budget at a cost savings of $70,000.

Staff also recommends eliminating an additional $22,000 in the temporary personnel budget line of the Pro Shop. The golf club is committed to running a lean Pro Shop staff during the low season and maintaining expenditures within budgeted levels. It is estimated that between the volunteer program and existing resources, this reduction will not significantly change the level of service.

The decision to remove the Head Pro has caused some public relations issues, primarily with the Park City Women's Golf Association 18 hole group. Staff received e-mails and phone calls from several individuals concerned about this personnel decision. Staff met with these individuals to address their concerns, primarily by helping them understand the professional manager role. Currently, several individuals from the Park City Women's Golf Association 18 hole group have decided to hold their annual Invitational Tournament at another golf course. It is anticipated that the revenue from the tournament will be largely recovered from having regular play on those days. In addition, another group within the Park City Women's Golf Association would like to continue to hold a tournament at the golf course.

<u>Retail Sales Inventory Budget</u>

A closer look was taken at Pro Shop retail sales to examine profitability and inventory management. Attachment D shows the details, and the conclusion was drawn that while the Pro Shop is profitable, the "Goods for Resale" expenditure item is consistently overspent, resulting in a high dollar level of inventory on hand. By spending down the inventory "carry forward", inventory costs can be reduced for next fiscal year.

Finally, staff recommends funding one half of the Golf and Parks Manager's salary from the General Fund to reflect the amount of time that position actually spends on maintaining General Fund-related infrastructure. This recommended change would take place in FY 2006 and would save the Golf Fund roughly $26,000/year.

All of these expenditure reductions are geared at maintaining the same level of service in the Golf Maintenance Department. Staff feels that reductions to the Golf Maintenance Department in the past have affected the quality of the course. It is staff's intent to not adversely affect how the course appears or plays.

More information on Golf Fund expenditures can be found in Attachment A.

Policy Changes

Management would like Council to consider policies that, although perhaps not directly tied to predictable revenue increases or expenditure reductions, will benefit the golf course as play increases.

Season Pass Policy

Regardless of how the recommended rate and expenditure changes affect the Golf Fund, the current season pass policy should be examined. The City decided to freeze the number of season passes in 2000 in an effort to generate more rounds by higher paying customers. The senior season pass was discontinued in favor of a punch pass, and the remaining season passes were limited to individuals who had purchased one the previous year. If such an individual decided not to purchase a season pass at the beginning of the season, it was not made available for anyone else to purchase. It was determined that this would slowly reduce the number of season passes over time without alienating a devoted core group of golfers.

In addition to the regular season pass, the City offers Youth Season Passes and Corporate Season Passes. The City does not limit the number of either of these passes. There are currently 13 Youth Pass holders (at a cost of $424) and 4 corporate pass holders ($2850).

There are benefits to a season pass system. The passes provide a significant amount of revenue to the Golf Course early in the season. In addition, approximately 60% of the rounds played by season pass holders are on weekdays (Monday-Thursday) when competition with lower paying customers is minimal (Table 3).

	Resident	Non Res	Season Pass	Punch Pass	Lodging	Comp	% of Week
Mon	13.22%	12.26%	12.64%	11.05%	0.00%	12.98%	12.32%
Tue	15.94%	9.36%	12.78%	17.48%	29.99%	7.90%	14.16%
Wed	12.76%	13.39%	19.84%	22.88%	8.75%	14.56%	13.97%
Thu	10.90%	14.75%	10.92%	9.77%	15.49%	10.90%	11.90%
Fri	16.63%	14.96%	14.45%	12.85%	24.96%	16.64%	16.25%
Sat	14.56%	21.81%	16.26%	13.11%	13.49%	19.63%	16.64%
Sun	15.99%	13.47%	13.11%	12.85%	7.32%	17.39%	14.75%
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Table 3 – Rounds by Day and Player Group

The obvious downside to such a system is that only current pass holders may obtain one. This raises questions of inequity. Maintaining a system that benefits a small group to the possible exclusion of others would be inconsistent with a decision to move away from a local/resort course and toward becoming a regional golf course.

A possible solution to this process would be a lottery system where any prospective player could obtain a season pass if chosen through a random selection process.

At present, there are 48 season pass holders. This includes, 48 Adult Season Passes ($990), and The average pass holder plays 57 rounds per year, which equates to approx. $16.50 per round. Staff would like council to provide policy direction on the following questions:

- Should the City consider a lottery for the existing number of passes?
- Should the lottery begin this season?
- Should the City consider another course of action such as placing a premium on weekend play or discontinuing the season pass altogether?

In discussing these questions, Council should consider the following issues:

- What impact will this have on current pass holders who do not receive a new one? How will this affect revenues?
- How will this be perceived by locals in general? Is this too much change too soon?
- Could the impacts of such a change be mitigated by postponing the lottery until after this season?

Reservation Policy

The current policy on tee time cancellations requires that all cancellations be made at least 24 hours in advance. In the past few years, there have been a high number of no-shows which may have resulted in forgone revenues. It is common practice for golf courses in other states to charge a portion of green fees for those who don’t comply with the cancellation policy. The City already requires a credit card number for online reservations. This policy would be extended to all reservations. Staff is proposing that 50% of the fee would be retained upon cancellations in violation of the existing 24 hour policy. It is management’s opinion that a “no-show” fee would recover some lost revenue without damaging image or customer relations to any substantial degree.

Comp Round Policy

The golf course offers complementary rounds (comp rounds) to golf course employees, volunteers, and special guests (including PGA professionals). There are many advantages to this, including compensation for temporary employees who do not receive other benefits, and the benefit of having a golf staff that is very familiar with the course. Currently only 15% of the days each season are played at capacity. As we anticipate increased levels of play, staff is introducing a proactive administrative policy to limit competition with paying customers at peak times.

Contingency Measures

As previously stated, staff’s estimate of the probable increase in revenue is conservative. Attachment E shows that revenues after capital expenditures in future years could range from a profit of $64,000 to a loss of $46,000. In the event that revenues or expenditure reductions are not sufficient, staff intends to pursue the following measures:

Pro Shop Budget

Under the recommendations listed above, the Golf Fund is reducing its budget by approximately $115,500. It is anticipated that this reduction will not reduce the current level of service at the Pro Shop or in Grounds Maintenance. However, if revenues still do not meet expenditures, staff proposes making monthly adjustments to the Pro Shop Personnel line. Such a reduction could, however, impact the level of service and move it from a resort course level to a resident course level.

Sponsors and Advertising

Staff will consider obtaining sponsors who would pay to advertise on carts and/or around tee boxes. This would be considered after the end of the golf season and implemented prior to the following spring.

Vouchers for Lodging

Staff could also look into the possibly increasing lodging play through the use of vouchers. This, too, would need to be considered prior to the beginning of a golf season in order to allow sufficient time for promotion and amendments to the City’s fee resolution.

Additional Impacts

Hotel Park City will be constructing phase two of their project this season. This phase of the project consists of the building of ten cottage units adjacent to holes 12, 13, 14, and behind 18 green. This construction will require building of a new tee box on number 14. Although there will be limited impacts to the playability of the holes the construction activity could cause impacts to player numbers. The golf course is also currently in negotiations to purchase the golf shop. Funding for the purchase of the Pro Shop is already earmarked from the 1998 Lower Park Avenue RDA Bond Issuance.

Summary

These recommendations are intended as an incremental approach to solving the issues of not funding capital replacement at the golf course. Rather than making wholesale changes to the rate structure, staff proposes making the previously mentioned changes while studying the following:

- The effect of last year's rate increase on locals and non-Basin players. It appears that there were fewer local players than the prior year, but how much of this is attributable to the rate increase is unknown. If past trends remain true, last year's numbers reflect an initial "shock" of the price change, and the rounds will increase again.
- The effect of the volunteer program instituted last year. It is hoped that this program will further reduce personnel costs. The program is too new to yet determine if it is successful.
- The effect of the extension of the local rate to Basin residents. Staff has made some very conservative estimates, and is reasonably confident that the course will at least break even, in regards to Basin play. The actual effects will be analyzed after one year. As previously mentioned, the numbers presented only include revenue from green fees. It is hoped that the course will see additional revenues from cart rentals, merchandise, food and beverage, and the driving range.

C. Department Review:

The City Mangers Office, the Budget, Debt, and Grants Department, Public Works Department, and the Recreation – Library Department have reviewed this report.

Alternatives:

A. Council should consider the following issues and provide policy direction on:

- Extension of the resident rate of $33 to the Snyderville Basin;
- Marketing the course to small groups and lodging;
- Reduction of expenditures, focusing on the personnel line item of the golf Pro Shop.
- Conversion of the Golf Course's Season Pass program into a lottery
- Reduction of the resident rate
- Implementation of a contingency plan if revenues are not meeting expenditures

If Council chooses to direct staff regarding the rate structure, no-show fee, or season pass policy, staff would return to Council with amendments to the City Fee Resolution in a few weeks. Direction regarding reductions to the budget would come back for Council consideration during the budget process in May.

Significant impacts:
If changes are not made to current revenue and or expenditure levels, the golf operation will not be able to fund capital replacement at a level necessary to maintain an acceptable level of play.

Recommendation:
Consider the discussion items detailed above and provide policy direction.

Attachments

Attachment A: Actual and Projected Golf Fund Revenues and Expenditures FY1998-2005

Operating Revenues	FY1998	FY 1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005 Budget	FY2005 YTD
Golf Fees	491,453	457,577	530,688	623,393	652,776	673,540	665,943	760,000	439,615
Pass Fees	57,146	66,662	58,517	74,324	76,179	72,063	77,246	75,000	3,380
Subtotal Operating Revenues	548,599	524,239	589,205	697,717	728,955	745,603	743,189	835,000	442,995
Other Revenues									
Cart Fees	165,707	168,659	177,359	199,645	196,666	184,949	184,456	200,000	121,653
Driving Range Fees	32,515	42,929	21,212	1,022	40,551	39,959	30,651	35,000	20,600
Pro-Shop Retail Sales	157,474	186,579	169,297	183,381	180,649	184,379	230,650	220,000	146,788
Golf Lessons	52,209	43,632	51,178	55,058	43,578	46,266	45,166	50,000	22,600
Tournament Admin.	1,971	2,500	1,273	3,360	3,756	4,080	2,054	2,132	2,964
Tournament Refresh	1,427		75	-	-	-	-	1,543	-
Rental Income	9,178	10,896	4,448	5,115	3,700	12,409	17,910	15,000	135
Other Miscellaneous	106,839	1,732	131,303	25,802	42,599	39,703	33,710	15,000	(1,562)
Subtotal Other Revenues	329,097	245,339	357,573	272,715	274,282	286,837	329,490	303,675	170,925
Revenues	1,075,918	981,166	1,145,349	1,171,099	1,240,454	1,257,349	1,287,785	1,373,675	756,173
Non-Operating Revenues									
Interest Earnings (Investment Income)	34,750	9,490	(839)	23,198	10,682	8,644	4,516	10,408	-
Transfer from General Fund			25,000	25,000	25,000	25,000	25,000	25,000	12,498
Contributions					1,130,951	150,000			
Total Revenues	1,110,668	990,656	1,169,510	1,219,297	2,407,087	1,440,993	1,317,301	1,409,083	768,671
% increase (decrease) from prior year (adjusted for one time donations)		-11%	18%	4%	5%	1%	-9%	7%	-45%

Expenses	FY1998	FY 1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005 Budget	FY2005 YTD
Personnel	492,987	545,241	564,012	498,427	556,289	551,725	596,296	501,776	323,955
Materials, Supplies and Services	409,959	423,437	322,997	313,150	328,584	379,759	359,890	447,725	250,737
Energy and Utilities	32,828	26,017	20,919	36,244	40,012	40,136	40,733	52,887	9,548
Depreciation	116,169	136,972	152,309	156,105	196,599	215,990	153,937		
Capital Outlay								344,795	
IFT Debt Service/Rental Expense	115,762	115,762	115,762	115,762	115,762	115,762	115,762	50,580	
Subtotal Expenses	1,167,705	1,247,429	1,175,999	1,119,688	1,237,246	1,303,372	1,266,618	1,397,763	584,239
Operating Transfers Out**	50,000	50,000	51,400	51,400	50,000	101,085	101,085	101,085	75,834
Interest Expense				15,180	8,186	9,936	8,393	7,000	(1,130)
Loss on fixed asset disposal					73,576				
Total Expenditures	1,217,705	1,297,429	1,227,399	1,186,268	1,369,008	1,414,393	1,376,096	1,505,848	658,943
% increase (decrease) from prior year		7%	-5%	-3%	15%	3%	-3%	9%	-56%
Revenues less Expenses (Agreed to CAFR)	(107,037)	(306,773)	(57,889)	33,029	1,038,079	26,600	(58,795)	(96,765)	109,728
Revenues less Expenses (excluding contributions)	(107,037)	(306,773)	(57,889)	33,029	(92,872)	(123,400)	(58,795)	(96,765)	109,728

Attachment B: GOLF COURSE CAPITAL IMPROVEMENT PLAN

PROJECT	CIP fund	2005	2006	2007	2008	2009	2010	6 - YEAR TOTAL	TOTAL PROJECT COST
CART PATHS	55-47208				50,000		50,000	100,000	300,000
*DREDGE 18 LAKE	55-47208	*100,000						100,000	300,000
EQUIPMENT REPLACE	**55-44039**	75,000	75,000	75,000	75,000	75,000	75,000	450,000	450,000 / ONGOING
*IRRIGATION IMPROVMENT	55-47208				75,000	125,000	100,000	300,000	300,000
1 TEE LANDSCAPE IMPROVEMENTS	55-47208	20,000						20,000	20,000
PROPERTY PURCHASE 6 TEE	55-47208			50,000				50,000	50,000
PUMP STATIONS	55-47208		*100,000	70,000				170,000	170,000
REBUILD 14 GREEN	55-47208							Unscheduled	60,000
RESTROOMS IMPROVEMENTS	55-47208			10,000				10,000	50,000
*SNOW CAT	**55-47209**	15,000	15,000	15,000	15,000	15,000	15,000	90,000	90,000 / ONGOING
STREAM&DRAINAGE &SILT CONTROL	55-47208			10,000	10,000	10,000		30,000	100,000
TEE CONSTRUCTION	55-47208	25,000	25,000					50,000	200,000
TEE SIGNS / BENCHES	55-47208		25,000					25,000	25,000
TOTAL		235,000	240,000	230,000	225,000	225,000	240,000	1,396,000	2,115,000

* Note

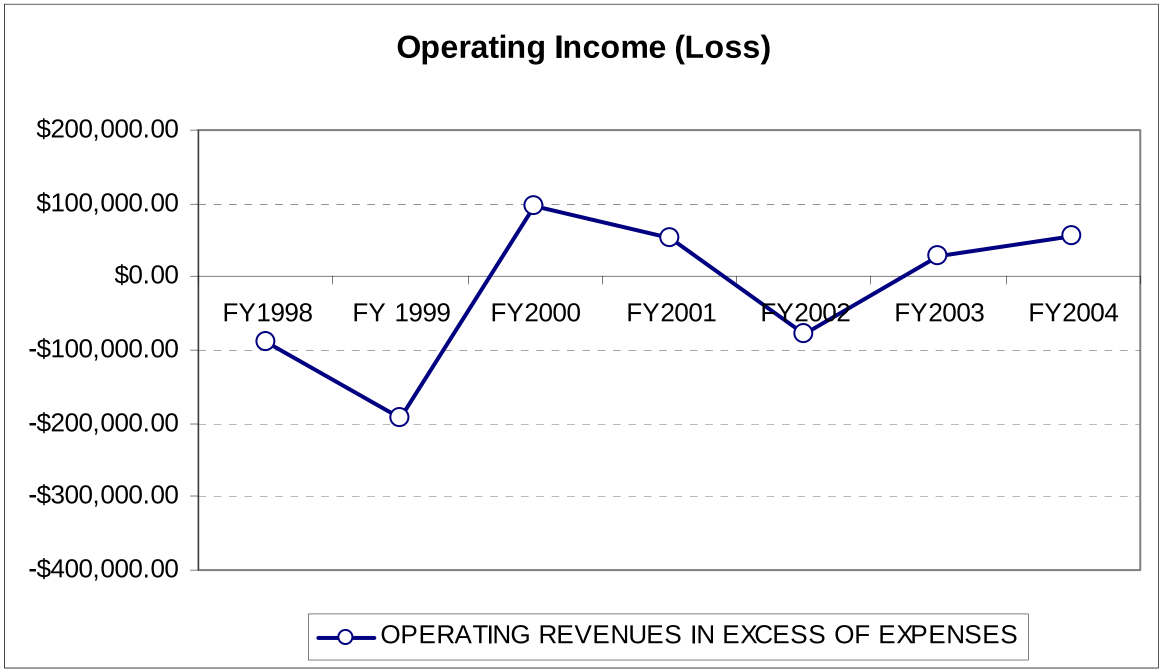
- 2005 - Dredging 18 lake assumes financial assistance from Park City Mountain Resort. If PCMR can not contribute, or the cottages are built on the golf course, this project will be postponed. In its place the pump station will be replaced scheduled 2006.
- Irrigation improvements include future upgrades to controllers, new main line and sprinkler heads.
- Snow cat replacement is funded through the cross country concessionaire.

Attachment C

Operating Revenues And Expenditures

	1998 Actual	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Actual	2004 Actual
CHARGES FOR SERVICES							
34661 0000 000 000 GOLF FEES	-$491,452.57	-$457,576.83	-$530,687.94	-$623,392.65	-$652,775.80	-$673,540.29	-$665,942.93
34662 0000 000 000 CART FEES	-$165,707.27	-$168,659.01	-$177,358.77	-$199,645.25	-$196,666.41	-$184,949.22	-$184,455.55
34663 0000 000 000 PASS FEES	-$57,145.97	-$66,662.41	-$58,517.42	-$74,324.49	-$76,179.15	-$72,063.06	-$77,245.65
34664 0000 000 000 DRIVING RANGE FEES	-$32,514.69	-$42,928.67	-$21,212.27	-$1,021.53	-$40,550.86	-$39,959.36	-$30,651.45
34665 0000 000 000 PRO-SHOP RETAIL SA	-$157,473.83	-$185,768.60	-$169,296.83	-$183,380.90	-$180,648.97	-$184,378.91	-$230,650.12
34666 0000 000 000 GOLF LESSONS	-$52,209.10	-$43,632.34	-$51,177.68	-$55,057.50	-$43,578.00	-$46,265.54	-$45,165.50
34668 0000 000 000 TOURNAMENT ADMIN.	-$1,970.50	-$2,500.00	-$1,513.50	-$3,359.50	-$3,756.00	-$4,080.00	-$2,054.00
34669 0000 000 000 TOURNAMENT REFRESH	-$1,426.85	$0.00	-$75.00	$0.00	$0.00	$0.00	$0.00
34670 0000 000 000 TOURNAMENT WINNING	$0.00	$0.00	$241.00	$0.00	$0.00	$0.00	$0.00
TOTAL CHARGES FOR SERVICES	**$959,900.78**	**$967,727.86**	**$1,009,598.41**	**$1,140,181.82**	**$1,194,155.19**	**$1,205,236.38**	**$1,236,165.20**
MISCELLANEOUS REVENUES							
36210 0000 000 000 RENTAL INCOME	-$9,177.77	-$10,896.35	-$4,447.90	-$5,114.93	-$3,700.00	-$12,408.80	-$17,910.03
36911 0000 000 000 OTHER MISCELLANEOU	-$106,942.33	-$1,537.56	-$129,636.84	-$26,044.24	-$42,909.73	-$39,549.46	-$32,857.23
36921 0000 000 000 CASH OVER/SHORT	$102.65	-$193.87	-$1,665.99	$241.59	$310.77	-$154.47	-$852.70
38211 0000 000 000 TRANS FR GENERAL F	$0.00	$0.00	-$25,000.00	-$25,000.00	-$25,000.00	-$25,000.00	-$25,000.00
39110 0000 000 000 DONATIONS	$0.00	$0.00	$0.00	$0.00	$0.00	-$150,000.00	$0.00
TOTAL MISCELLANEOUS REVENUES	**$116,017.45**	**$12,627.78**	**$160,750.73**	**$55,917.58**	**$71,298.96**	**$227,112.73**	**$76,619.96**
TOTAL OPERATING REVENUES	**$1,075,918.23**	**$980,355.64**	**$1,170,349.14**	**$1,196,099.40**	**$1,265,454.15**	**$1,432,349.11**	**$1,312,785.16**
	1998 Actual	**1999 Actual**	**2000 Actual**	**2001 Actual**	**2002 Actual**	**2003 Actual**	**2004 Actual**
40561 LS - GOLF PROSHOP (40571 LS after 2003)							
TOTAL PERSONNEL SERVICES	$268,963.18	$308,765.00	$319,426.91	$301,313.04	$330,490.35	$330,123.75	$376,400.41
TOTAL MATERIAL/SUPPLIES/SERVICES	$17,719.29	$19,830.72	$8,814.25	$10,395.60	$10,910.85	$11,977.13	$13,191.43
TOTAL UTILITIES	$15,996.80	$17,986.77	$12,930.67	$14,056.94	$14,277.37	$10,170.38	$14,268.60
TOTAL CONTR. SVCS./CONSULTING/SW LIC	$4,479.26	$4,286.43	$6,356.50	$4,885.96	$1,918.55	$4,781.98	$4,784.01
TOTAL PARTS/MAINTENANCE SUPPLIES	$118,001.53	$154,888.91	$127,537.13	$134,971.13	$142,321.81	$148,672.91	$134,862.37
TOTAL CAPITAL OUTLAY	$85,405.31	$21,429.76	$5,271.57	$101,161.93	$216,213.46	$181,091.03	$2,543.07
TOTAL INTERFUND TRANSFER	$25,000.00	$25,000.00	$26,400.00	$26,400.00	$25,000.00	$50,543.00	$50,543.00
TOTAL DEBT SERVICE	$0.00	$0.00	$0.00	$0.00	$8,186.26	$9,935.79	$8,392.63
TOTAL SP SERV CONTRACT/MISC. CHARGES	$0.00	$0.00	$0.00	$0.00	$0.00	$23,765.50	$22,653.45
TOTAL LS - GOLF PRO-SHOP	**$535,565.37**	**$552,187.59**	**$506,737.03**	**$608,364.50**	**$749,318.65**	**$771,061.47**	**$627,638.97**
40562 LS - GOLF MAINT (40564 PW after 2003)							
TOTAL PERSONNEL SERVICES	$224,023.60	$236,475.65	$244,585.49	$197,114.51	$225,798.05	$221,600.80	$219,895.79
TOTAL MATERIAL/SUPPLIES/SERVICES	$72,456.65	$76,167.33	$58,384.91	$54,807.96	$66,394.78	$50,259.85	$52,564.06
TOTAL UTILITIES	$10,330.95	$970.79	$928.87	$14,503.00	$14,734.22	$23,205.27	$19,704.49
TOTAL CONTR. SVCS./CONSULTING/SW LIC	$42,790.14	$35,782.54	$18,910.77	$37,860.18	$33,333.87	$23,625.19	$27,868.21
TOTAL PARTS/MAINTENANCE SUPPLIES	$59,860.52	$68,543.90	$49,076.70	$47,445.94	$52,698.79	$60,439.79	$59,898.15
TOTAL CAPITAL OUTLAY	$47,573.98	$27,724.00	$20,009.00	$14,293.00	$28,194.00	$64,455.29	$57,978.89
TOTAL INTERFUND TRANSFER	$172,868.00	$174,677.00	$174,677.00	$169,130.00	$172,562.00	$189,064.00	$192,064.00
TOTAL LS/PW - GOLF MAINT	**$629,903.84**	**$620,341.21**	**$566,572.74**	**$535,154.59**	**$593,715.71**	**$632,650.19**	**$629,973.59**
TOTAL OPERATING EXPENDITURES	**$1,165,469.21**	**$1,172,528.80**	**$1,073,309.77**	**$1,143,519.09**	**$1,343,034.36**	**$1,403,711.66**	**$1,257,612.56**
OPERATING REVENUES IN EXCESS OF EXPENSES	**-$89,550.98**	**-$192,173.16**	**$97,039.37**	**$52,580.31**	**-$77,580.21**	**$28,637.45**	**$55,172.60**

Atttachment C (Cont.)



Attachment D - Pro Shop Net Proceeds and Inventory Balance (by Calendar Year)

Year	Beginning Balance +	Purchases -	COGS =	Ending Balance	Gross Retail Sales -	COGS -	Staffing Cost =	Net Proceeds	Profit Margin
2004	$34,244	$149,506	$147,565	$36,185	$208,406	$147,565	$41,993	**$18,848**	12.77%
2003	$37,854	$146,082	$149,692	$34,244	$228,223	$149,692	$40,733	**$37,798**	25.25%
2002	$30,153	$132,061	$124,360	$37,854	$179,123	$124,360	$39,511	**$15,252**	12.26%
2001	$27,804	$136,976	$134,627	$30,153	$180,969	$134,627	$38,326	**$8,016**	5.95%
2000	$19,893	$130,467	$122,556	$27,804	$176,584	$122,556	$37,176	**$16,852**	13.75%
1999	$33,172	$131,340	$144,619	$19,893	$178,263	$144,619	$36,061	**-$2,417**	-1.67%
1998	$10,394	$121,306	$98,528	$33,172	$176,901	$98,528	$34,979	**$43,394**	44.04%

Attachment E - Golf Fund Projections

	FY2004 Total	FY 2005 Budget	FY2004 YTD	FY 2005 YTD	YTD Difference	FY2005 Optimistic Estimate	FY2005 Conservative Estimate	*Future Years Optimistic Estimate	Future Years Conservative Estimate
Golf Course Fees	743,188.58	835,000.00	494,280.03	442,995.39	-10.38%	$723,484	$666,078	$748,877	$671,808
Cart Fees	184,455.55	200,000.00	133,578.30	121,652.66	-8.93%	$178,166	$167,988	$178,166	$167,988
Driving Range Fees	30,651.45	35,000.00	20,233.94	20,599.95	1.81%	$30,867	$31,206	$30,867	$31,206
Miscellaneous	329,489.58	303,675.00	198,386.37	170,925.05	-13.84%	$303,675	$283,881	$303,675	$283,881
Interest Earnings	5,682.08	10,408.00	-	-	0.00%	$10,408	5,682	$10,408	$5,682
REVENUE	**1,293,467.24**	**1,384,083.00**	**846,478.64**	**756,173.05**	**-10.67%**	**$1,246,601**	**$1,154,855**	**$1,271,994**	**$1,160,585**
Operating Transfers In	25,000.00	25,000.00	12,498.00	12,498.00	0.00%	$25,000	$25,000	$25,000	$25,000
TOTAL REVENUE	**1,318,467.24**	**1,409,083.00**	**858,976.64**	**768,671.05**	**-10.51%**	**$1,271,601**	**$1,179,855**	**$1,296,994**	**$1,185,585**
Salaries and Benefits	596,296.20	501,775.00	345,973.05	323,954.56	-6.36%	$459,477	$459,477	$383,728	$383,728
Supplies, Maintenance and Service	395,343.64	447,725.00	197,735.96	250,736.54	26.80%	$447,725	$447,725	$447,725	$447,725
Energy and Utilities	40,733.09	52,887.00	22,832.03	9,547.86	-58.18%	$52,887	$52,887	$52,887	$52,887
Interest Expense	8,392.63	7,000.00	(1,400.00)	(1,130.00)		$7,000	$7,000	$7,000	$7,000
EXPENSES	**1,040,765.56**	**1,354,182.00**	**565,141.04**	**583,108.96**	**3.18%**	**$967,089**	**$967,089**	**$891,340**	**$891,340**
Operating Transfers Out	216,847.00	151,665.00	108,426.00	75,834.00		$151,665	$151,665	$101,085	$101,085
TOTAL EXPENSES	**1,257,612.56**	**1,505,847.00**	**673,567.04**	**658,942.96**	**-2.17%**	**$1,118,754**	**$1,118,754**	**$992,425**	**$992,425**
			Operating Excess			$152,847	$61,101	$304,569	$193,160
			Projected Capital Needs			$235,000	$235,000	$240,000	$240,000
			Excess (Deficit) after Capital Expenditure			-$82,153	-$173,899	$64,569	-$46,840

* Future Year Projections were made using 2005 Estimates as a base year and figuring in known or predicted changes in revenue/expense levels as detailed below

Changes in 2005 Levels

	Optimistic	Conservative
Increased Revenue from Basin Play	$9,937	$0
Head Golf Pro Savings	$33,356	$33,356
Remove .25 FTE from Temp	$8,942	$8,942
Increase to Operating Excess	$52,235	$42,298

Changes in Future Years' Levels

	Optimistic	Conservative
Increased Revenue from Basin Play	$25,393	$5,730
MBA Debt Service Complete	$50,580	$50,580
Additional Head Golf Pro Savings	$36,157	$36,157
Remove Half of Golf & Parks Manager	$26,178	$26,178
Remove additional .35 FTE from Temp	$13,414	$13,414
Increase to Operating Excess	$151,722	$132,059

City Council
Staff Report

PARK CITY
1884

Economic Development & Capital Projects

Author:	**Colin Hilton**
Subject:	**Ice Rink & Parking Structure Funding Update**
Date:	**2-17-05**
Type of Item:	**Informational**

Summary Recommendation - Discuss project funding issues and provide Staff direction about preferred funding alternatives.

Description:
Topic: Ice Rink & Parking Structure Funding Update

Background:

Ice Rink:
Funded through City & SBSRD voter approved bond initiatives in 2002, the project budget for this portion of the Quinn's Recreation Complex is $4 million dollars ($2million each from PCMC & SBSRD).

The "Fields" project budget is $4.7 million for Phase 1 construction giving a $8.7 million dollar total Ice & Fields Phase 1 Project Budget for the Quinn's Recreation Complex.

In July of 2004, PCMC & SBSRD signed an Inter-local Agreement (ILA) outlining agreement terms that included identifying the Quinn's Junction site as the preferred location.

Staff has worked with a Design team (Elliot Mahoney & EDA Architects), Construction Firm (Hogan), GTCI, Staff project team, and Sport Stakeholders to detail a design and proposed project budget.

Parking Structure:
Funded through a successful extension of the Main Street RDA, Council budgeted $5.5 million for cost of construction and $387,975 in design & survey/soils report funds from the Downtown Design CIP fund for a total project budget of $5,887,975.

Staff has worked with a Design team (FFKR Architects), Construction Firm (Jacobson), GTCI, Staff project team, and downtown stakeholders to detail a design and proposed project budget.

Analysis:

Ice Rink:

The project team has worked meticulously to "value engineer" the ice rink portion of the Complex. It is Staff's position that the design and subsequent cost estimates will not allow for a cost of construction to be less than $4 million for the Ice Rink portion. Given the need to budget $773,750 for other project soft costs (design fees, utility hook-ups, FF&E allocations, survey work, etc), the total Project Budget is currently estimated at $4.8 million. Given the $4 million dollar funding, there exists an $800,000 gap. In our Inter-Local Agreement with SBSRD, this scenario was anticipated with procedures outlined to address any gap. The ILA Agreement Section 3.2 says:

> ***(b)*** *"Review Period – The City and District will meet upon completion of design development drawings to review cost estimates and options given the project budget of $4 million dollars. Discussions at this time will evaluate the ability to deliver the project within budget or whether an amendment to this Agreement is necessary.*
>
> *(c) The Parties agree to address projected shortfalls prior to construction bid advertisement through reduction in scope and/or through capital campaign efforts. Amendments to this Agreement pursuant to Section 9.12 may be necessary.*
>
> *(d) In the event cost estimates exceed available funds, the Parties agree to value engineer the project, which may include further reductions in scope."*

Several options on how to close the gap are desired to be discussed with City Council. They are:

1. Further "value-engineer" the design to introduce previously un-preferred options such as using "pre-fabricated" buildings or reducing the Olympic size of the ice sheet to a smaller dimension.
2. Advance the "baseline design" that has occurred through exhaustive value-engineering efforts and start construction with a phased-construction approach. In this option, the basic building facility would be constructed, but many "finishes" would be left undone until a funding source became available. Certain identified finishes left undone could include not constructing 4 of the 6 proposed locker rooms, all office areas, party rooms, spectator seats, concession areas, and most interior finishes.
3. Seek to start a fundraising campaign to bridge the $800k to $1 million dollar gap. Sources of funds could target:
    a. Naming Rights for the Building & Complex
    b. Sponsorship or Donor programs
    c. Grant applications to organizations like future RAP, Restaurant tax, and other granting organizations (Staff is already advancing grant applications)
4. Fund the gap with reallocated City funds.

5. Not start construction until all funds were identified.

Staff has the following recommendation should City Council desire to proceed with construction on April 18th:

1. Advance the baseline design that targets a cost of construction for the Ice Rink element at $4 million dollars – this still leaves the project budget short (given the soft costs) by $800,000.
2. Start a year long fundraising campaign that targets raising $1 million dollars. The focus of the fundraising efforts would be on building naming rights, key hardware sponsorship for items like the Zamboni and scoreboards, and tiered donor/sponsorship program. Staff suggests that a "Friends of Ice / Quinns" be formed, consistent with City Policies to assist with a fundraising campaign.
3. Introduce a new $800,000 CIP line item for "Ice Rink Additional Funding" for review during the Spring Budget season. In doing this, Council would create a safety net for "consideration only" during the budget review period where Staff feels all budget decisions should be made at once.
4. Maintain an intent of having each the City & SBSRD only ever have to utilize $2 million apiece towards ice facility construction. Therefore, pushing for the naming rights and donor fundraising programs to raise the funds needed to bridge the "gap." This in effect would implement the funding gap as a "cash flow" challenge.
5. Review all options when considering a "safety net" to cover the anticipated gap should fundraising efforts not go well. They could include:
    a. A reallocation or "re-prioritization" of City funds from other City projects during the budget process
    b. A bank "draw down" or line of credit account backed by a budget appropriation to cover any cash flow gaps
    c. A new CIP line item as noted above
    d. Other

Staff would like to further discuss these options with City Council during the upcoming work session.

Parking Structure:
The project team has advanced the design of the parking structure through the "Design Development" phase. Additionally, we have developed the most accurate cost estimates to date. The current estimates place the cost of construction at $6.25 million as designed. From our funding target of $5.5 million, this leaves a $750,000 funding gap.

Several options on how to close the gap are desired to be discussed with City Council should a April 12th construction start date still be desired. They are:

1. Reduce the scope of construction by reducing the amount of constructed parking spaces. “Value-engineering” options are limited due to the nature of this type of “concrete” project. Therefore, cost savings are primarily found in reducing project scope. The current design builds 329 new spaces for a net gain of 250 spaces. The net gain number assumes a loss of surface parking due to a projected long term intent to construct a Town Plaza. Should City Council be willing to reduce the amount of constructed car spaces, the forecasted budget gap could be minimized or reduced altogether. Reducing 34 spaces in the basement level could save a projected $600,000.

2. Increase the funding allocation to $6.25 or $6.4 million from the Main Street RDA. Recent fine tuning of the funding forecast from the extended Main Street RDA shows an additional $1 million dollars to bond for. That currently pegs $6.4 million towards the parking structure, and $3.2 million dollars towards the Town Plaza and Prospect Avenue street reconstruction.

Staff has the following recommendation:

1. Reduce the parking structure design by either 18 or 34 spaces and bring the forecasted cost of construction back towards the funded amount of $5.5 million. Utilize a portion of the additional $1 million in Main Street RDA funds to cover any remaining gap and consider adding funds for improved pedestrian walkways to and from the parking structure.
2. Allocate the remaining portion of the $1 million increment towards the Town Plaza budget and other “improved pedestrian corridor improvements” around the Town Plaza concept.

<u>Discussion Topics for the Council Meeting</u>

1. Review & Discuss Ice Rink Funding Strategy

2. Review & Discuss Parking Structure Funding Strategy

Department Review: This report was reviewed by the City Manager’s Office & Budget, Debt & Grants Department.

Staff Recommendations: As noted above

PARK CITY WORK SESSION NOTES
SUMMIT COUNTY, UTAH
FEBRUARY 3, 2005

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

Tom Bakaly, City Manager; Mark Harrington, City Attorney; Craig Sanchez, Director of Golf; Max Paap, Special Events and Facilities Coordinator; Gary Hill, Budget Manager; Jerry Gibbs, Public Works Director; Ron Ivie, Chief Building Official; Colin Hilton, Economic Development Director

Peg Bodell, Elizabeth Swank and Joanna Charnes, Cultural Tourism Advisory Committee members

1. Council questions/comments. Kay Calvert commented that she's hearing a lot of complaints about dogs lately. There were mixed reviews about Sundance from merchants and the suggestion of closing Main Street was brought up for next year's Film Festivalnext year. Marianne Cone commended Deer Valley Resort on hosting the Freestyle Event. Joe Kernan pointed out that closing Main Street for the Festival would be a challenge, specifically deliveries, collecting trash, etc. In response to a question from Mr. Kernan, Craig Sanchez replied that review of golf fees will appear on the February 17 agenda.

Candace Erickson reported that the RAB met on the redesign of the skate park expansion and the Prospector neighborhood park. The neighborhood will have an opportunity to review the final plan before proceeding with construction. There will be a public meeting on improvements to the Racquet Club on February 17 from 7 – 8 p.m. She added that the contract for the boulder feature at the Comstock Park has been executsigned. Ms. Erickson added that the Board also discussed the expense of fencing the temporary BMX park, which needs to be locked at night, but would be expensive. Recycle Utah will now have to charge for the collection of electronic equipment. The regional ice committee met and discussed the budget shortfall and the difficulty of cutting back on a basic design. She also felt that the Deer Valley event was extraordinary.

Jim Hier stated that he was also agreed and was pleased with the quality of the Freestyle Competition and that patrons stayed and listened to the band. There was a Citizens Technical Advisory meeting held this week where studies a study of water rates and performance measures wereas supported. The events committee met including the Chamber, City and other interested parties, but a representative from the arts community is missing from the membership and needed. Craig Sanchez explained that there are three members from the Chamber, three members from the City, one from lodging, one from the restaurant group, one from each of the three ski resorts, and one from the HMBA. Mr. Hier relayed that he He attended the annual Chamber-sponsored economic forecast where it was reported that the local economy is healthy and growing.

Ms. Erickson recalled that based on neighborhood complaints last year, Sundance was required to dismantle the venue at the Racquet Club during daylight hours, which was not the case this year. Craig Sanchez stated that he will follow-up with staff. Marianne Cone asked if Council will have an opportunity to weigh- in on the event. Max Paap noted that staff met to discuss the pros and cons of approaches this year, but have not yet met with Sundance staff. The City Manager suggested that staff meet with Sundance first and return to Council for a work session to discuss policy. Mr. Paap stated that he will share staff's findings from the initial debriefing with Council.

2. Legislative update. Gary Hill explained that HB107, tax law amendments, is *falling apart* because of unresolved issues relating to hold-harmless provisions for communities who have approved a RAP Tax, for instance. It appears that the streamline sales tax bill will be put on hold indefinitely until there are clearer solutions. With regard to HB118, revisions to special service districts, the bill isings are proceeding well and the utility companies are supportive. There is no RDA legislation proposed at this point, and it is likely itthis will be studied byin an interim taskx force. SB31, removing the definition of lot line adjustments, has been altered so that it won't affect Park Cityus. HB36 would exempt charter schools from zoning regulations, like public schools. However, With public schools have a there is a process in place because of the elected boards of education, unlike but chartered schools. Mr. Hill assured Council that s don't provide a public process and staff will be lobbyingworking against the bill.

3. Consideration of trash container removal ordinance. Jerry Gibbs explained that citizens have approached the Council about implementing an ordinance requiring owners to remove trash containers from the street after pick-up. The proposed ordinance provides that the container be placed on the street after 6 p.m. the night before and removed the day of pick-up, which is not occurring very often. He emphasized that there are a number of enforcement issues, which would affect both the Police and Building Departments.

In response to a question from Kay Calvert, Mr. Gibbs advised that there is currently no ordinance in place. It is not a health- safety issue and is a challenge because 60% of households are second homes or rentals. Jim Hier suggested that the City confiscate cans left in the street after a period of time, and didn't feel that citing would work. Marianne Cone believed that if an ordinance is in place, property management companies will find a way to comply and is willing to try the proposed ordinance. Ron Ivie urged Council to consider the situation in Old Town. He cautioned that some properties have no yards and secondly, there needs to be consideration of seniors physically unable to move the containers. As drafted, the ordinance prohibits cans from being stored in the side, front or back yard which is a concern of the enforcement staff. With regard to confiscation of cans, there needs to be a methodology by which the containers are tracked, stored and returned. Jim Hier stated that he is not in support of citing and fining violators because it is administratively onerous.

Kay Calvert agreed that moving cans can be difficult for the elderly and suggested that a structure be built to enclose the containers. Ron Ivie responded that the structures may create challenges for snow removal and suggested that when BFI's contract is negotiated to provide for extended services for residents with special needs. Jerry Gibbs advised that the contract will expire in two years, but emphasized it is with Summit County not Park City. He agreed with Mr. Ivie about the limited areas on certain streets like Sampson and upper Norfolk where there are no yards. It will also be difficult to effectively cite out-of-state owners. There was discussion about the ordinance in effect for Main Street. Joe Kernan suggested that people who don't have a reasonable storage space be exempt from the ordinance.

Candace Erickson agreed that abandoned cans are unsightly, but asked what employee would be *stuck* enforcing the ordinance. She asked if the City would have to hire an employee to manage the program and at what cost. If fines are imposed for violations resulting in compliance, there will be no revenues from fines to support enforcement efforts. She wants the town to look nice and is interested in creating an ordinance to *scare* people into compliance, but is frustrated with the thought of funding another line item to accommodate trash when there are other priorities. Ms. Erickson felt the Council should carefully think this through and the Mayor agreed. He suggested perhaps handling the issue through volunteers like the Take Pride in America Program. An ordinance will be very difficult to manage and is he is very reluctant to add more enforcement responsibilities to staff. Tom Bakaly suggested adding this topic to Council's goal list and deciding upon a liaison. Marianne Cone felt that public service announcements would be helpful in the interim.

3. Cultural tourism strategic plan recommendation. Colin Hilton referred to the Cultural Tourism Strategic Plan, which is a product of a special services contract with the Arts Council in 2003. Elizabeth Swank, Arts Council President of the Board of Directors introduced Joanna Charnes, Interim Director, and Peg Bodell who worked closely with Brian Hess.

Peg Bodell recalled Council's commitment in making Park City a *multi-seasonal* resort, and the formation of the committee which is broadly represented, i.e., lodging, restaurants, Main Street, Heritage Foundation, County, and City. The Heritage Foundation provides a tool kit, which was helpful to the group, to focus on collaborations to make destination tourism successful. The five guiding principles are collaboration, community fit, experience, quality and authenticity, and sustain and develop. From these the committee arrived at recommendations to the City Council. She referred to the Executive Summary document, which required and it took about six months to a year to pull this information together. The Executive Summary is divided into two phases. The first phase includes (1) education and outreach; (2) community networking; (3) funding; (4) continued assessment, monitoring of benefits, product and needs. In response to a question from Candace Erickson about (1), Ms. Bodell explained that education involves on how a business benefits from partnering with other types of businesses. Ms. Erickson felt that if a business owners should already be familiar with good marketing concepts and if not, probably shouldn't be in business. Peg Bodell continued that the benefits to the community in cultivating cultural tourism are immense, but all groups need to get together, which wasn't possible a couple of years ago. She added that Governor Huntsman is proactive with regard to tourism, and the City should capitalize on this opportunity. I; increasing revenues is the bottom line.

Elizabeth Swank commented on the need for a central calendar for the entire County, which was addressed during the RAP discussions. It is the intent of the board to again approach the County for funding this year for a position. The Chamber's calendar is adequate but the central calendar is envisioned to be more encompassing including special and cultural events. Colin Hilton recalled when the economic development committee was formed a couple of years ago, which included various subcommittees including cultural tourism. He emphasized the great strides this group has made by way of defining cultural tourism, educating the public, and formulating a strategic plan with recommendations. The cultural tourism committee's progress far exceeded other groups. Joanna Charnes pointed out the importance of partnering activities authentic to the community when marketing destination tourism. Colin Hilton felt that there is agreement among entities to move ahead with elements of Phase 2. Marianne Cone felt it important to note that the needs of residents will also be met.

Colin Hilton stated that staff will return to Council during the budget review with regard to a recommendation for funding. In response to comments, he clarified that support is not specifically for a staff position, but rather resources to get a program initiated with the assistance of the Chamber, for instance. Ms. Cone suggested combining all three options outlined in the staff report by way of committing a staff member, entering into a service contract, and recruiting volunteers from the community. Joanna Charnes emphasized that designating a qualified administrator is critical to the success of the effort. Kay Calvert agreed and felt that the position should be jointly funded by the Chamber, County and City. Tom Bakaly relayed that this group has laid the framework for a cultural tourism plan and suggested adding events and downtown improvements under the same umbrella.

The Mayor commented on the quality of the report, but emphasized the difficulty in finding money for the program when there are funding shortfalls for the recreation complex, town plaza, etc. and he stated he is *nervous* about making more commitments. Peg Bodell explained that the special services contract provides for funding the next phase and the group feels strongly that the County and Chamber participate. Colin Hilton stated that capital projects need a plan and Jim Hier strongly agreed and reiterated that the Chamber and County should be key partners in working through this project. He commented, however, that supporting a duplicate calendar when the Chamber already produces an event calendar is not efficient. He suggested that the Chamber's calendar be supplemented with links, etc.; we should work to improve existing resources.

Prepared by Janet M. Scott, City Recorder

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
FEBRUARY 3, 2005

I ROLL CALL

Mayor Dana Williams called the regular meeting of the City Council to order at approximately 6 p.m. at the Marsac Municipal Building on Thursday, February 3, 2005. Members in attendance were Dana Williams, Kay Calvert, Marianne Cone, Candace Erickson, Jim Hier, and Joe Kernan. Staff present was Tom Bakaly, City Manager; Mark Harrington, City Attorney; and Kirsten Whetstone, Planner.

II COMMUNICATIONS AND DISCLOSURES FROM COUNCIL AND STAFF

None.

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.

Thank you and suggestion for the Film Festival – Ed Brophy, resident, thanked City Engineer Eric DeHaan for quickly addressing his concerns regarding run-off problems on Deer Valley Drive. He also suggested constructing a tent in the proposed downtown plaza next year to accommodate another venue for the Sundance Film Festival.

Dirt-bicycle jumping facility - KC Gaudet, resident and cycling advocate, stated that he represents a growing group of cycling enthusiasts who feel that a dirt-bike jumping facility is needed and long overdue. This group is willing to contribute their input as soon as the season begins.

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

IV OLD BUSINESS

Ordinance approving a plat amendment for 7013 Silver Lake Drive, Lot 10, Amended Evergreen Subdivision, Park City, Utah:

(a) Staff presentation – Planner Kirsten Whetstone explained that the application is for an amendment to the amended Evergreen Subdivision plat to revise a ski easement located on Lot 10. The property owners of Lot 10 have been working with their neighbors to improve ski access to and from the Last Chance Ski Run to their properties as well as address safety issues with the existing ski easement between Lots 9 and 10. A public hearing was held on the proposed plat amendment at the January 17, 2005 City Council meeting and the item was continued to this meeting to provide additional time for Council to review concerns raised by Attorney Joe Tesch. Staff is recommending reopening the public hearing to solicit any additional input. The attached ordinance contains the recommended findings of fact, conclusions of law, and conditions of approval, and the owner of Lot 10 is in attendance to answer any questions.

(b) Continuation of public hearing – The Mayor opened the public hearing and hearing no comments from the audience, closed the public hearing.

(c) Action – The Mayor invited comments from the Council, based on additional information provided during the week. Candace Erickson stated that she appreciated the additional time to review Attorney Joe Tesch's arguments, but feels comfortable with staff's recommendation. Jim Hier, "I move to approve the amendment to the amended Evergreen Subdivision plat to revise a ski easement on Lot 10". Candace Erickson seconded. Motion carried unanimously.

V ADJOURNMENT

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

MEMORANDUM OF CLOSED SESSION

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

Kay Calvert	Aye
Marianne Cone	Aye
Candace Erickson	Absent
Jim Hier	Aye
Joe Kernan	Aye

The meeting opened at approximately 4:15 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

Author: Patrick Putt, Planning Director P.P.
Subject: Park City Heights Annexation
Date: February 17, 2005
Type of Item: Legislative (Annexation Petition Review)

PARK CITY 1884

Planning Department

Summary Recommendations: The Planning Department recommends that Council reject the Park City Heights annexation petition.

Description
Topic

Project Name:	Park City Heights Annexation
Applicant:	Barnes Banking Company
Location:	Quinn's Junction
Zoning:	Summit County- DL (Developable Lands @ 1 unit per 20 acres- base density); and SL (Sensitive Land @ 1 unit per 40 acres (over 30% slope, or wetlands)
Proposed Zoning:	General Commercial (GC)-MPD
Adjacent Land Uses:	Undeveloped private property; COSAC purchased open space;
Proposed Use:	Residential and commercial

Background:

The Barnes Banking Company filed an annexation petition on January 28, 2005 with the City Recorder. The overall annexation area proposed is 256.84 acres and is located in the Quinn's Junction area near the southwest quadrant of the US-40/SR-248 interchange (See exhibit A—vicinity map). The properties included in the proposed Park City Heights Annexation are two separate parcels owned by the applicant *(north/"90" Parcel--24 acres; south/Clark Ranch Parcel--176 acres)*; together with the 12.46-acre Byer property; and a 40-acre parcel owned by the United Park City Mines Company (UPCMC). Neither Byer nor UPCMC is listed as an applicant on this annexation petition. (See Exhibit I, Annexation Petition)

The annexation area is bounded on the north by the 29.55 acre Quinn's Junction Partnership property; SR-248 right-of-way, City-owned open space, and UDOT property to the west; Morning Star Estates Subdivision and Florence J. Gillmor land to the south; and the US-40 right-of-way to the east. The State of Utah Parks and Recreation Department Rail Trail bisects the annexation area. The Rail Trail property is not included in this annexation petition.

The current County zoning for the property is Developable Lands (DL) at 1 unit per

20 acres-base density; and Sensitive Lands (SL) at 1 unit per 40 acres *(for wetlands and land over 30% slope)*. The underlying zoning being requested is a combination of General Commercial (GC-MPD), Residential Development—Medium Density (RDM-MPD), Residential Development (RD-MPD), and Recreation and Open Space (ROS-MPD).

The proposed Park City Heights Annexation area is located within Park City Municipal Corporation's Annexation Expansion area, as described by the adopted Annexation Policy Plan. The applicant's property is the subject of a July 2, 1992 Pre-Annexation and Settlement Agreement executed between the City and Frank and Nadine Gillmor, the applicant's predecessor in interest to the subject property. Nadine Gillmor filed a lawsuit against Park City on May 11, 2004, seeking to declare the pre-annexation agreement rescinded and/or void *ab initio*. In the alternative, the lawsuit seeks to reform the agreement. Section C of the Pre-Annexation and Settlement Agreement states that:

> The parties agree that the Subject Properties should be annexed into Park City as and when they develop. The Gillmors and their assignees agree to petition for annexation of the Subject Properties to Park City before seeking any zoning or development approvals. The parties understand that Park City may not bind future City Councils to specific courses of Legislative action. However, Park City represents that it would favorably consider petitions for annexation of Subject Properties based upon the terms and conditions of its Annexation Policy Declaration, the Land Management Code and its dedication of water rights described in paragraph D of this Agreement.
>
> Preliminary work associated with the preparation of Park City's comprehensive plan shows that low to moderate density residential uses, with limited light industrial or support commercial uses are appropriate for the Clark Ranch and "90" properties. Actual use and configurations and densities cannot be finally determined until master plan approval and annexation of the Subject properties is formally proposed, and will depend on site planning, infrastructure, and market conditions at the time the Subject Properties are proposed for annexation and development.

The property is currently undeveloped. The applicant seeks to develop 200,000 square feet of commercial uses on the 24-acre "90" and 352 residential units on the 176-acre Clark Ranch/south parcel. (See Exhibit J, Project Description) No development is identified on either the 40-acre UPCMC land or the Byer parcel.

On January 28, 2005, the City Recorder also received an annexation petition from the Quinn's Junction Partnership for the adjacent property to the north (See attached Vicinity Map Exhibit A). The Quinn's Junction Partnership Annexation includes

29.55 acres of land and proposes 300,000 of General Commercial (GC) development. Preliminary Master Planned Development applications for the Quinn's Junction Partnership and Park City Heights Annexations indicate that both developments intend to coordinate road, internal circulation, and utility layout. The Quinn's Junction Partnership Annexation petition is also scheduled for City Council consideration at its February 17, 2005 meeting.

Municipal annexation is a legislative act governed procedurally by Utah state law. Once the annexation petition is filed with the City Recorder, the petition is presented to the municipal legislative body for acceptance or rejection. Because annexation is a legislative act, the Council's decision to accept or reject the petition is not governed by statutory criteria: subject to constitutional restraints, acceptance or rejection is at the Council's discretion. It is important to note that a decision to reject the petition ends the annexation process, while a decision to accept the petition is not final, but only allows the process to continue for further consideration via the certification and subsequent public hearing process.

If the Council accepts the petition, then a 30-day certification review process will commence wherein Staff will determine whether the petition meets all requirements of Utah State Code Sections 10-2-403(2), (3), and (4). If staff determines that the petition meets these requirements, then the City Recorder will certify the petition and commence the public notification and hearing process. If staff determines that the petition fails to meet any of the statutory requirements, then the City Recorder will reject the petition and deliver written notification of rejection to the applicant and other parties required by state law. The applicant then will have the opportunity to modify the petition to correct the deficiencies for which it was rejected and re-file the petition with the City Recorder.

Analysis:

Utah State Code Annotated, Section 10-2-402(b)(ii): Annexations-Limitations, states that "an unincorporated may not be annexed to a municipality unless . . . it is contiguous to the municipality." A review of the applicant's annexation plat indicates that the northerly 31.16 acre parcel is contiguous to the City's municipal boundary for only a short distance of approximately eighty feet (80'). (See Exhibit G, Proposed technical contiguity) While this arguably satisfies the technical statutory contiguity requirement, staff believes that any annexation relying on such a fine-point or minimalist area of contiguity runs contrary to the City's policy that "Property under consideration of annexation must be considered a logical extension of the City boundaries." (Municipal Code Section 15-8-2(A))

Staff also notes that the Park City Heights Annexation petition is not comprised of a single contiguous area, but contains two separate parcels—a northerly 31.16 acre parcel and a southerly 225.68 acre parcel—separated by the State of Utah Parks and Recreation Department Rail Trail. (See Exhibit B, Annexation Plat) Utah State Code Annotated, Section 10-2-402(b)(i): Annexations-Limitations, specifies that "an unincorporated area may not be annexed to a municipality unless . . . it is a contiguous area." The applicant's failure to include the Rail Trail property as part of the Annexation Plat therefore divides the proposed annexation area into two non-contiguous pieces inconsistent with the above-cited State Code provision.

Utah State Code Annotated, Section 10-2-402(b)(iii): Annexation-Limitations, also prohibits annexations that would "leave or create an unincorporated island or peninsula." As proposed, this Park City Heights Annexation petition would create a small unincorporated island of a parcel owned by John Byer (Parcel SS-89-B). (See Exhibit D, Unincorporated Island) Another violation of Section 10-2-402(b)(iii) would result if Park City approved both the Quinn's Junction Partnership Annexation and the Park City Heights Annexation as proposed. In that event, a large (approximately 250 acres) unincorporated island or peninsula would be created, including D.A. Osguthorpe and City-owned open space.[1] (See Exhibit E, Peninsula; and Exhibit F, Island) Attached to this report is a letter from D.A. Osguthorpe's attorney expressing similar concerns. (See Exhibit H)

For the reasons stated above, the Planning Department finds the subject annexation petition does not comply with applicable Utah State Code annexation requirements. Based on this analysis, Staff recommends that the Council reject the Park City Heights Annexation petition as filed.

In the event that the annexation petition is accepted, Staff is concerned with proposed land uses, density, traffic, utilities service associated with this proposal.

Alternatives: It is important to note that pursuant to Utah State Code Section 10-2-405(1) (a) (i) (B), if the Council does not take action on this annexation petition at its first regularly scheduled meeting that is at least 14 days after the date the petition was filed (this meeting, February 17, 2005), then the annexation petition shall be considered accepted for further consideration. Accordingly, taking no action and/or continuing this item are not options available to the Council; either action represents acceptance of the petition.

A. Accept the annexation petition for further consideration, thereby triggering the 30-day certification review process;

B. Reject the annexation petition, thereby ending the annexation process. **This is the staff recommendation**; or

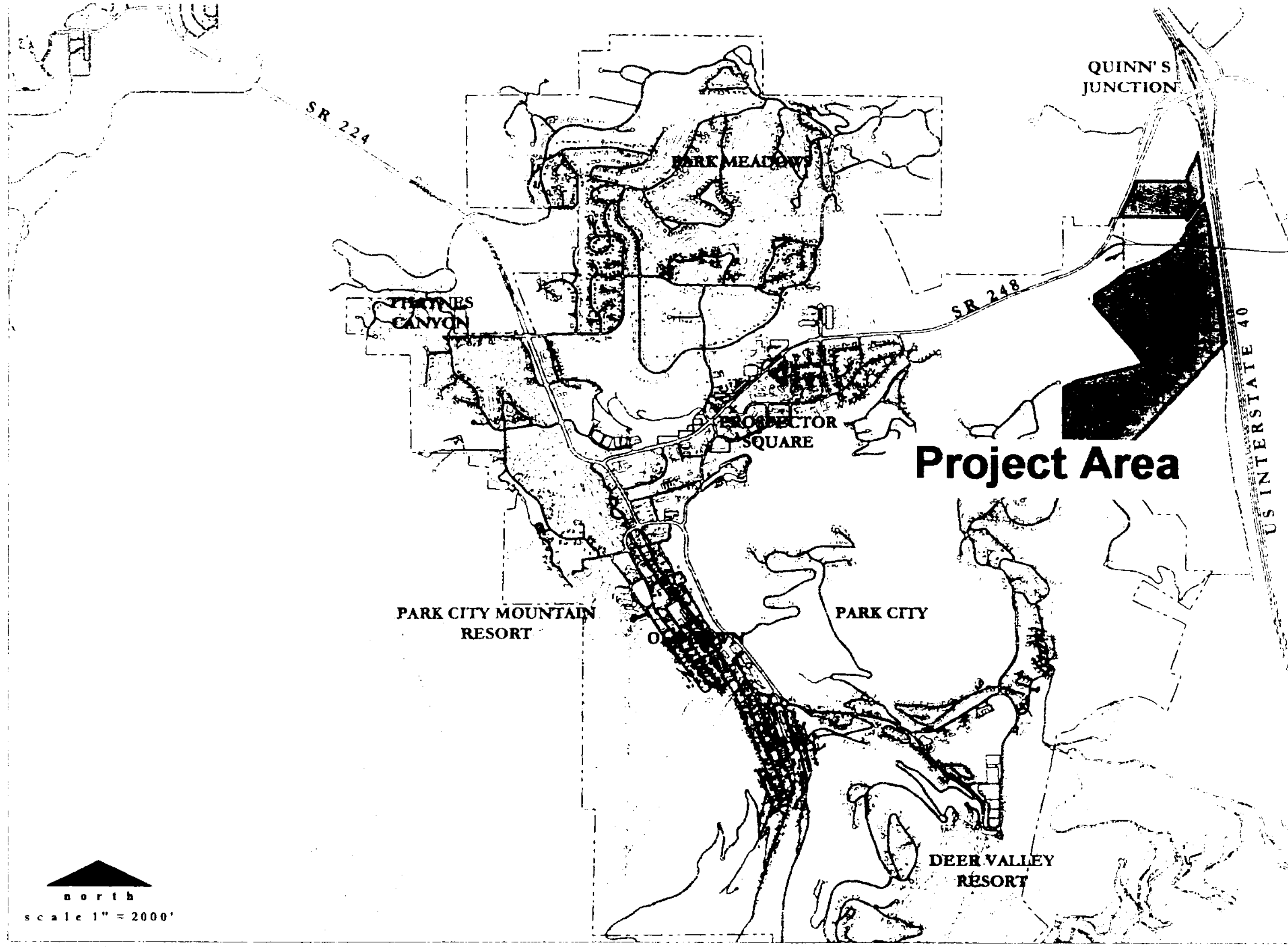
C. Do nothing or continue the item. Pursuant to state law, the annexation petition is considered accepted for further consideration, thereby triggering the 30-day

[1] Staff finds that the combined Quinn's Junction Partnership and Park City Heights Annexation petitions—as proposed—would create an unincorporated peninsula in violation of Section 10-2-402(b)(iii). If, however, the Quinn's Junction Partnership Annexation petition is amended to cure its contiguity to municipal boundary defect (by adding the SR 248 right of way), then the combined annexation petitions would create an unincorporated island of the same property.

certification review process.

Recommendation:
Staff recommends the Council review the petition for the Park City Heights Annexation and take action to reject the petition.

Exhibits
Exhibit A – Vicinity Map
Exhibit B – Annexation and Zoning Plat
Exhibit C—Master Planned Development Site Plan
Exhibit D – Unincorporated island created; Byer parcel
Exhibit E – Quinn's Junction Partnership and Park City Heights combined annexation petitions; unincorporated peninsula created
Exhibit F – Quinn's Junction Partnership and Park City Heights combined annexation petitions; unincorporated island created
Exhibit G – Proposed technical contiguity
Exhibit H - Waddingham and Peterson/D.A. Osguthorpe Letter
Exhibit I – Annexation Petition
Exhibit J – Project Description



vicinity map

park city heights

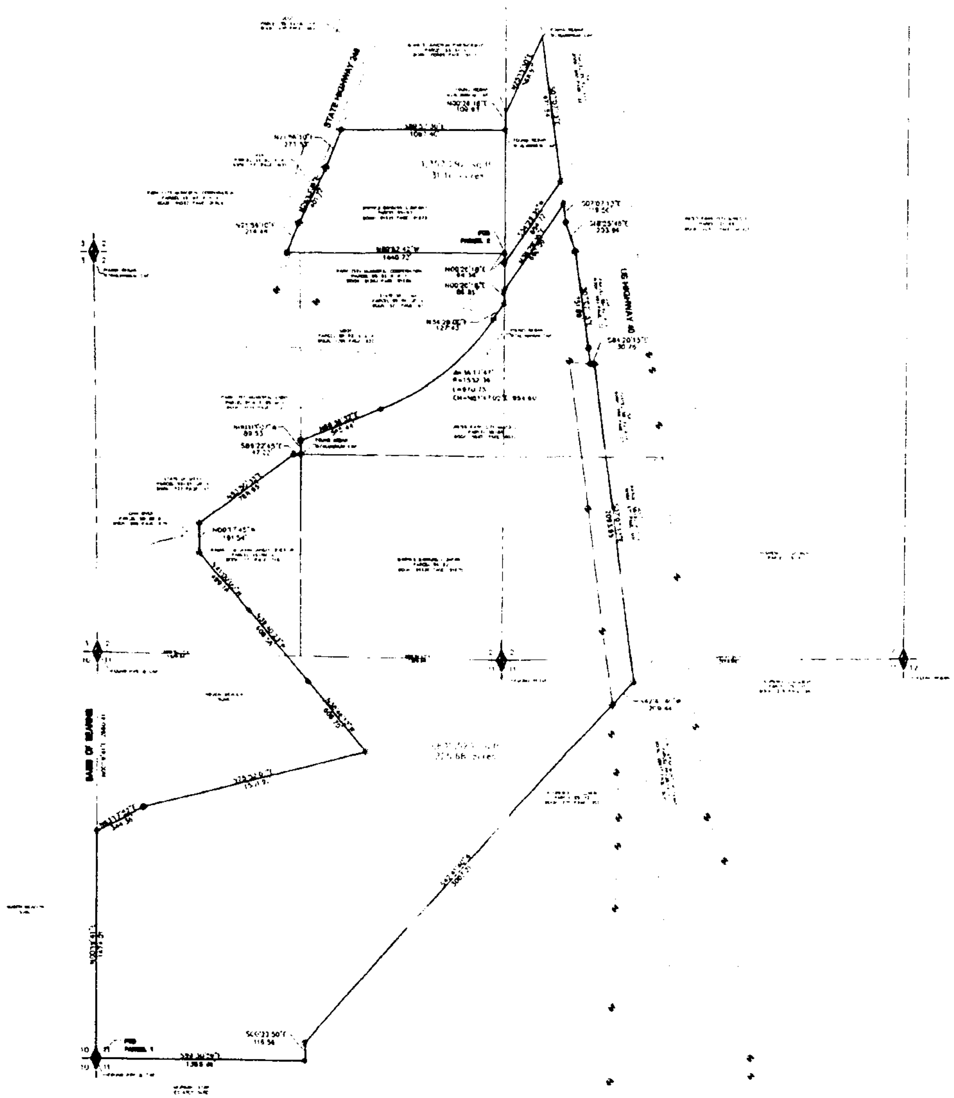
park city, utah &
summit county, utah

January 24, 2005

Exhibit A

ANNEXATION PLAT

AN ANNEXATION TO PARK CITY, SUMMIT COUNTY, UTAH



GRAPHIC SCALE

(IN FEET)
1 inch = 400 ft.

LEGEND

- ANNEXATION BOUNDARY
- MEAS. SECTION LINE
- ADJOINING DEED LINES
- FOUND SECTION CORNER
- PROPERTY CORNER
- UDOT ROW MON FOUND

SURVEYOR'S CERTIFICATE

I, Dannie B. Greer, do hereby certify that I am a Professional Land Surveyor and that I hold certificate No. 376078 as prescribed under the laws of the State of Utah. I further certify that by authority of the owners, I have made a survey of the tract of land shown on this plat.

Dannie B. Green PLS 376078 — Date: 10/26/04
PSOMAS

BOUNDARY DESCRIPTION

PARCEL 1

Beginning at the West Quarter Corner of Section 11, Township 2 South, Range 4 East, Salt Lake Base and Meridian, and running thence along the west line of Section 11 N00°19'41"E 1474.01 feet to the Hidden Meadow Subdivision Boundary, thence along said boundary the following five (5) courses: 1) N62°17'52"E 344.36 feet; 2) N75°52'07"E 1501.92 feet; 3) N38°48'13"W 606.70 feet; 4) N39°42'23"W 608.59 feet; 5) N41°00'00"W 499.16 feet; thence N00°17'45"W 191.54 feet, thence N33°52'33"E 768.35 feet; thence S89°22'45"E 47.22 feet to a rebar with aluminum cap, thence N00°03'07"W 89.53 feet, thence N68°36'32"E 565.44 feet to a point on a 1532.39 foot radius curve to the left, thence along said curve 970.75 feet (chord bears N51°47'02"E 954.60 feet), thence N34°29'00"E 127.43 feet to the center line of Section 2; thence along said center line N00°26'18"E 66.81 feet, thence N34°29'35"E 690.09 feet to the Westerly right of way line of US Highway 40; thence along said westerly right of way line S07°07'13"E 119.50 feet to a UDOT brass cap monument, thence S18°25'48"E 203.96 feet to UDOT brass cap monument, thence S07°07'13"E 751.89 feet, thence S84°20'15"E 30.76 feet to a chainlink fence, thence along said fence S07°07'13"E 2093.95 feet, thence S42°41'40"W 209.44 feet to a UDOT brass cap monument; thence S42°41'40"W 3005.21 feet, thence S00°29'50"E 116.56 feet to the center line of Section 11, thence along said center line S89°30'59"E 1368.36 feet to the point of beginning.

Contains 225.68 acres

PARCEL 2

Beginning at the Center of Section 2, Township 2 South, Range 4 East, Salt Lake Base and Meridian, and running thence along the center line of Section 2 N89°52'42"W 1440.73 feet, thence N21°56'10"E 214.48 feet to a UDOT brass cap monument and the Easterly right of way line of State Highway 248, thence along the easterly right of way line of said highway N26°13'21"E 401.12 feet to a UDOT brass cap monument, thence N21°56'10"E 273.53 feet, thence S89°57'30"E 1087.45 feet to a rebar with aluminum cap, thence N00°26'19"E 109.93 feet to a rebar with aluminum cap, thence N25°15'30"E 568.97 feet to the Westerly right of way line of US Highway 40, thence along said right of way line S07°07'13"E 971.54 feet, thence S34°29'35"W 554.72 feet to the center line of Section 2; thence along said center line N00°25'18"E 64.38 feet to the point of beginning.

Contains 31.16 acres

NARRATIVE

This survey was requested by Walter Plumb of Plumb Development. The basis of bearing was N00°19'41"E between the Northeast Corner of Section 11 and the West Quarter Corner of Section 11, Township 2 South, Range 4 East, Salt Lake Base and Meridian. The Basis of Bearing was set in order to match the Hidden Meadow Subdivision Annexation Plat (Entry #425892) which was used as a reference along with the Schuchert Survey (File No. S-1019). The parcels were drawn as per deed and then rotated to the basis of bearing.

Parcel 1 consists of that portion of the Barnes Banking Parcel (SS-92) which lies South of the Union Pacific right of way (also known as the rail trail), all of the Mamie & John dyer Parcel (SS-89-A), and that portion of the Park City Mines Parcel (C-450) lying West of Highway 40 and South of the Rail Trail. Also that portion of the frontage road from Highway 248 to the South line of the Barnes Banking Parcel.

Parcel 2 consists of that portion of the Barnes Banking Parcel (SS-97) which lies North of the Rail Trail and that portion of the Park City Mines Parcel C-450 lying West of Highway 40 and North of the Rail Trail.

ENGINEERS CERTIFICATE

I FIND THIS PLAT TO BE IN ACCORDANCE WITH INFORMATION ON FILE IN MY OFFICE

DATE ______ PARK CITY ENGINEER

APPROVAL AS TO FORM

APPROVED AS TO FORM THIS ______ DAY OF ______ A.D. 2004

PARK CITY ATTORNEY

CERTIFICATE OF ATTEST

I CERTIFY THIS RECORD OF SURVEY MAP WAS APPROVED BY PARK CITY COUNCIL THIS ______ DAY OF ______ 2004 A.D.

PARK CITY RECORDER

COUNCIL APPROVAL AND ACCEPTANCE

APPROVAL AND ACCEPTANCE BY THE PARK CITY COUNCIL THIS ______ DAY OF ______ A.D. 2004

ATTEST CLERK ______ MAYOR

RECORDED #

STATE OF UTAH, COUNTY OF SUMMIT, RECORDED AND FILED AT THE REQUEST OF ______

DATE ______ TIME ______ BOOK ______

PAGE ______ FEE $ ______

SUMMIT COUNTY RECORDER

PSOMAS
2825 East Cottonwood Parkway, Suite 120
Salt Lake City, Utah 84121
(801) 270-5777 (801) 270-5782 (FAX)

Annexation Plat
Sections 2 & 11, T2S, R4E
Salt Lake Base and Meridian

SHEET 1 / 1

Exhibit B

scale 1" = 400'

PROPOSED PARK CITY ZONING CLASSIFICATION

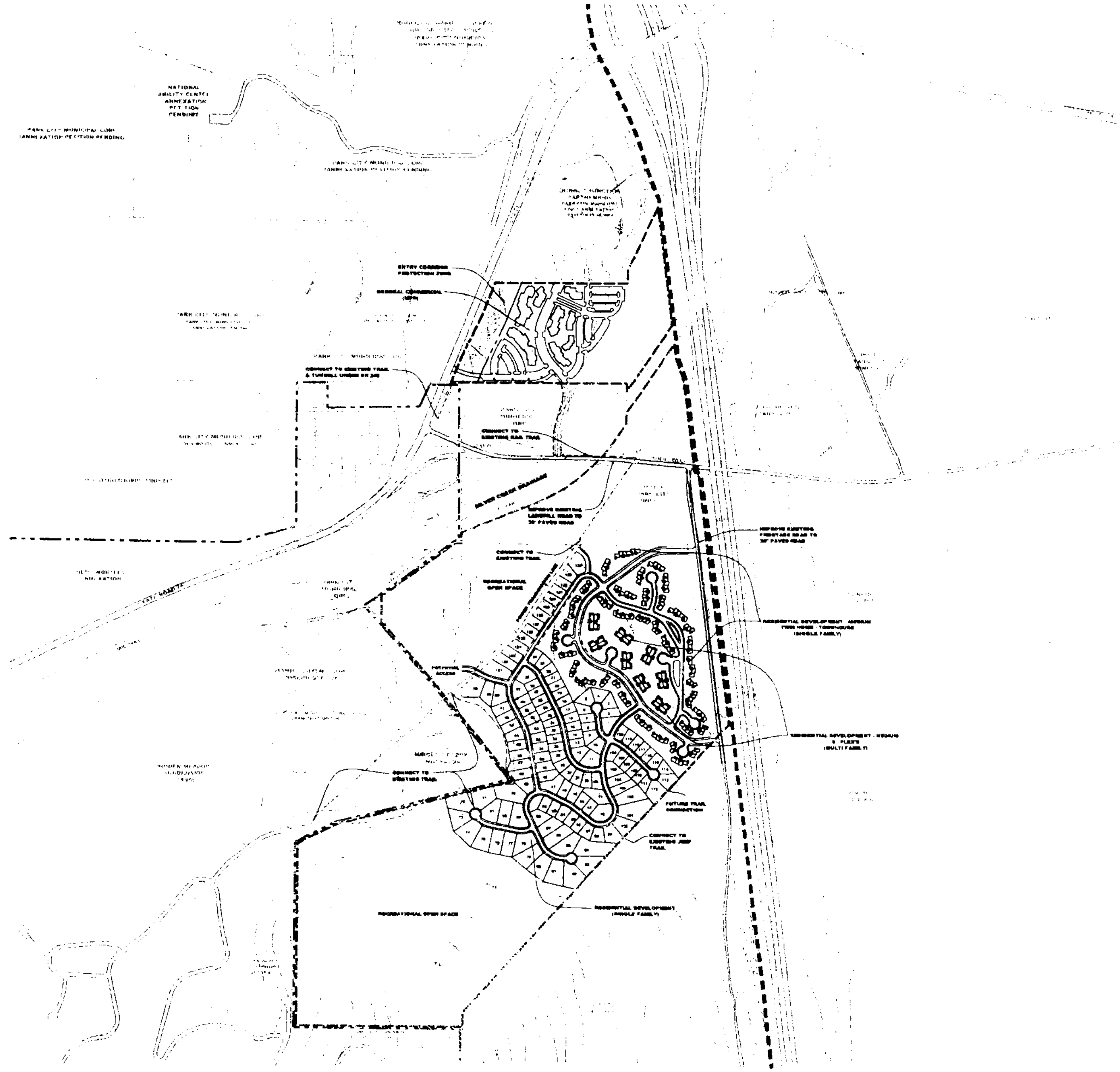
10.51 AC.	GENERAL COMMERCIAL - MDP
36.77 AC.	RESIDENTIAL DEVELOPMENT - MEDIUM DENSITY
68.95 AC.	RESIDENTIAL DEVELOPMENT (MPD)
78.20 AC.	RECREATIONAL OPEN SPACE - (MPD)
4.00 AC.	ENTRY CORRIDOR PROTECTION OVERLAY
200.67 AC.	TOTAL MDP AREA (BARNES BANK PROPERTY)

PROPOSED DEVELOPMENT

GENERAL COMMERCIAL - (MPD)	200,000 S.F. / 10.51 AC.	
RESIDENTIAL DEVELOPMENT - MEDIUM DENSITY - (MPD)	218 UNITS / 43.00 AC.	5.0 UNIT/AC.
RESIDENTIAL DEVELOPMENT - (MPD)	134 LOTS / 56.02 AC.	2.40 UNIT/AC.
TOTAL DEVELOPMENT	352 LOTS/UNITS / 59%	

PROPOSED OPEN SPACE

RECREATIONAL OPEN SPACE	78.20 AC.
ENTRY CORRIDOR PROTECTION OVERLAY ZONE	4.00 AC.
OPEN SPACE	82.34 AC. / 41%



park city heights

park city, utah &
summit county, utah

january 24, 2005

conceptual master development site plan
& proposed park city zoning classification

Exhibit C

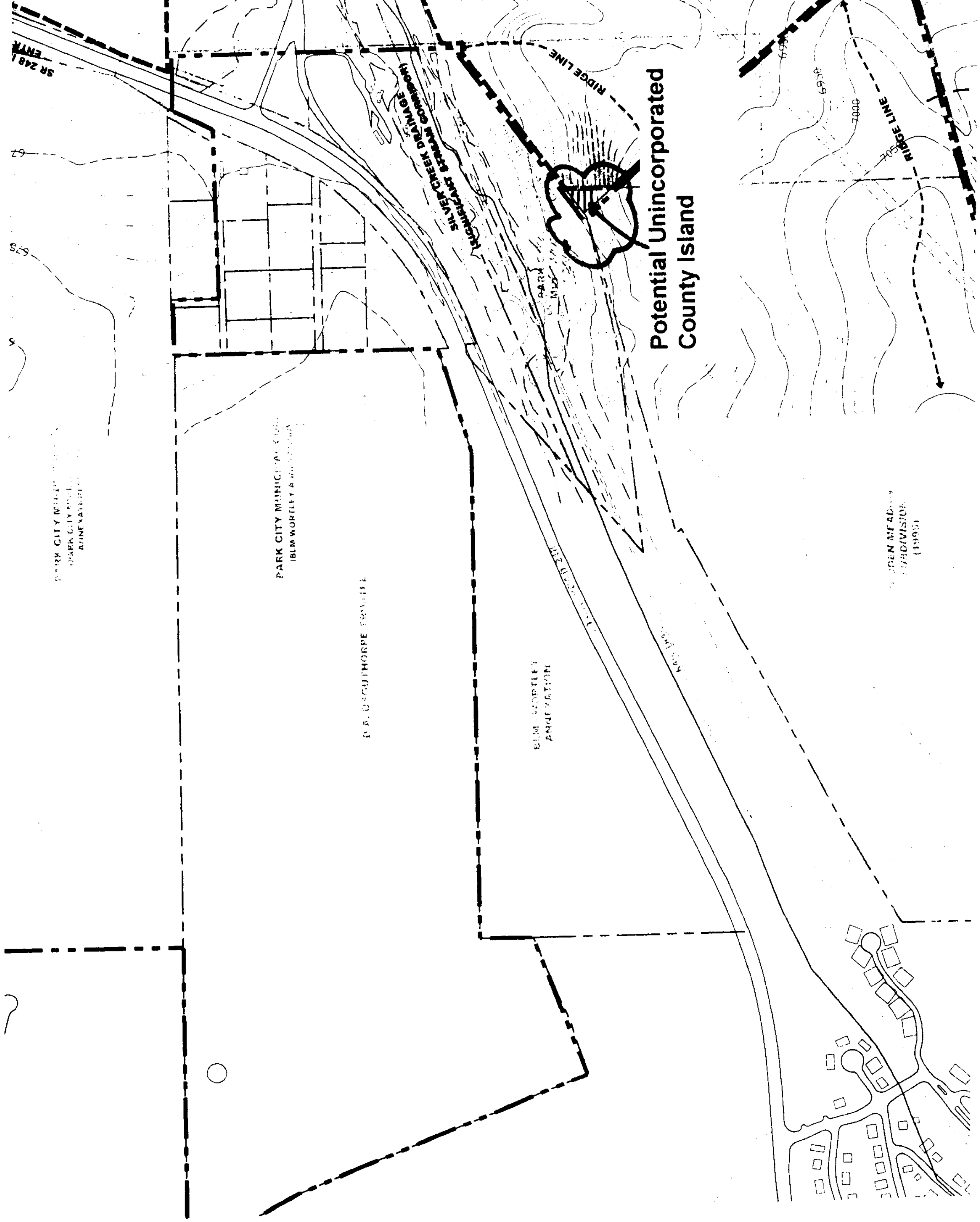

Potential Unincorporated County Island
SILVER CREEK DRAINAGE
RIDGE LINE
RIDGE LINE
7000
PARK CITY MUNICIPAL CORP.
(BLM WORLEY ANNEXATION)

Exhibit D

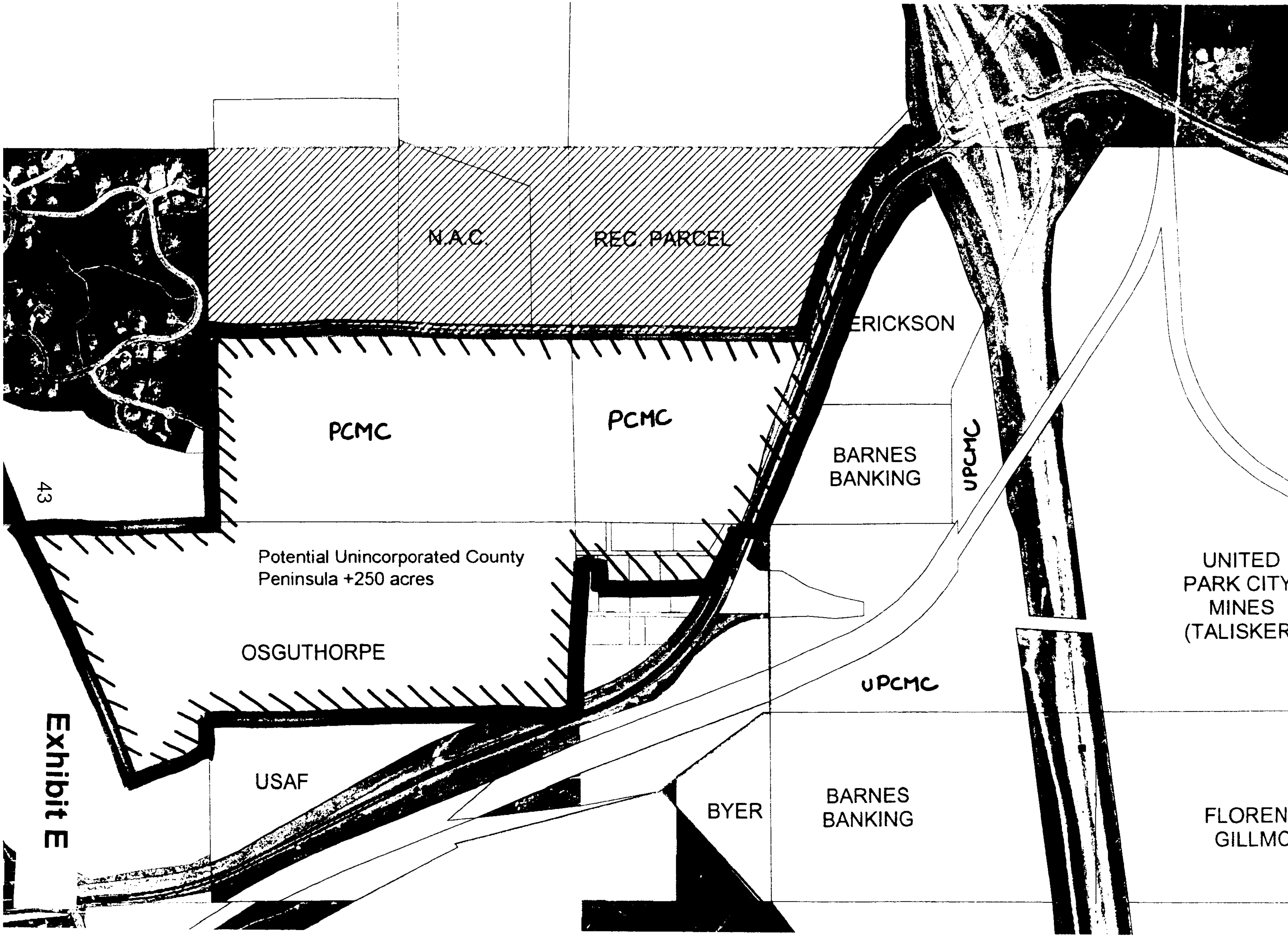

N.A.C.
REC. PARCEL
ERICKSON
PCMC
PCMC
BARNES
BANKING
UPCMC
Potential Unincorporated County
Peninsula +250 acres
OSGUTHORPE
UNITED
PARK CITY
MINES
(TALISKER)
UPCMC
USAF
BYER
BARNES
BANKING

Exhibit E

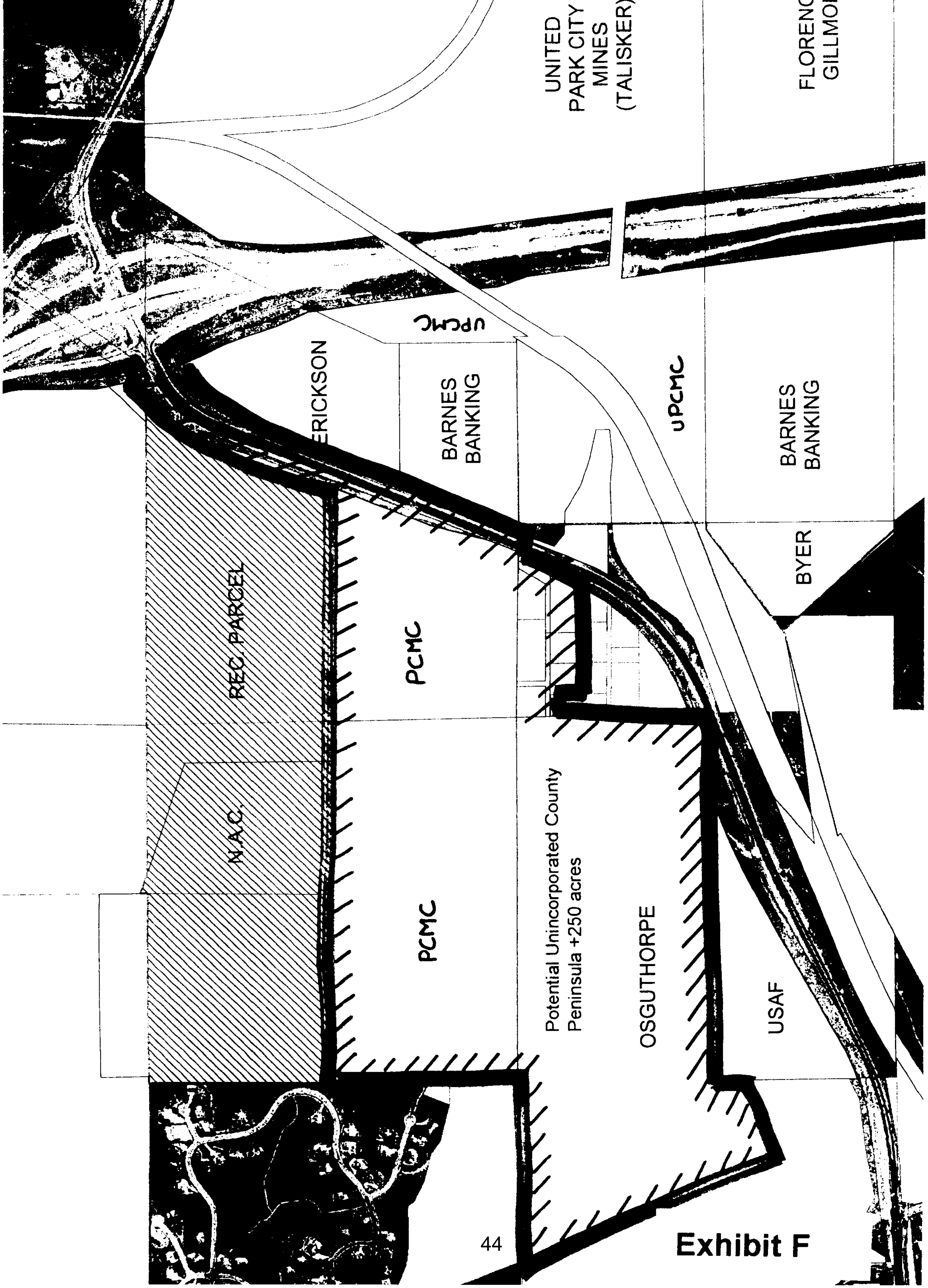
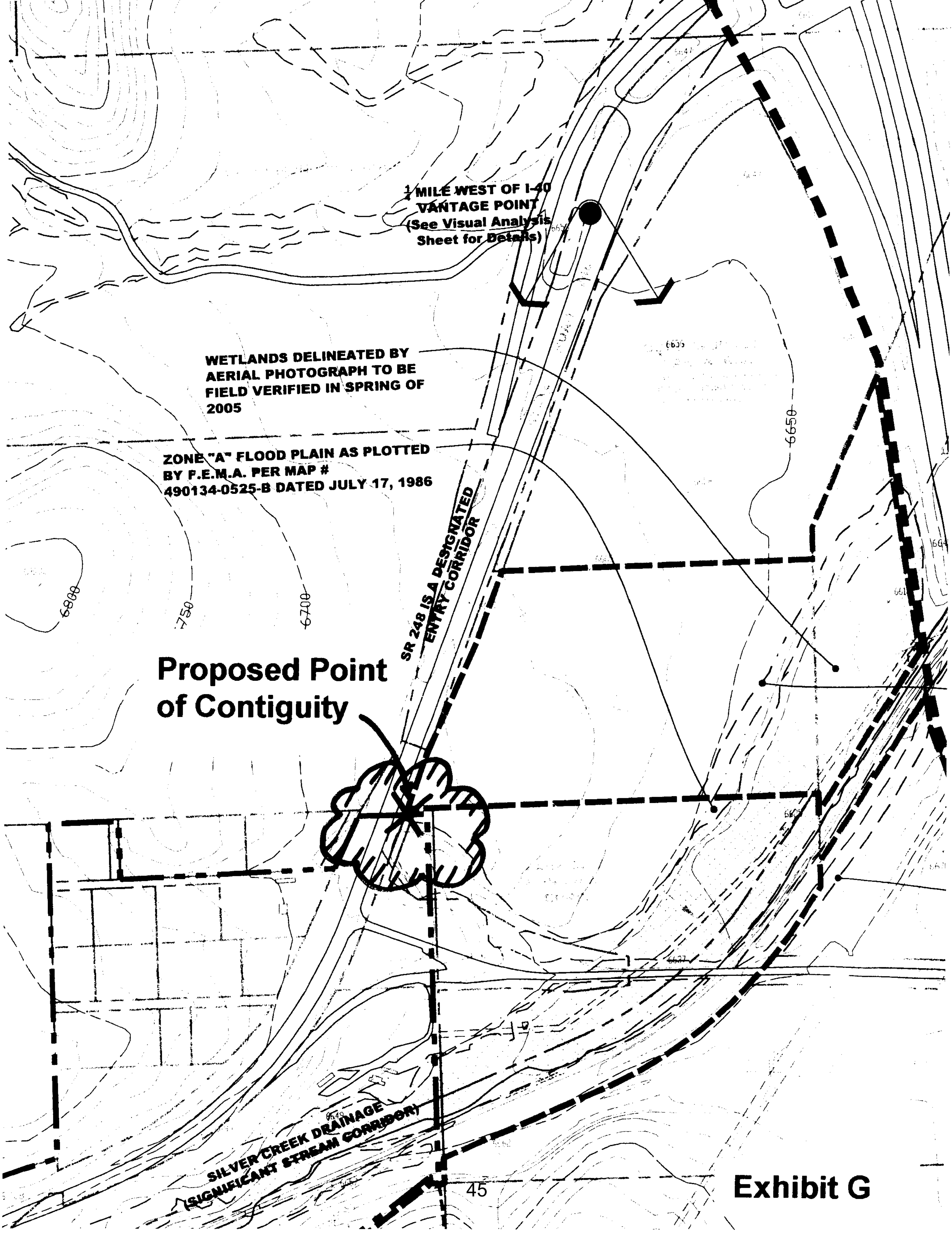

UNITED
PARK CITY
MINES
(TALISKER)
UPCMC
ERICKSON
BARNES
BANKING
UPCMC
BARNES
BANKING
BYER
REC. PARCEL
PCMC
N.A.C.
PCMC
Potential Unincorporated County
Peninsula +250 acres
OSGUTHORPE
USAF

Exhibit F



¼ MILE WEST OF I-40
VANTAGE POINT
(See Visual Analysis
Sheet for Details)
WETLANDS DELINEATED BY
AERIAL PHOTOGRAPH TO BE
FIELD VERIFIED IN SPRING OF
2005
ZONE "A" FLOOD PLAIN AS PLOTTED
BY F.E.M.A. PER MAP #
490134-0525-B DATED JULY 17, 1986
SR 248 IS A DESIGNATED
ENTRY CORRIDOR
Proposed Point
of Contiguity
6650
6800
6750
6700
SILVER CREEK DRAINAGE
(SIGNIFICANT STREAM CORRIDOR)

Exhibit G

WADDINGHAM & PETERSON
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW

THORPE WADDINGHAM (RETIRED)
WARREN H. PETERSON
RICHARD WADDINGHAM
GREG GREATHOUSE

362 WEST MAIN STREET
DELTA, UTAH 84624
(435) 864-2748
FAX (435) 864-2740

February 9, 2005

Park City Planning Commission
c/o Park City Planning Department
445 Marsac Avenue
P.O. Box 1480
Park City, UT 84060-1480

RE: Quinn's Junction Annexation/Osguthorpe

Dear Planning Commission Members:

D.A. Osguthorpe, as trustee, retained our office to advise him regarding the proposed Quinn's Junction-Annexation. The proposed annexation includes land owned by Dr. Osguthorpe, as trustee. Dr. Osguthorpe reports that his family currently farms the land proposed for annexation and wishes to retain that use.

The proposed annexation, as currently configured, appears to include Dr. Osguthorpe's land to avoid creation of an unincorporated island. Annexation would have the consequence, however, of subjecting this land to the Park City Land Management Code and also to the municipal tax levy. These burdens to the land would substantially impair the sustainability of the agricultural land use. Consequently, Dr. Osguthorpe is opposed to the annexation.

The Planning Commission staff report fails to identify specific impacts of annexation to the Osguthorpe property. It appears that the staff report recommends inclusion of the property in a Recreation/Open Space zoning classification. While such a classification may allow farming as a conditional use, the problems remain whether: a) the existing agricultural use would be recognized upon annexation rather than require completion of the conditional use review process, b) whether Park City has created protections for farming operations through the Agricultural Protection Act or similar protections, and c) whether higher ad valorem taxes would be fatal to the current farm use.

In summary, annexation substantially impairs the ability to maintain the Osguthorpe property in the current open space, agricultural use status. Dr. Osguthorpe therefore opposes the annexation. If the annexation proceeds, we respectfully request that the property be zoned to allow the land to continue as cropland and that suitable protections be given to allow continuation of this open space status.

Exhibit H

We request notification of all hearing and proceedings with respect to this annexation be sent to me at the above address. Thank you for your consideration.

Respectfully submitted,

WADDINGHAM & PETERSON, P.C.

Warren H. Peterson

WHP/lh

cc D.A. Osguthorpe

ANNEXATION PETITION APPLICATION
Park City, Utah

PARK CITY
1884

Park City Municipal Corporation
PO Box 1480
Park City, Utah 84060
(435) 615-5060
(435) 615-4906 fax

Application Filing Date 1/28/05 Application Fee #13,300–

Application determined complete, date 2/2/05 (day one)

- ❑ Annexation Petition Accepted __________ by City Council. Date______ (by day 14)
- ❑ Annexation Petition Rejected __________ by City Council. Date ______ (by day 14)
- ❑ If accepted, Annexation Petition is certified by City Recorder. Date______ (by day 44)
- ❑ Notice is given to the City Council regarding petition certification. Date ___ (by day 44)
- ❑ City publishes notice of petition acceptance (once a week for three successive weeks). Date______ (starting by day 57)
- ❑ City sends mailed notice of petition acceptance to affected entities. Date___ (by day 67)
- ❑ Deadline for affected entities to file protest- Date_________ (by day 77)
- ❑ If no protest, Planning Commission will hold a hearing and make a recommendation to the City Council. City Council will hold a hearing and take final action. (each hearing requires a 7 day published notice by the City) (no sooner than day 78)
- ❑ If protest is filed consult State Code for information on the boundary commission requirements and dates.

PLEASE READ AND SIGN BEFORE APPLICATION SUBMITTAL

As the applicant for this Annexation Petition, I understand that my application is not deemed complete until the Community Development Department has reviewed the application and deemed it complete. I further understand I will be notified by mail when my application has been deemed complete. The determination of a complete application does *not* certify that the Annexation Petition has been accepted. The certification of an accepted petition requires City Council action.

After you have read the above, please sign your name (as sole owner or as the designated sponsor).

Name: Barnes Banking Co by: [signature] SR VP.

Date: 1/27/05

I. PROJECT INFORMATION

Name of Property Owner or sponsor petitioner: Barnes Banking' Company

Address or Location (include location map): (see attached)

Legal Description (attach): (see attached)

II. APPLICANT(S): The petition shall contain signatures of property Owners representing a majority of the private land area and at least 1/3 of the value of all private real property within the area proposed for annexation. If the area is within an Agricultural Protection Area (Title 17, Chapter 41, Agriculture Protection Area) then the petition shall contain signatures of all of the private land area within the annexation area). If the property is owned by a public entity other than the federal government then the petition shall be signed by the owner(s) of all of the publicly owned real property

1. Name Barnes Banking' Company — Signature __________
   Mailing Address 33 South Main St. — Telephone (801) 544-3424
   Kaysville, Utah 84037 — Fax (801) 544-4717
   e-mail address bpulley@barnesbank.com

2. Name __________ — Signature __________
   Mailing Address __________ — Telephone __________
   __________ — Fax __________
   e-mail address __________

3. Name __________ — Signature __________
   Mailing Address __________ — Telephone __________
   __________ — Fax __________
   e-mail address __________

4. Name __________ — Signature __________
   Mailing Address __________ — Telephone __________
   __________ — Fax __________
   e-mail address __________

5. Name __________ — Signature __________
   Mailing Address __________ — Telephone __________
   __________ — Fax __________
   e-mail address __________

Please list additional owners on a separate sheet.

ANNEXATION SPONSOR(S) Up to five of the signers of the petition may be listed as sponsors. Please designate one whom shall be designated as the contact sponsor.

1. Name ______________________________ Signature ______________________

   Mailing Address _____________________ Telephone______________________

   ________________________________ Fax___________________________

   e-mail address_______________________

2 Name ______________________________ Signature ______________________

   Mailing Address _____________________ Telephone______________________

   ________________________________ Fax___________________________

   e-mail address_______________________

3. Name ______________________________ Signature ______________________

   Mailing Address _____________________ Telephone______________________

   ________________________________ Fax___________________________

   e-mail address_______________________

4. Name ______________________________ Signature ______________________

   Mailing Address _____________________ Telephone______________________

   ________________________________ Fax___________________________

   e-mail address_______________________

5. Name ______________________________ Signature ______________________

   Mailing Address _____________________ Telephone______________________

   ________________________________ Fax___________________________

   e-mail______________________________

III. SUBMITTAL REQUIREMENTS - Annexation Petition

Five copies of the following information are required prior to a determination of application completeness. All site plans and drawings shall comply with the standards specified in Section 200.0.02 of the Park City Design Standards, Construction Specifications & Standard Drawings-1999 Edition. Additional information and/or studies may be required depending on location and potential impact of the proposed annexation.

☒1. Applicant and Notification information.
   a. Names, signatures, addresses, phone numbers, fax numbers, of all property owners within the proposed annexation area.
   b. Names, mailing addresses and stamped envelopes of property owners within one-half mile of the proposed annexation area.

☒2. An accurate and recordable map (certified survey plat) of the property to be annexed, prepared by a surveyor licensed to practice in Utah, accurately describing the existing City boundaries and each individual ownership sought to be annexed, including an accurate legal description of the property to be annexed.

☒3. Existing conditions site plan, at a scale approved by the City, of the proposed annexation area and surrounding area, within a radius to be specified by the City, depending on the particular annexation (may be more or less than one-half mile). This site plan must be prepared by a licensed Surveyor and shall include the names, addresses, and property boundaries of all property owners within the annexation area and within the specified study area.

☒4. Title report (no older than 60 days) for the proposed annexation area.

☒5. If the proposed property is intended for development, the petition for annexation shall include complete applications for a preliminary subdivision plat and a Master Planned Development (applicable only for projects that would require review as a Master Planned Development according to Chapter 6 of the Land Management Code). Attached to all annexation petitions shall be a land use analysis, performed by a qualified land use planner with the assistance of other professionals such as traffic engineers, civil engineers, wildlife biologists, and hydrologists of all undeveloped property within the annexation area <u>and</u>, but not limited to, within one-half mile of the proposed annexation. The City reserves the option of selecting the qualified professionals to perform this analysis with the cost being paid by the applicant. This analysis shall include, but not be limited to, a study of the following:
   a. Slope, wetlands, natural drainage, vegetation, slope, wildlife habitat, view corridors, and significant geological features.
   b. Existing and proposed road systems and easements, including traffic generation, if necessary.
   c. Proposed major utility extension plans and easements, including water usage, supply and delivery systems. Applicant must demonstrate proof of adequate water rights sufficient to serve the proposed annexation area at full development.
   d. Location of proposed public and private open space, recreational areas, trails and trail easements.

e. Proposed land uses including type, density, and, if applicable, timing of build-out of residential and commercial areas.
f. Proposed locations of community facilities such as fire stations, schools and parks.
g. Consistency with the current General Plans of the governmental entities having jurisdiction.
h. A statement as to the anticipated timetable for development, if applicable.
i. Location and description of any Historic or cultural resources on the property.

☒6. Affordable housing plan consistent with the City's affordable housing policies, if applicable.

☒7. Project phasing plan and construction mitigation plans for each phase, if applicable.

☒8. Public utilities and essential services analysis including:
a. School impact analysis, including analysis of existing and projected schools which will be serving the annexation area. Analysis shall project school-age population generated by the annexation area over a twelve year period.
b. Capacity of existing sanitary sewer trunk line and capacity of treatment facilities serving the project.
c. Capacity and availability of solid waste collection, animal control and other services provided by agencies other than Park City.
d. A full disclosure statement of any and all waters owned or historically utilized on the property to be annexed, and a statement from the water owner(s) as to the estimated value of the water or price at which he or she is willing to sell the said water to the City.

☒9. Fiscal impact analysis of the proposed annexation on Park City, the remaining unincorporated area, special districts, school district and other governmental entities. The fiscal impact analysis format, including the revenue and cost assumptions shall be approved by Park City. If necessary, the City shall hire qualified experts to perform the analysis. The cost of such analysis shall be paid by the applicant as part of the Annexation Petition application. The fiscal impact analysis shall include, but not be limited to, the following:
a. Current and five year projections of demographics and economic base in the area proposed for annexation and surrounding unincorporated area, including household size and income, commercial and industrial development and public facilities.
b. Projected growth in the area proposed for annexation and the surrounding unincorporated area in five year increments.
c. The present and future annual projected revenue to the City as a result of the annexation.
d. The projected impact the annexation will have over the following ten years on the amount of taxes that property owners within the area proposed for annexation, Park City residents, and the remaining unincorporated county will pay.
e. Present and future (over the next ten years) projects of costs of governmental services to the annexing area.

☐10. Other studies and analysis as necessary to determine annexation appropriateness.

Once the annexation has been approved, please submit the following:

1. CD Disc containing the final annexation plat in electronic form, preferably Auto CAD.
2. 4 Mil mylar of the annexation plat trimmed to 24" x 36" with ½ inch border on top, right, and bottom, and 1 ½ inch border on left. Annexation mylar plat shall be in a form approved by the City Engineer and City Attorney, including all required signatures and certifications.

Note: Once all the required studies and documents are submitted and determined complete by the City, the application shall be scheduled for review by the appropriate City Departments and Commissions. The annexation processing application fee shall be paid prior to formal review by the City. If deemed appropriate by the Community Development Department, the application fee may be pro-rated provided an adequate fee has been collected to offset City costs for processing the application.

ANNEXATION FACT SHEET

PROJECT DESCRIPTION

1. On a separate piece of paper, please complete the following requests and attach to this application:
   a. Give a general description of the proposal and attach to the application.
   b. Provide a written statement addressing specifics of the request, indicating proposed use of the property, any other applications submitted as part of the proposal, development time schedule, and any additional information required to describe the proposed annexation.

2. Is the property contiguous to Park City municipal boundaries? ☒ yes ☐ no

3. Is the proposed property a contiguous area? ☒ yes ☐ no

4. Will this annexation leave/create an unincorporated island or peninsula? ☐ yes ☒ no

5. Existing Zoning : DL & SL Proposed Zoning: GC/MPD RDM/MPD RD/MPD ROS/MPD

6. Will the project be within the Sensitive Lands Overlay when annexed? ☒ yes ☐ no

7. Current use of the property : VACANT LAND

8. Project area (acreage): 256.84 ACRES
   ◆provide % of project area on slopes in excess of 15% 47.5 and in excess of 40% 12.9 .

9. Does the petition for annexation contain any land area proposed for annexation in a previously filed petition that has not been granted, denied or rejected? ☐ yes ☒ no

10. Are you also seeking development project approval at this time? ☒ yes ☐ no
    If yes, type of project application filed: MPD

11. Current City water service is available within 9,500 feet of the property.

12. Water rights sufficient to serve the project will be dedicated upon annexation:
    ☒ yes (SEE TAB 4) ☐ no

13. Project will be accessed via:
    ☒ public road ☐ private road ☐ private driveway

14. State Law requires that on the date of filing the annexation petition with the City, the petition sponsor (s) shall also deliver or mail a copy of the petition to the County Clerk of the county in which the property is located and also to the chair of the county Planning Commission which has review authority or jurisdiction over the said property. Has this been done? ☒ yes ☐ no

ACKNOWLEDGMENT OF RESPONSIBILITY

This is to certify that I am making an application for the described action by the City and that I am responsible for complying with all City requirements with regard to this request. This application should be processed in my name and I am a party whom the City should contact regarding any matter pertaining to this application.

I have read and understood the instructions supplied by Park City for processing this application. The documents and/or information I have submitted are true and correct to the best of my knowledge.

I will keep myself informed of the deadlines for submission of material and of the progress of this application. I understand that a staff report will be made available for my review the week prior to any public hearings or public meetings. This report will be on file and available at the Planning Department, 3rd floor Marsac Building.

I further understand that additional fees may be charged for the City's review of the proposal. Any additional analysis required would be processed through the City's consultants with an estimate of time/expense provided prior to an authorization to proceed with the study.

Please note that the annexation petition must be signed per State requirements, as described above.

SIGNATURE OF APPLICANT: Barnes Banking Company by: Lamont D. Tingey

NAME OF APPLICANT (please print) c/o Park City Heights LLC Attn: Richard W. Moffatt

MAILING ADDRESS: 90 South 400 West, Suite 200

Salt Lake City, UT 84101

PHONE #: home ____ work 801-521-4781 & 801-243-3844

FAX #: 801-521-4793 & 801-322-4055

TYPE OF APPLICATION: Annexation Petition

AFFIRMATION OF SUFFICIENT INTEREST *

I hereby affirm that I am the fee title owner of the below described property or that I have written authorization from the owner to pursue the described action. Note: The Annexation Petition must be signed per the State requirements, as described above.

NAME OF APPLICANT: (please print) Barnes Banking Company

MAILING ADDRESS: 431 South 300 East

Salt Lake City, UT 84111

STREET ADDRESS/LEGAL DESCRIPTION OF SUBJECT PROPERTY:

(see attached)

SIGNATURE: Lamont D. Tingey DATE: 1/27/05

Lamont D. Tingey, Senior Vice President

*1. If you are not the fee owner, attach another copy of this form which has been completed by the fee owner or a copy of your authorization to pursue this action.

*2. If a corporation is fee title holder, attach copy of the resolution of the Board of Directors authorizing this action.

*3. If a joint venture or partnership is the fee owner, attach a copy of agreement authorizing this action on behalf of the joint venture or partnership.

PLEASE NOTE: THIS AFFIRMATION IS NOT SUBMITTED IN LIEU OF SUFFICIENT TITLE EVIDENCE. YOU WILL BE REQUIRED TO SUBMIT A TITLE OPINION, CERTIFICATE OF TITLE, OR TITLE INSURANCE POLICY SHOWING YOUR INTEREST IN THE PROPERTY PRIOR TO FINAL ACTION.

RESOLUTION

RESOLVED, that Lamont D. Tingey, Senior Vice President of Barnes Banking Company, a Utah Corporation ("Bank"), is hereby authorized and directed to execute on behalf of the Bank those certain documents entitled "Petition for Annexation" and "Master Planned Development" in which the Bank authorizes Park City Heights, L.C. to act as its agent in petitioning for approval of annexation, zoning, density, use, etc. Of the nearly 200 acres of land currently vested in the Bank's name and located near the junction of Highways 40 and 248 next to Park City, Utah.

Dated this 27th day of January 2005

Barnes Banking Company
Board of Directors

By: ______________________
Ned H. Giles, Secretary

ACKNOWLEDGEMENT

Sate of Utah
County of Davis

On the 27th day of January, 2005, personally appeared before me Ned H. Giles, Secretary of Barnes Banking Company, a Utah Corporation, who duly acknowledged that he executed the foregoing instrument on behalf of the Board of Directors of the same.

Diane E. Fisher
Notary Public
Residing at: Kaysville, Utah
Commission Expires: 12-16-05

NOTARY PUBLIC
STATE OF UTAH
My Commission Expires
December 16, 2005
DIANE E. FISHER
33 South Main Street
Kaysville, Utah 84037

PROJECT DESCRIPTION

Park City Heights is located at the Southwest corner of Highway 40 and 248. It is bordered to the South by Morning Star Estates and to the west by Hidden Meadow Subdivisions. Park City Heights consists of two separate properties (north & south parcels), which are bisected by the Rail-Trail that runs from Park City to Echo Reservoir. The parcels locations create opportunities for both residential and commercial development and a key link in the local trail system.

The North parcel contains 24 acres and has direct access off of Highway 248. This area is known as Quinn's Junction, and is one of the City's key entry corridors. The parcel has historically been used for agricultural purposes and is mostly sage and grassland with some wetlands near the back edge of the property near Silver Creek.

The South parcel consists of 176 acres of sage and grass on the lower elevations with more mature Gamble and Scrub Oak on the higher portions of the property. Views from this parcel are of the surrounding Silver Creek drainage and of the Uinta Mountains to the East.

Park City Heights proposes 352 residential units on the South parcel with a combination of 134 single family detached homesites, and 218 units of town homes and multi-family units. The North parcel will consist of 200,000 square feet of commercial. The commercial pod has been designed for maximum flexibility. It has been designed with two (2) different options. Option 1 is a stand-alone General Commercial pod that will be used for general office, clinic, and medical. Option 2 is a mix of retail, restaurants, multiple live performance theaters, additional entertainment venues as well as possibly conference facilities, hotel or lodge and a small studio production office. This option will be combined with the 29-acre parcel to the North (Quinn's Junction Partners). There will be a strong focus on the public realm as expressed in active, walkable plazas, and buildings oriented toward the more public spaces.

The project presents a unique opportunity to shape Park City's entry corridor from Highway 248 in a manner that creates a strong mountain aesthetic. The use of local natural materials throughout the development will insure a Park City character and flavor to the site. The use of these local materials will be incorporated into the buildings, furnishings, light fixtures, signs, public benches, waste receptacles, and other site details, characterizing the individual architectural style. The architecture will express authenticity in simple building forms.

To achieve a high quality community image, both overall building appearance and its details shall convey a sense of solid permanent construction incorporated into the site. Quality also extends to consistency and completeness of the project. All individual project components shall be designed and completed as a single homogeneous whole.

The primary design goal is to create a neighborhood that is mountain rural in its architectural character and takes advantage of beautiful views and substantial open

Exhibit J

space. Over 60% of the South parcel and over 35% of the North parcel have been designed as open space.

Another important design element is to preserve a substantial 250' buffer from Highway 248 to any development as part of the Entry Corridor Protection Overlay (ECPO). Access points have been designed to allow as few as possible and minimize interference with through traffic on the corridor roadway. Surface parking will be buffered from the entry corridor and will use landscaping and buildings for screening purposes whenever possible.

All development has been kept off of ridgelines and steep slopes to preserve the mountain views as seen from Highway 40 and 248. Density has been clustered while still maintaining flexibility in housing types. Park City Heights would be a welcome compliment to the "Resort" lifestyle offered in this community.

City Council
Staff Report

PARK CITY 1884

Planning Department

Author:	**Patrick Putt, Planning Director** PP
Subject:	**Quinn's Junction Partnership Annexation**
Date:	**February 17, 2005**
Type of Item:	**Legislative (Annexation Petition Review)**

Summary Recommendations: The Planning Department recommends that Council reject the Quinn's Junction Partnership Annexation petition.

Description

Topic

Project Name:	Quinn's Junction Partnership Annexation
Applicant:	Quinn's Junction Partnership
Location:	Quinn's Junction (Summit County)
Zoning:	Summit County- DL (Developable Lands @ 1 unit per 20 acres- base density); and SL (Sensitive Land @ 1 unit per 40 acres (over 30% slope, or wetlands)
Proposed Zoning:	General Commercial (GC)-MPD
Adjacent Land Uses:	Undeveloped private property; COSAC purchased open space;
Proposed Use:	General, Commercial, Retail, Hotel, Entertainment Venues

Background:

The Quinn's Junction Partnership filed an annexation petition on January 28, 2005 with the City Recorder. The 29.55 acre property is located in the Quinn's Junction area at the southwest quadrant of the US-40/SR-248 interchange (see Exhibit A - vicinity map and Exhibit B – annexation plat). The property is currently undeveloped. The applicant seeks to develop 300,000 square feet of general commercial uses including retail, restaurants, multiple live performance theaters, entertainment venues, as well as possible hotel and conference facilities. (See Exhibit I, Project Description)

The underlying zoning being requested is General Commercial (GC), with an underlying Master Planned Development (GC-MPD) (see Annexation and Zoning Plat Exhibit B). The current County zoning for the property is Developable Lands (DL) at 1 unit per 20 acres-base density; and Sensitive Lands (SL) at 1 unit per 40 acres *(for wetlands and land over 30% slope)*. The property is located within Park City Municipal Corporation's Annexation Expansion area, as described by the adopted Annexation Policy Plan.

The property is subject to a pre-annexation agreement executed by the property owner and City on May 14, 2004. The pre-annexation agreement sets forth the terms and conditions upon which the property owner would submit an annexation petition for the subject property. Those terms and include the following:

1. mutual agreement concerning land-use, zoning, density, utility costs and locations;

2. purchase of the property by an institutional user with an acceptable agreement as to entitlements if such conditions can be met within 150 days of the days of the execution of the agreement; and

3. a written development agreement and plan regarding annexation and zoning within 150 days of the execution of the agreement.

Staff does not believe that any of these conditions have been met as of this date. Staff also notes that the pre-annexation agreement expressly acknowledged "that the decision to annex is purely a legislative decision by the City Council and nothing herein shall limit the City Council's discretion or power to make that legislative decision."

On January 28, 2005, the City Recorder also received an annexation petition from Barnes Banking Company for the adjacent property to the south (see attached Vicinity Map, Exhibit A). The Barnes Banking Company annexation, known as the Park City Heights Annexation and including 256.84 acres, is also scheduled for City Council consideration at its February 17, 2005 meeting.

Municipal annexation is a legislative act governed procedurally by Utah state law. Once the annexation petition is filed with the City Recorder, the petition is presented to the municipal legislative body for acceptance or rejection. Because annexation is a legislative act, the Council's decision to accept or reject the petition is not governed by statutory criteria: subject to constitutional restraints, acceptance or rejection is at the Council's discretion. It is important to note that a decision to reject the petition ends the annexation process, while a decision to accept the petition is not final, but only allows the process to continue for further consideration via the certification and subsequent public hearing process.

If the Council accepts the petition, then a 30-day certification review process will commence wherein Staff will determine whether the petition meets all requirements of Utah State Code Sections 10-2-403(2), (3), and (4). If staff determines that the petition meets these requirements, then the City Recorder will certify the petition and commence the public notification and hearing process. If staff determines that the petition fails to meet any of the statutory requirements, then the City Recorder will reject the petition and deliver written notification of rejection to the applicant and other parties required by state law. The applicant then will have the opportunity to modify the petition to correct the deficiencies for which it was rejected and re-file the petition with the City Recorder.

Analysis:

Utah State Code Annotated, Section 10-2-402(b)(i): Annexations-Limitations, states that "an unincorporated area may not be annexed to a municipality unless . . . it is contiguous to the municipality." A review of the applicant's annexation plat reveals that the proposed annexation area is not contiguous to the Park City municipal boundary. The UDOT SR 248 right-of-way, which is omitted from the proposed annexation plat, separates the proposed annexation area from Park City's municipal boundaries. (See Exhibit D, Contiguity Defect) The omission of the SR 248 right-of-way area creates a gap in contiguity with the City boundary inconsistent with the requirements set forth in the aforementioned State Code.

Utah State Code Annotated, Section 10-2-402(b)(iii): Annexation-Limitations, also prohibits annexations that would "leave or create an unincorporated island or peninsula." In the event that the City Council approved both the Quinn's Junction Partnership Annexation and the Park City Heights Annexation petitions, a large (approximately 250 acres) peninsula of unincorporated land, including D.A. Osguthorpe and City-owned open space, would be created. (See Exhibit E, Peninsula) Moreover, if the applicant amended this Quinn's Junction Partnership Annexation petition to remedy the contiguity to municipal boundaries defect discussed above, then the combined Quinn's Junction Partnership and Park City Heights Annexation petitions would create an unincorporated island of the same property. (See Exhibit F, Island) In either case the combined annexation petitions cannot be accepted by the City Council without violating state annexation laws prohibiting the creation of an unincorporated island or peninsula. Attached to this report is a letter from D.A. Osguthorpe's attorney opposing the proposed annexation on related grounds (See Exhibit G).

For the reasons stated above, the Planning Department finds the subject annexation petition does not comply with the Utah State Code annexation requirements and the terms of the May 14, 2004 pre-annexation agreement. Based on this analysis, Staff recommends that the Council reject the Quinn's Junction Partnership Annexation petition as filed.

In the event that the annexation petition is accepted, Staff is concerned with proposed land uses, density, traffic, utilities service, and limited open space associated with this proposal.

Alternatives: It is important to note that pursuant to Utah State Code Section 10-2-405(1) (a) (i) (B), if the Council does not take action on this annexation petition at its first regularly scheduled meeting that is at least 14 days after the date the petition was filed (this meeting, February 17, 2005), then the annexation petition shall be considered accepted for further consideration. Accordingly, taking no action and/or continuing this item are not options available to the Council; either action represents acceptance of the petition.

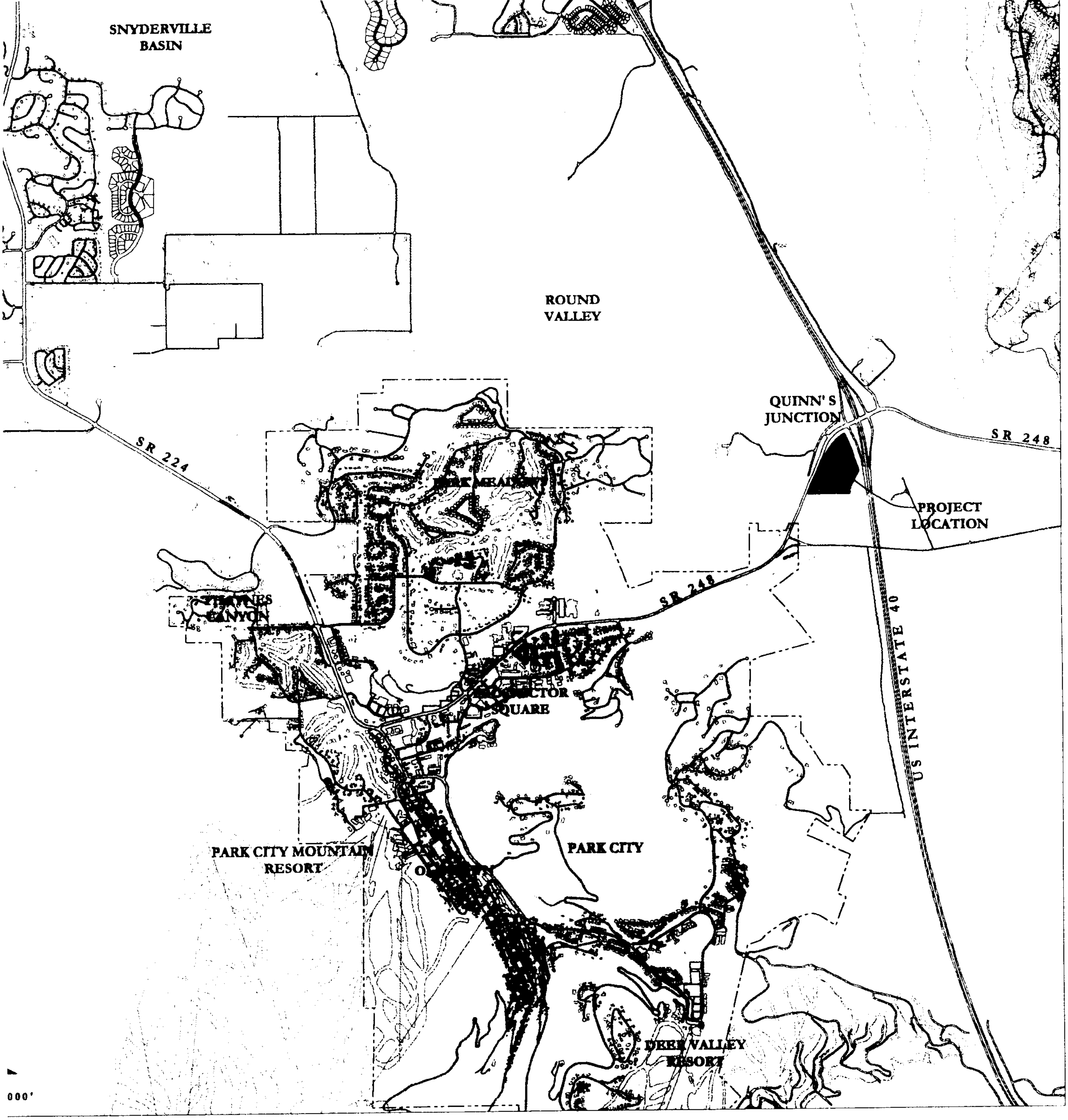
A. Accept the annexation petition for further consideration, thereby triggering the 30-day certification review process;

B. Reject the annexation petition, thereby ending the annexation process. This is the staff recommendation; or

C. Do nothing or continue the item. Pursuant to state law, the annexation petition is considered accepted for further consideration, thereby triggering the 30-day certification review process.

Recommendation:
Staff recommends the Council review the Quinn's Junction Partnership Annexation petition and take action to reject the petition.

Exhibits
Exhibit A – Vicinity Map
Exhibit B – Annexation and Zoning Plat
Exhibit C—Master Planned Development Site Plan
Exhibit D – Contiguity defect to PCMC boundaries
Exhibit E – Quinn's Junction Partnership and Park City Heights combined annexation petitions; unincorporated peninsula created
Exhibit F – Quinn's Junction Partnership and Park City Heights combined annexation petitions; unincorporated island created
Exhibit G - Waddingham and Peterson/D.A. Osguthorpe Protest Letter
Exhibit H – Annexation Petition
Exhibit I – Project Description



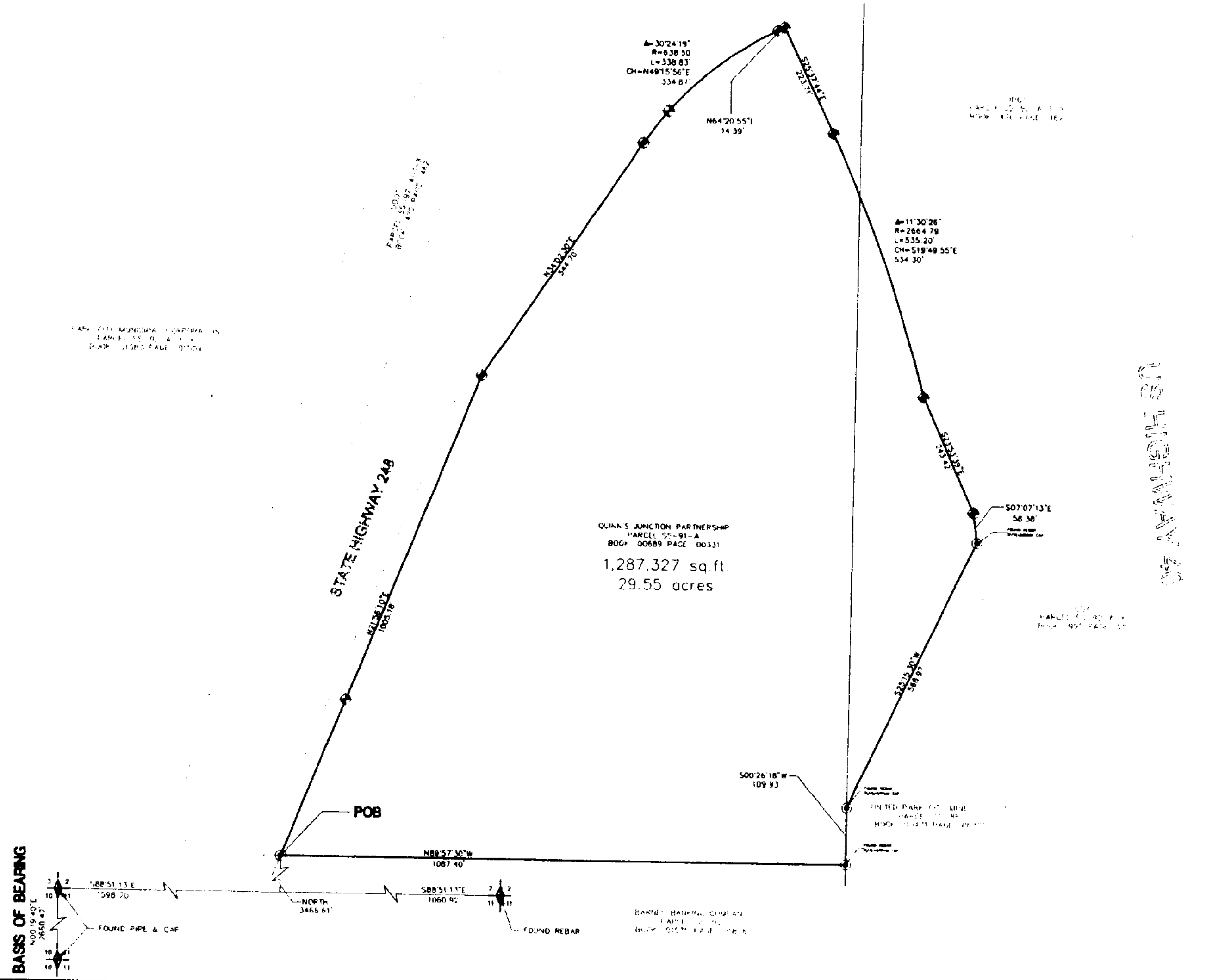
map

Exhibit A

Vicinity Map

ANNEXATION PLAT

AN ANNEXATION TO PARK CITY, SUMMIT COUNTY, UTAH



SURVEYOR'S CERTIFICATE

I, Donnie B. Green do hereby certify that I am a Professional Land Surveyor, and that I hold certificate No. 376078 as prescribed under the laws of the State of Utah. I further certify that by authority of the owners, I have made a survey of the tract of land shown on this plat.

Donnie B Green PLS 376078 ——— 11/02/04
PSOMAS ——— Date

BOUNDARY DESCRIPTION

Quinn's Junction Parcel

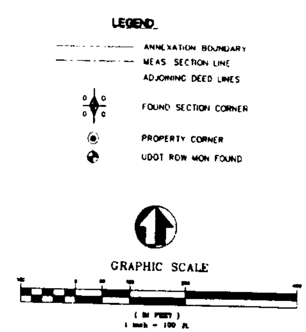
Beginning on the Easterly right of way line of State Highway 248 at a point which is 3466.61 feet North and 1598.70 feet S88°51'13"W from the Southwest Corner of Section 2, Township 2 South, Range 4 East, Salt Lake Base and Meridian, thence along the Easterly right-of-way line of said highway N21°56'10"E 1005.18 feet to a UDOT brass cap monument, thence along said right-of-way line N34°02'30"E 544.70 feet to a UDOT brass cap monument, thence along said right-of-way line 338.83 feet along the arc of a 638.50 foot radius curve to the right (chord bears N49°15'56"E 334.87 feet) to a UDOT brass cap monument, thence N64°20'55"E 14.39 feet to a UDOT brass cap monument; thence along the Westerly right-of-way line of the new US Highway 40 S25°37'44"E 223.71 feet to a UDOT brass cap monument, thence along said Westerly right-of-way line 535.20 feet along the arc of a 2664.79 foot radius curve to the right (chord bears S19°49'55"E 534.30 feet) to a UDOT brass cap monument, thence along said right-of-way line S23°53'39"E 243.42 feet to a UDOT brass cap monument, thence along said right-of-way line S7°07'13"E 58.38 feet to a rebar with aluminum cap, thence S25°15'30"W 568.97 feet to a rebar with aluminum cap on the N-S Quarter Section Line of said Section 2, thence along said Quarter-Section Line S00°26'18"W 109.93 feet to a rebar with aluminum cap, thence N89°57'30"W 1087.40 feet to the point of beginning

Contains 29.55 acres

NARRATIVE

This survey was requested by Walter Plumb of Plumb Development. The Basis of Bearing was N00°19'41"E between the Northwest Corner of Section 11 and the West Quarter Corner of Section 11 Township 2 South, Range 4 East, Salt Lake Base and Meridian. The Basis of Bearing was set in order to match the Hidden Meadow Subdivision Annexation Plat (Entry #425892) which was used as a reference along with the Schuchert Survey (File No. S-1019). The parcels were drawn as per deed and then rotated to the basis of bearing

LEGEND



ENGINEERS CERTIFICATE	APPROVAL AS TO FORM	CERTIFICATE OF ATTEST	COUNCIL APPROVAL AND ACCEPTANCE	RECORDED #
I FIND THIS PLAT TO BE IN ACCORDANCE WITH INFORMATION ON FILE IN MY OFFICE	APPROVED AS TO FORM THIS ______ DAY OF __________ A.D. 2004	I CERTIFY THIS RECORD OF SURVEY MAP WAS APPROVED BY PARK CITY COUNCIL THIS ______ DAY OF __________ 2004 A.D.	APPROVAL AND ACCEPTANCE BY THE PARK CITY COUNCIL THIS ______ DAY OF __________ A.D. 2004	STATE OF UTAH, COUNTY OF SUMMIT, RECORDED AND FILED AT THE REQUEST OF ______ DATE ______ TIME ______ BOOK ______ PAGE ______ FEE $ ______
DATE — PARK CITY ENGINEER	PARK CITY ATTORNEY	PARK CITY RECORDER	ATTEST CLERK — MAYOR	SUMMIT COUNTY RECORDER

PSOMAS
2825 East Cottonwood Parkway, Suite 120
Salt Lake City, Utah 84121
(801) 270-5777 (801) 270-5782 (FAX)

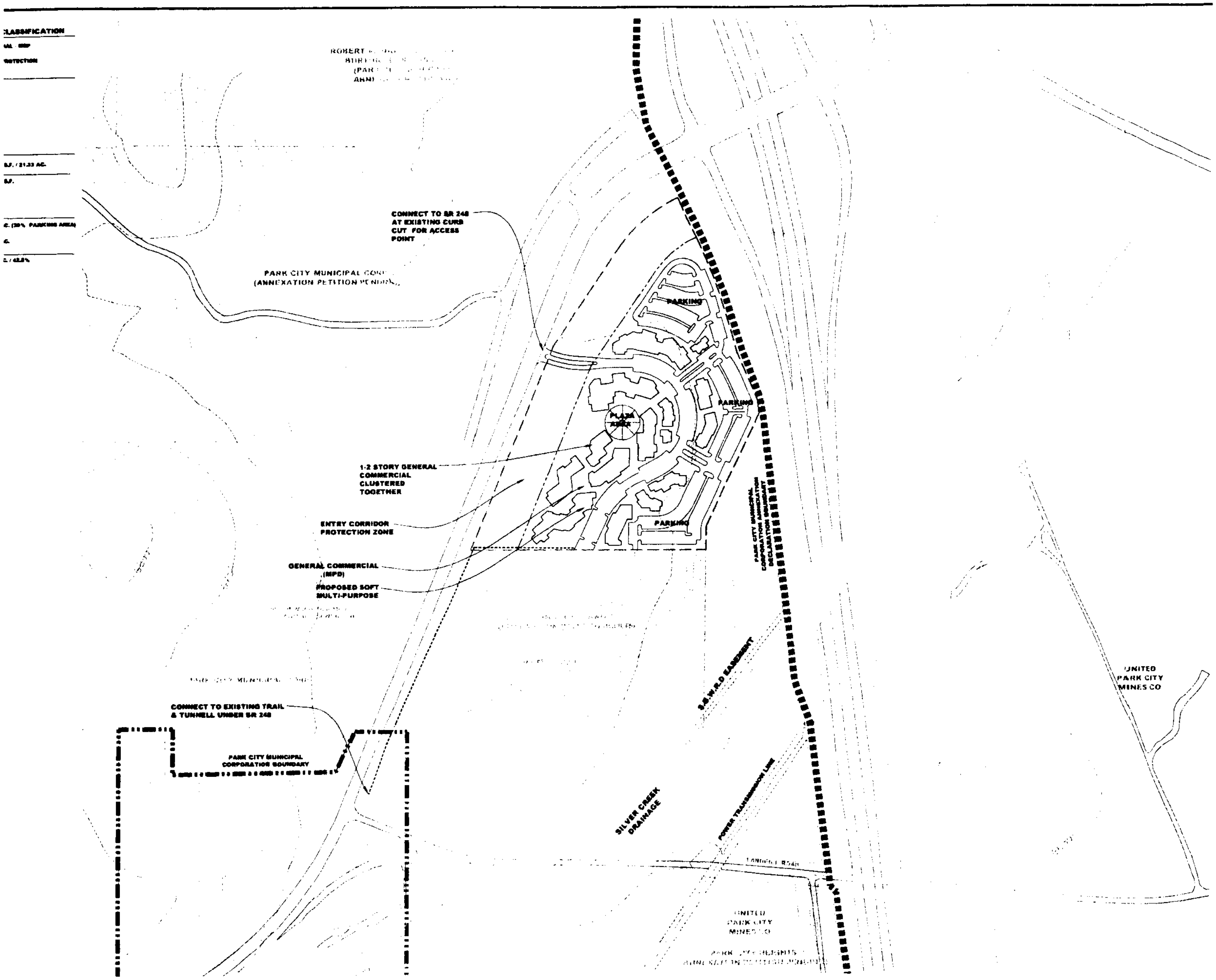
DESIGNED JEH — DRAWN JEH — CHECKED DBG

Annexation Plat
Sections 2, T2S, R4E
Salt Lake Base and M...

DATE 10-06-2004
SCALE 1" = 100'

SHEET 1 / 1

Exhibit B



conceptual master development site plan & proposed park city zoning classification

Exhibit C

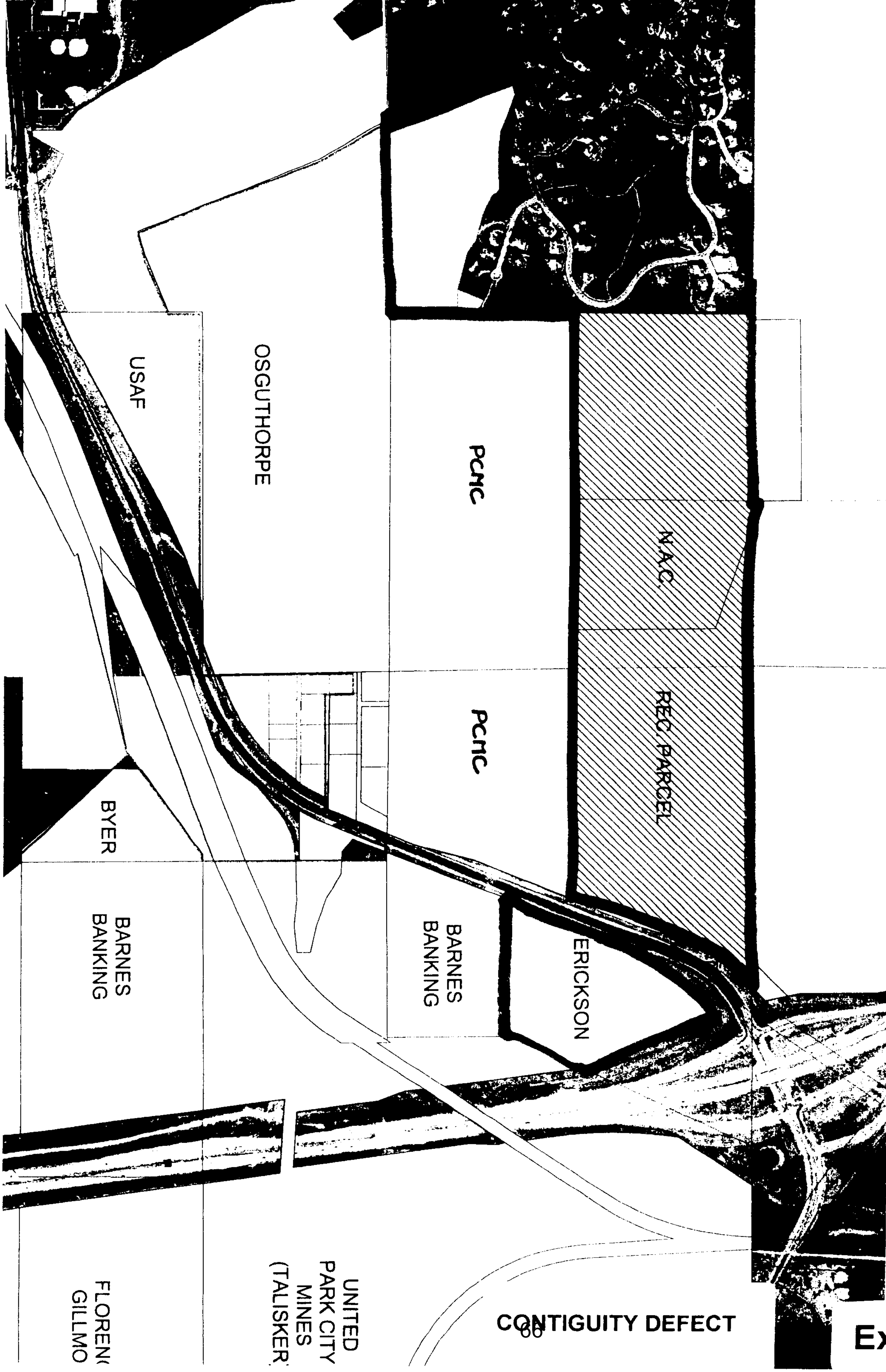

USAF
OSGUTHORPE
PCMC
PCMC
N.A.C.
REC PARCEL
BYER
BARNES BANKING
BARNES BANKING
ERICKSON
UNITED PARK CITY MINES (TALISKER
FLOREN
GILLMO
CONTIGUITY DEFECT

Exhibit D

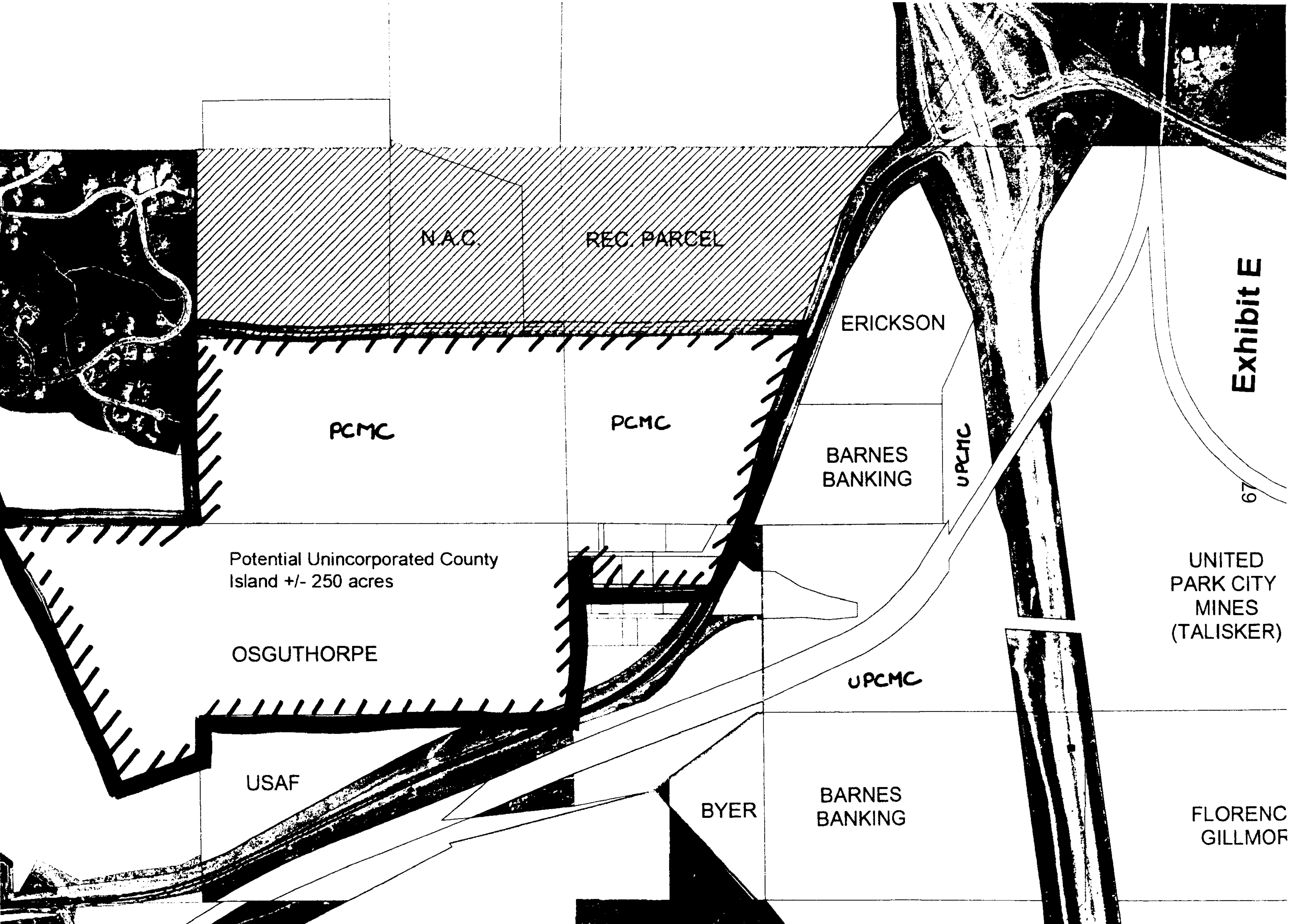

N.A.C.
REC. PARCEL
ERICKSON
PCMC
PCMC
BARNES BANKING
UPCMC
Potential Unincorporated County Island +/- 250 acres
OSGUTHORPE
UPCMC
UNITED PARK CITY MINES (TALISKER)
USAF
BYER
BARNES BANKING
FLORENC GILLMOR

Exhibit E

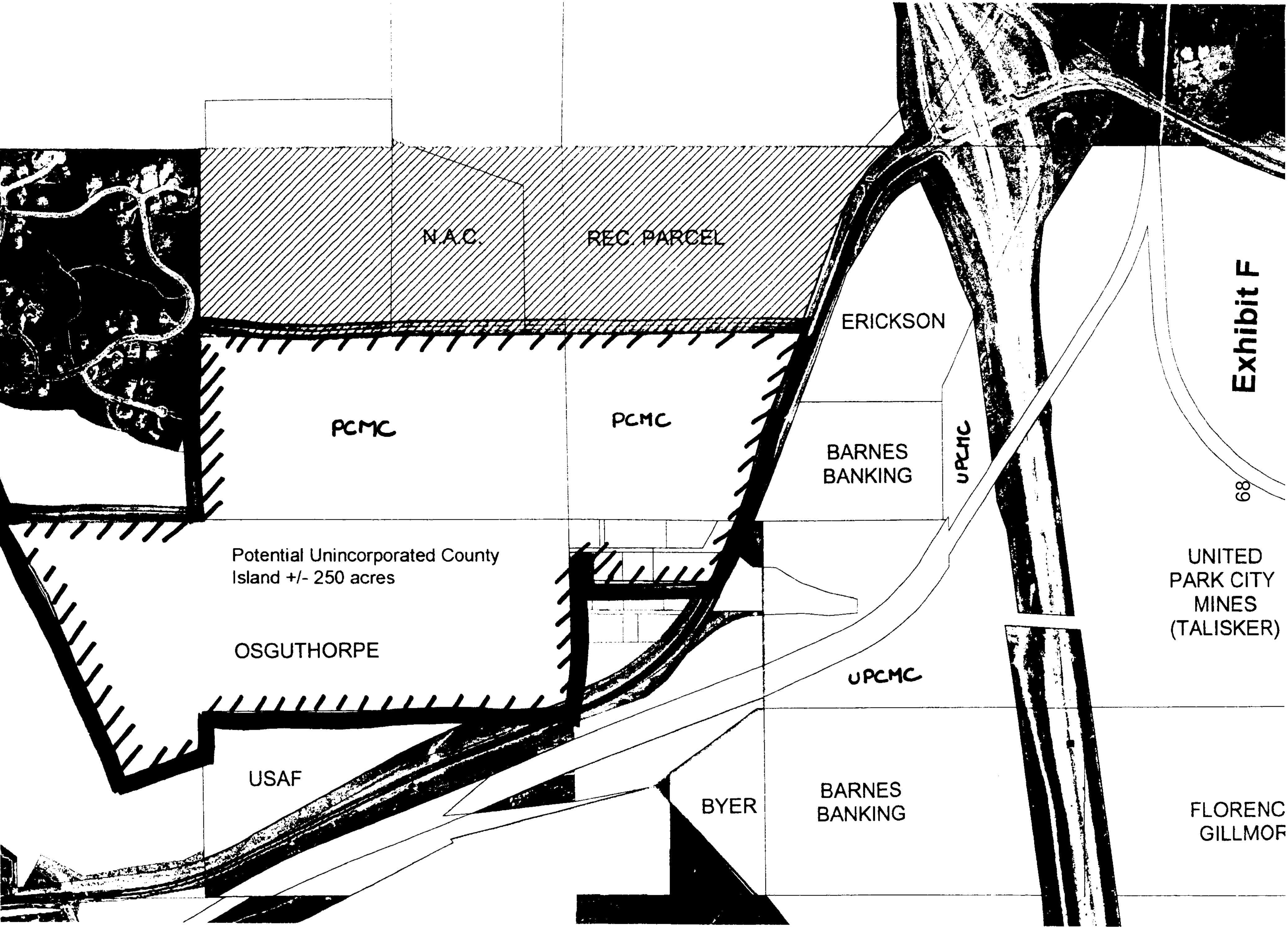

N.A.C.
REC. PARCEL
ERICKSON
PCMC
PCMC
BARNES
BANKING
UPCMC
Potential Unincorporated County
Island +/- 250 acres
OSGUTHORPE
USAF
BYER
BARNES
BANKING
UPCMC
UNITED
PARK CITY
MINES
(TALISKER)
FLORENC
GILLMOF

Exhibit F

WADDINGHAM & PETERSON
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW

THORPE WADDINGHAM (RETIRED)
WARREN H. PETERSON
RICHARD WADDINGHAM
GREG GREATHOUSE

362 WEST MAIN STREET
DELTA, UTAH 84624
(435) 864-2748
FAX (435) 864-2740

February 9, 2005

Park City Planning Commission
c/o Park City Planning Department
445 Marsac Avenue
P.O. Box 1480
Park City, UT 84060-1480

RE: Quinn's Junction Annexation/Osguthorpe

Dear Planning Commission Members:

D.A. Osguthorpe, as trustee, retained our office to advise him regarding the proposed Quinn's Junction-Annexation. The proposed annexation includes land owned by Dr. Osguthorpe, as trustee. Dr. Osguthorpe reports that his family currently farms the land proposed for annexation and wishes to retain that use.

The proposed annexation, as currently configured, appears to include Dr. Osguthorpe's land to avoid creation of an unincorporated island. Annexation would have the consequence, however, of subjecting this land to the Park City Land Management Code and also to the municipal tax levy. These burdens to the land would substantially impair the sustainability of the agricultural land use. Consequently, Dr. Osguthorpe is opposed to the annexation.

The Planning Commission staff report fails to identify specific impacts of annexation to the Osguthorpe property. It appears that the staff report recommends inclusion of the property in a Recreation/Open Space zoning classification. While such a classification may allow farming as a conditional use, the problems remain whether: a) the existing agricultural use would be recognized upon annexation rather than require completion of the conditional use review process, b) whether Park City has created protections for farming operations through the Agricultural Protection Act or similar protections, and c) whether higher ad valorem taxes would be fatal to the current farm use.

In summary, annexation substantially impairs the ability to maintain the Osguthorpe property in the current open space, agricultural use status. Dr. Osguthorpe therefore opposes the annexation. If the annexation proceeds, we respectfully request that the property be zoned to allow the land to continue as cropland and that suitable protections be given to allow continuation of this open space status.

Exhibit G

We request notification of all hearing and proceedings with respect to this annexation be sent to me at the above address. Thank you for your consideration.

Respectfully submitted,

WADDINGHAM & PETERSON, P.C.

Warren H. Peterson

WHP/lh

cc D.A. Osguthorpe

ANNEXATION PETITION APPLICATION
Park City, Utah

PARK CITY
1884

Park City Municipal Corporation
PO Box 1480
Park City, Utah 84060
(435) 615-5060
(435) 615-4906 fax

Application Filing Date 1/28/05 Application Fee $13,300.00

Application determined complete, date 2/2/05 (day one)

- ☐ Annexation Petition Accepted ________ by City Council. Date______ (by day 14)
- ☐ Annexation Petition Rejected ________ by City Council. Date ______ (by day 14)
- ☐ If accepted, Annexation Petition is certified by City Recorder. Date______ (by day 44)
- ☐ Notice is given to the City Council regarding petition certification. Date ___ (by day 44)
- ☐ City publishes notice of petition acceptance (once a week for three successive weeks). Date______ (starting by day 57)
- ☐ City sends mailed notice of petition acceptance to affected entities. Date___ (by day 67)
- ☐ Deadline for affected entities to file protest- Date_________ (by day 77)
- ☐ If no protest, Planning Commission will hold a hearing and make a recommendation to the City Council. City Council will hold a hearing and take final action. (each hearing requires a 7 day published notice by the City) (no sooner than day 78)
- ☐ If protest is filed consult State Code for information on the boundary commission requirements and dates.

PLEASE READ AND SIGN BEFORE APPLICATION SUBMITTAL

As the applicant for this Annexation Petition, I understand that my application is not deemed complete until the Community Development Department has reviewed the application and deemed it complete. I further understand I will be notified by mail when my application has been deemed complete. The determination of a complete application does *not* certify that the Annexation Petition has been accepted. The certification of an accepted petition requires City Council action.

After you have read the above, please sign your name (as sole owner or as the designated sponsor).

Name: ____

Date: ____

Exhibit H

I. PROJECT INFORMATION

Name of Property Owner or sponsor petitioner: Quinns Junction Partnership

Address or Location (include location map): (see attached)

Legal Description (attach): (see attached)

II. APPLICANT(S): The petition shall contain signatures of property Owners representing a majority of the private land area and at least 1/3 of the value of all private real property within the area proposed for annexation. If the area is within an Agricultural Protection Area (Title 17, Chapter 41, Agriculture Protection Area) then the petition shall contain signatures of all of the private land area within the annexation area). If the property is owned by a public entity other than the federal government then the petition shall be signed by the owner(s) of all of the publicly owned real property

1. Name Quinns Junction Partnership — Signature [signature]
   Mailing Address 1065 South 500 West Suite 101 — Telephone 801-231-9694
   Bountiful, Utah 84011 — Fax 801-299-9799
   e-mail address gericlaw@aol.com

2. Name ______ — Signature ______
   Mailing Address ______ — Telephone ______
   ______ — Fax ______
   e-mail address ______

3. Name ______ — Signature ______
   Mailing Address ______ — Telephone ______
   ______ — Fax ______
   e-mail address ______

4. Name ______ — Signature ______
   Mailing Address ______ — Telephone ______
   ______ — Fax ______
   e-mail address ______

5. Name ______ — Signature ______
   Mailing Address ______ — Telephone ______
   ______ — Fax ______
   e-mail address ______

Please list additional owners on a separate sheet.

ANNEXATION SPONSOR(S) Up to five of the signers of the petition may be listed as sponsors. Please designate one whom shall be designated as the contact sponsor.

1. Name ______________________________ Signature ____________________

   Mailing Address ____________________ Telephone____________________

   ______________________________ Fax____________________________

   e-mail address______________________

2. Name ______________________________ Signature ____________________

   Mailing Address ____________________ Telephone____________________

   ______________________________ Fax____________________________

   e-mail address______________________

3. Name ______________________________ Signature ____________________

   Mailing Address ____________________ Telephone____________________

   ______________________________ Fax____________________________

   e-mail address______________________

4. Name ______________________________ Signature ____________________

   Mailing Address ____________________ Telephone____________________

   ______________________________ Fax____________________________

   e-mail address______________________

5. Name ______________________________ Signature ____________________

   Mailing Address ____________________ Telephone____________________

   ______________________________ Fax____________________________

   e-mail______________________________

III. SUBMITTAL REQUIREMENTS - Annexation Petition

Five copies of the following information are required prior to a determination of application completeness. All site plans and drawings shall comply with the standards specified in Section 200.0.02 of the Park City Design Standards, Construction Specifications & Standard Drawings-1999 Edition. Additional information and/or studies may be required depending on location and potential impact of the proposed annexation.

☒ 1. Applicant and Notification information.
   a. Names, signatures, addresses, phone numbers, fax numbers, of all property owners within the proposed annexation area.
   b. Names, mailing addresses and stamped envelopes of property owners within one-half mile of the proposed annexation area.

☒ 2. An accurate and recordable map (certified survey plat) of the property to be annexed, prepared by a surveyor licensed to practice in Utah, accurately describing the existing City boundaries and each individual ownership sought to be annexed, including an accurate legal description of the property to be annexed.

☒ 3. Existing conditions site plan, at a scale approved by the City, of the proposed annexation area and surrounding area, within a radius to be specified by the City, depending on the particular annexation (may be more or less than one-half mile). This site plan must be prepared by a licensed Surveyor and shall include the names, addresses, and property boundaries of all property owners within the annexation area and within the specified study area.

☒ 4. Title report (no older than 60 days) for the proposed annexation area.

☒ 5. If the proposed property is intended for development, the petition for annexation shall include complete applications for a preliminary subdivision plat and a Master Planned Development (applicable only for projects that would require review as a Master Planned Development according to Chapter 6 of the Land Management Code). Attached to all annexation petitions shall be a land use analysis, performed by a qualified land use planner with the assistance of other professionals such as traffic engineers, civil engineers, wildlife biologists, and hydrologists of all undeveloped property within the annexation area <u>and</u>, but not limited to, within one-half mile of the proposed annexation. The City reserves the option of selecting the qualified professionals to perform this analysis with the cost being paid by the applicant. This analysis shall include, but not be limited to, a study of the following:
   a. Slope, wetlands, natural drainage, vegetation, slope, wildlife habitat, view corridors, and significant geological features.
   b. Existing and proposed road systems and easements, <u>including traffic</u> generation, if necessary.
   c. Proposed major utility extension plans and easements, including water usage, supply and delivery systems. Applicant must demonstrate proof of adequate water rights sufficient to serve the proposed annexation area at full development.
   d. Location of proposed public and private open space, recreational areas, trails and trail easements.

e. Proposed land uses including type, density, and, if applicable, timing of build-out of residential and commercial areas.
f. Proposed locations of community facilities such as fire stations, schools and parks.
g. Consistency with the current General Plans of the governmental entities having jurisdiction.
h. A statement as to the anticipated timetable for development, if applicable.
i. Location and description of any Historic or cultural resources on the property.

☐6. Affordable housing plan consistent with the City's affordable housing policies, if applicable.

☐7. Project phasing plan and construction mitigation plans for each phase, if applicable.

☐8. Public utilities and essential services analysis including:
a. School impact analysis, including analysis of existing and projected schools which will be serving the annexation area. Analysis shall project school-age population generated by the annexation area over a twelve year period.
b. Capacity of existing sanitary sewer trunk line and capacity of treatment facilities serving the project.
c. Capacity and availability of solid waste collection, animal control and other services provided by agencies other than Park City.
d. A full disclosure statement of any and all waters owned or historically utilized on the property to be annexed, and a statement from the water owner(s) as to the estimated value of the water or price at which he or she is willing to sell the said water to the City.

☐9. Fiscal impact analysis of the proposed annexation on Park City, the remaining unincorporated area, special districts, school district and other governmental entities. The fiscal impact analysis format, including the revenue and cost assumptions shall be approved by Park City. If necessary, the City shall hire qualified experts to perform the analysis. The cost of such analysis shall be paid by the applicant as part of the Annexation Petition application. The fiscal impact analysis shall include, but not be limited to, the following:
a. Current and five year projections of demographics and economic base in the area proposed for annexation and surrounding unincorporated area, including household size and income, commercial and industrial development and public facilities.
b. Projected growth in the area proposed for annexation and the surrounding unincorporated area in five year increments.
c. The present and future annual projected revenue to the City as a result of the annexation.
d. The projected impact the annexation will have over the following ten years on the amount of taxes that property owners within the area proposed for annexation, Park City residents, and the remaining unincorporated county will pay.
e. Present and future (over the next ten years) projects of costs of governmental services to the annexing area.

☐10. Other studies and analysis as necessary to determine annexation appropriateness.

Once the annexation has been approved, please submit the following:

1. CD Disc containing the final annexation plat in electronic form, preferably Auto CAD.
2. 4 Mil mylar of the annexation plat trimmed to 24" x 36" with ½ inch border on top, right, and bottom, and 1 ½ inch border on left. Annexation mylar plat shall be in a form approved by the City Engineer and City Attorney, including all required signatures and certifications.

Note: Once all the required studies and documents are submitted and determined complete by the City, the application shall be scheduled for review by the appropriate City Departments and Commissions. The annexation processing application fee shall be paid prior to formal review by the City. If deemed appropriate by the Community Development Department, the application fee may be pro-rated provided an adequate fee has been collected to offset City costs for processing the application.

ANNEXATION FACT SHEET

PROJECT DESCRIPTION

1. On a separate piece of paper, please complete the following requests and attach to this application:
   a. Give a general description of the proposal and attach to the application.
   b. Provide a written statement addressing specifics of the request, indicating proposed use of the property, any other applications submitted as part of the proposal, development time schedule, and any additional information required to describe the proposed annexation.

2. Is the property contiguous to Park City municipal boundaries? ☒ yes ☐ no

3. Is the proposed property a contiguous area? ☒ yes ☐ no

4. Will this annexation leave/create an unincorporated island or peninsula? ☐ yes ☒ no

5. Existing Zoning : DL Proposed Zoning: GC/MPD

6. Will the project be within the Sensitive Lands Overlay when annexed? ☒ yes ☐ no

7. Current use of the property : vacant land

8. Project area (acreage): 29.55
   ◆provide % of project area on slopes in excess of 15% 0 and in excess of 40% 0 .

9. Does the petition for annexation contain any land area proposed for annexation in a previously filed petition that has not been granted, denied or rejected? ☐ yes ☒ no

10. Are you also seeking development project approval at this time? ☒ yes ☐ no
    If yes, type of project application filed: MPD

11. Current City water service is available within 10,800 feet of the property.

12. Water rights sufficient to serve the project will be dedicated upon annexation:
    ☐ yes ☒ no Water Rights will be dedicated-Not enough for project

13. Project will be accessed via:
    ☒ public road ☐ private road ☐ private driveway

14. State Law requires that on the date of filing the annexation petition with the City, the petition sponsor (s) shall also deliver or mail a copy of the petition to the County Clerk of the county in which the property is located and also to the chair of the county Planning Commission which has review authority or jurisdiction over the said property. Has this been done? ☒ yes ☐ no

ACKNOWLEDGMENT OF RESPONSIBILITY

This is to certify that I am making an application for the described action by the City and that I am responsible for complying with all City requirements with regard to this request. This application should be processed in my name and I am a party whom the City should contact regarding any matter pertaining to this application.

I have read and understood the instructions supplied by Park City for processing this application. The documents and/or information I have submitted are true and correct to the best of my knowledge.

I will keep myself informed of the deadlines for submission of material and of the progress of this application. I understand that a staff report will be made available for my review the week prior to any public hearings or public meetings. This report will be on file and available at the Planning Department, 3rd floor Marsac Building.

I further understand that additional fees may be charged for the City's review of the proposal. Any additional analysis required would be processed through the City's consultants with an estimate of time/expense provided prior to an authorization to proceed with the study.

Please note that the annexation petition must be signed per State requirements, as described above.

SIGNATURE OF APPLICANT: Ralph Merrill

NAME OF APPLICANT (please print) Ralph Merrill

MAILING ADDRESS: 3617 South 400 East
Bountiful, Utah 84010

PHONE #: home 801-292-3345 work 801-502-3345

FAX #: 801-295-9316

TYPE OF APPLICATION: Annexation

AFFIRMATION OF SUFFICIENT INTEREST *

I hereby affirm that I am the fee title owner of the below described property or that I have written authorization from the owner to pursue the described action. Note: The Annexation Petition must be signed per the State requirements, as described above.

NAME OF APPLICANT: (please print) Quinns Junction Partnership

MAILING ADDRESS: 1065 South 500 West, Suite 101, Bountiful, Utah 84011

STREET ADDRESS/LEGAL DESCRIPTION OF SUBJECT PROPERTY:
(see attached)

SIGNATURE: Ralph Merrill DATE: 1/27/05

*1. If you are not the fee owner, attach another copy of this form which has been completed by the fee owner or a copy of your authorization to pursue this action.
*2. If a corporation is fee title holder, attach copy of the resolution of the Board of Directors authorizing this action.
*3. If a joint venture or partnership is the fee owner, attach a copy of agreement authorizing this action on behalf of the joint venture or partnership.

PLEASE NOTE: THIS AFFIRMATION IS NOT SUBMITTED IN LIEU OF SUFFICIENT TITLE EVIDENCE. YOU WILL BE REQUIRED TO SUBMIT A TITLE OPINION, CERTIFICATE OF TITLE, OR TITLE INSURANCE POLICY SHOWING YOUR INTEREST IN THE PROPERTY PRIOR TO FINAL ACTION.

PROJECT DESCRIPTION

Quinn's Junction Partnership is located at the Southwest corner of Highway 40 and 248. It consists of 29 ½ acres of relatively flat land. The land has historically been used for agricultural purposes and does not contain any wetlands or flood plains. The parcel sits at a key intersection of the Highway 40 on/off ramps and is highly visible. The intent of the project is to design a master concept plan with one primary user to develop a project that compliments the Park City resort style and provides visitors another recreational venue in which to participate.

Quinn's Junction Partnership is proposing 300,000 square feet of general commercial. The parcel has been designed as a mix of retail, restaurants, multiple live performance theaters, additional entertainment venues as well as possibly conference facilities, hotel or lodge and a small studio production office. The concept design will combine the Quinn's Junction parcel with the 24-acre parcel to the South (Park City Heights). There will be a strong focus on the public realm as expressed in active, walkable plazas, and buildings oriented toward the more public spaces.

The project presents a unique opportunity to shape Park City's entry corridor from Highway 248 in a manner that creates a strong mountain aesthetic. The use of local natural materials throughout the development will insure a Park City character and flavor to the site. The use of these local materials will be incorporated into the buildings, furnishings, light fixtures, signs, public benches, waste receptacles, and other site details, characterizing the individual architectural style. The architecture will express authenticity in simple building forms.

To achieve a high quality community image, both overall building appearance and its details shall convey a sense of solid permanent construction incorporated into the site. Quality also extends to consistency and completeness of the project. All individual project components shall be designed and completed as a single homogeneous whole.

The primary design goal is to create a neighborhood that is mountain rural in its architectural character and preserves a substantial 250' buffer from Highway 248 to any development as part of the Entry Corridor Protection Overlay (ECPO). One main access point has been designed to minimize interference with through traffic on the corridor roadway. Surface parking will be buffered from the entry corridor and will use landscaping and buildings for screening purposes whenever possible.

Exhibit I