PARK CITY COUNCIL MEETING MINUTES
445 MARSAC AVENUE
PARK CITY, SUMMIT COUNTY, UTAH 84060

February 1, 2018

The Council of Park City, Summit County, Utah, met in open meeting on February 1, 2018, at 2:30 p.m. in the City Council Chambers.

Council Member Joyce moved to close the meeting to discuss property and litigation at 2:30 p.m. Council Member Henney seconded the motion.

RESULT: APPROVED
AYES: Council Members Gerber, Henney, Joyce, Ware Peek and Worel

CLOSED SESSION

Council Member Worel moved to adjourn from Closed Meeting at 5:55 p.m. Council Member Joyce seconded the motion.

RESULT: APPROVED
AYES: Council Members Gerber, Henney, Joyce, Ware Peek and Worel

STUDY SESSION

Discuss Cemetery Space Needs:
This item was continued to the March 15, 2018 meeting.

REGULAR MEETING
I. ROLL CALL

Attendee Name	Title	Status
Andy Beerman	Mayor	Present
Becca Gerber	Council Member	Present
Tim Henney	Council Member	Present
Steve Joyce	Council Member	Present

Lynn Ware Peek	Council Member	Present
Nann Worel	Council Member	Present
Diane Foster	City Manager	Present
Mark Harrington	City Attorney	Present
Matt Dias	Assistant City Manager	Present
Michelle Kellogg	City Recorder	Present

II. SWEARING IN CEREMONY[1]

Swearing in Ceremony for Council Member Lynn Council Member Ware Peek:
Mayor Beerman indicated there were many good applicants and it was a difficult decision, but he and the Council knew Council Member Ware Peek was the right choice and they were happy she was onboard. He proceeded to swear in Council Member Ware Peek.

Council Member Ware Peek thanked those who were here to support her. She was excited to participate on the Council and still looked forward to listening to the community.

III. COMMUNICATIONS AND DISCLOSURES FROM COUNCIL AND STAFF

Council Questions and Comments:
Council Member Worel reminded all to get their flu shot. Council Member Gerber indicated tomorrow was the last day to apply for the open Planning Commission seats.

Staff Communications Report:

- **Wayfinding and Open Space Signage Update**

IV. PUBLIC INPUT *(ANY MATTER OF CITY BUSINESS NOT SCHEDULED ON THE AGENDA)*

Mayor Beerman opened the meeting for those who wished to address the Council on items not listed on the agenda.

Ken Davis, Java Cow shop owner, said he was a Sundance expert and ran three snack bars at the movie venues. He reported sales were up the first weekend and were very high the following weekend as well. The street sales were high the first weekend but lower the second week due to restricted parking. He suggested lowering the $40 parking fee the second week to the standard parking fees. The merchants would be grateful for any help during the second week of Sundance.

[1] Ms. Ware Peek was officially sworn in earlier in the day by the City Recorder to enable her to participate in closed and work sessions.

Mayor Beerman stated a full Sundance debrief would be given on March 15th and more discussion on parking would take place at that time.

Mayor Beerman closed the public input portion of the meeting.

NEW BUSINESS

4. Consideration to Authorize the City Manager to Execute a One Year Lease, with Two, One Year Automatic Renewals, with Lucky Ones to Provide a Coffee Concessionaire in the Park City Library:
Jonathan Weidenhamer, Economic Development Manager, and Adriane Juarez, Library Director, presented this item. Weidenhamer stated the coffee shop would not have a utility cost or rent cost the first year and $10,000 in improvements were made to the facility. In the agreement, Lucky Ones would provide coffee beans to the Marsac and Public Works buildings for $10.50/lb. He stated there would be quarterly check-ins to make sure the business was sustainable. Currently, not having a coffee shop in the library had been a huge loss.

Juarez thought working with Katie Holyfield and Taylor Matkins, the young business owners, was amazing and she was excited to have them. Holyfield asserted the mission was to have a coffee shop and employ those with disabilities. She and Matkins worked at the National Ability Center (NAC) and saw the need for people with different abilities to work and have positive interactions with the public. Matkins said the name Lucky Ones referred to the owners because they got to work with these special people.

Council Member Ware Peek asked if the shop could open earlier than 8:00 a.m. Holyfield indicated they hoped to expand hours over time. Weidenhamer stated these hours were best for the business plan. Council Member Ware Peek stated several community members were helping this business so it could succeed. Matkins added that they would add color to the space and seat cushions so the customers would feel comfortable being there. Juarez stated the original hours were 8:00 a.m.-3:00 p.m., but they extended their hours to 5:00 p.m. to accommodate the high school students who would come after school.

Mayor Beerman opened the meeting for public input.

Roger Strand expressed his support for this shop and the opportunities it would provide the individuals who worked there. He said of all the projects in the City, this one was for the community. He thanked the owners for letting him be involved in this project.

Dean Faulkner indicated that it was a challenge for youth to find employment as they transitioned into adulthood. He supported this business. Julia Faulkner stated she was a

barista before and was excited to be one again. Dean said Julia had lived and worked in Park City for three years and took the mobility bus around town.
Ben Nitka supported this and suggested that there needed to be more signage to promote the business.

Dan Gallery, special educator in the Park City School District, indicated his class had a coffee cart which was successful, and he commended these ladies for their desire to do this.

Mayor Beerman closed the public input portion of the meeting.

Council Member Henney stated this business aligned with community values and it showcased the inclusive community. He supported this business.

Council Member Gerber stated she was excited to get this business going. She worked with the Youth City Council, and she knew they liked going to the library and would like the coffee shop. She knew that the seniors would be there in the mornings as well.

Council Member Worel was excited for the coffee shop to open. She was also impressed with the mentoring that would come with the business. She supported this endeavor.

Council Member Ware Peek stated she was impressed with what went on at the NAC and noted the owners worked there as well.

Council Member Joyce agreed that the signage needed to be improved, not just for the coffee shop, but for the library and film series as well.

Council Member Ware Peek moved to authorize the City Manager to execute a one year lease, with two, one year automatic renewals, with Lucky Ones to provide a coffee concessionaire in the Park City Library. Council Member Worel seconded the motion.

RESULT: APPROVED
AYES: Council Members Gerber, Henney, Joyce, Ware Peek and Worel

V. CONSIDERATION OF MINUTES

Consideration to Approve the City Council Meeting Minutes from January 4, 11, and 16, 2018:

Council Member Henney moved to approve the City Council Meeting minutes from January 4, 11, and 16, 2018. Council Member Gerber seconded the motion.

RESULT: APPROVED
AYES: Council Members Gerber, Henney, Joyce, and Worel
ABSTAINED: Council Member Ware Peek

VI. OLD BUSINESS

1. Consideration of a Purchase and Sale Agreement ("Agreement") between Sweeney Land Company, LLC ("SLC"), Park City II, LLC ("PC II") , and Park City Municipal Corporation (the "City"), for the Purchase of the Treasure Hill Creole Gulch and Mid-Station Parcels Within the Sweeney Master Plan in the Amount of $64 Million: Mayor Beerman explained the City had been in negotiations to buy down 50% of the density on the Treasure Hill Development. The Treasure Hill owners called 10 days ago and offered to sell the property to the City. The City wanted to keep the hill for skiing, biking and open space. The price was 15 years in the making, but the value was hard to establish. He felt the neighborhoods would never recover if the property was built out. The agreed upon price for the parcels was $64 million with a $6 million down payment. The City would be cutting projects, and would bond for $50 million if the voters approved the bond in November.

Francisco Astorga, Senior Planner, displayed a side-by-side comparison of the property with the proposed development and as it was now with no development. He stated the parcel would include 104 acres. If the land was developed, there would be 948,730 square feet of development.

Harrington stated there was a two agreement deal with this sale. First, the City would acquire the land, not just the development rights. Second, a settlement agreement would be contingent in case the bond failed. The $6 million would be non-refundable. The bond amount would be set after the budget process determined what resources the City could put towards the purchase price. Another part of the agreement would be to restrict the property as open space. There would also be an access easement and limited assignments of the Town Lift/Tram in the agreement. The owners would like a contract by February 15th. Other easements would reserve dirt roads as secondary access points for deliveries during construction in those areas.

The settlement agreement would become effective if the bond was rejected by the voters. The $6 million would provide a 10% density reduction, and those provisions were still being negotiated. Some people questioned the transfer of development rights (TDR). This provision was put in the Land Management Code (LMC) in 2011 for another development. This would need to go through an extensive process, but nothing was being proposed on that front.

Mayor Beerman reviewed the history of this project. He noted that if the development proceeded, the density would be compressed into 11 acres. He explained that the property owners had been vilified by the community because of their desire to develop, but as property owners, they had the right to build on their property.

Mayor Beerman opened the public hearing.

Josh Hobson was happy to hear that the property would be designated as open space. He suggested using part of it for affordable housing.

Ben Nitka commended the Council for doing this, but thought the bond would be a hard sell to the community. He asked Council to make it simple for the community to understand. He noted the School District would also have a bond on the ballot, so a good argument to preserve this open space needed to be made.

Council Member Henney stated it would be helpful to know if the community wanted options open or options taken away. Council was looking for that definition on the agreement.

Brian Van Heche with Thinc agreed the agreement should be simple and clearly defined as a conservation easement. He requested that the City protect that parcel as open space and prevent the planned development. He had questions on total density reduction. He knew there was a need for affordable housing in the community, but it was important to keep this opportunity separate from affordable housing. He thanked Jack Thomas, Andy Beerman, and City staff, for their involvement in this process. He thanked the Sweeneys and Liz Radd for this opportunity. He respected their rights as property owners and didn't want to make this personal. He felt this would benefit generations to come. He showed Council an old flyer that had the goal of defeating the development and said that now it was defeated and it was amazing.

Rich Wyman was excited for this purchase. He had been an affordable housing advocate, but felt this purchase for open space should be separate from affordable housing. He noted the outstanding City bonds were on the City website and he felt comfortable that the City could manage this proposed debt. He asked if the bond would be reduced if the City developed a portion of the property.

Niels Vandegaard stated the simpler the agreement, the better the City's chance would be to pass the bond.

Alex Butwinski - Mayor Beerman thanked Butwinski for the work he did on this when he was on Council. Butwinski congratulated Council Member Ware Peek for her appointment. He supported the purchase. He suggested that the earnest money wording "would buy density," should be changed to "shall buy density." He hoped the transaction could be a fee simple purchase rather than just the buy down. He also noted a TDR would allow the City to recoup some of the cost. He congratulated the Council on their work to make this happen.

Mayor Beerman closed the public hearing.

Harrington answered the questions presented during the public hearing. He clarified that the City was contemplating purchasing the property fee simple. The TDRs were not contemplated in the agreement, but part of the code enabled the City to do that. He wanted to disclose the provision so the public didn't think the City was taking away that right. The Council was able to forego that right if the public so desired. Also, there was information in the staff report with regard to the bonding capacity of community.

Nate Rockwood, Debt Manager, referred to Page 52 of the Council packet. Currently, the City had $59 million in outstanding bonds. Two bonds would retire in two years and three in the next eight years. The debt capacity was well under the 2% limit. The bonding capacity was there if the community approved this proposed bond. Mayor Beerman stated the City was economically healthy and could support the debt of this bond.

Council Member Henney stated a lot of information had been given to the community so they could make an informed decision. He heard support from everyone he talked to, even though some had concerns.

Council Member Joyce indicated he preferred keeping this purchase clean and simple. He hoped to find some alternatives to reduce the total bond amount. He noted if the bond failed, the development would go back to the Planning Commission for approval.

Council Member Worel stated she heard cautious support, speculation, and misinformation being spread throughout the community. She was grateful for the information given tonight and she supported keeping the purchase simple.

Council Member Gerber appreciated the feedback from the community as well as the information presented on the outstanding bonds. She wanted to keep it simple but she was a proponent for affordable housing. She asked for suggestions on alternatives for affordable housing because she wanted to be open minded to the future needs of the community.

Council Member Ware Peek stated when she heard about the massive excavation for this development, she knew it was not the project for this little town. This was steep property and she felt the area should be kept open for skiing and hiking. She asked how it was decided that 10% density rights could be transferred. She also asked how the City could recoup some of the purchase price if affordable housing would not be built here. Harrington stated that the Planning Commission went through extensive processes with Bonanza Park and a sub plan for Prospector and Bonanza. They weren't convinced that the receiving zones had the need or capacity to have a tremendous amount of units add to them. But they didn't want to preclude moving density off Treasure Hill or other Old Town sending areas. The proposal was to set a cap at 10% and limit the receiving zones to areas that could accept that cap. Council Member Ware Peek asked what the value of the TDRs would be and what 22 Unit Equivalents (UE) would bring the City. Harrington stated he didn't know for sure, but each UE was approximately $300,000 so it could total $6.6 million. Council Member Ware Peek stated the City needed to find things to cut in order to make this bond favorable.

Brian Van Heche asked if it would be a tax benefit to the sellers to create a conservation easement. With regard to the TDR, there would be concern if it's not kept simple. Council Member Henney said the TDR was not applicable because it would exist separate from this agreement. But a transfer to the seller could be considered to recoup some of the cost.

Mayor Beerman stated an overwhelming majority of the community thought the proposed purchase of Treasure Hill was expensive but very necessary. The City would consider TDRs, disposing of some City property, cutting projects, etc. to help offset the cost. With regard to affordable housing, the Council committed that every property purchased would be considered as potential affordable housing. He thought the terrain would make it costly so it might not be the best place to build.

Council Member Gerber moved to continue the consideration of a Purchase and Sale Agreement between Sweeney Land Company, LLC, Park City II, LLC, and Park City Municipal Corporation, for the purchase of the Treasure Hill Creole Gulch and Mid-Station Parcels within the Sweeney Master Plan in the amount of $64 million to February 15, 2018. Council Member Worel seconded the motion.

RESULT: CONTINUED TO FEBRUARY 15, 2018
AYES: Council Members Gerber, Henney, Joyce, Ware Peek and Worel

VII. NEW BUSINESS (CONTINUED)

1. Consideration to Approve Ordinance 2018-05, an Ordinance Approving the Kings Crown Re-Subdivision Located at 1201-1299 Lowell Avenue, Park City, Utah, Based on the Findings of Facts, Conclusions of Law, and Conditions of Approval:

Francisco Astorga, Senior Planner, presented this item and indicated the plat would have 32 lots with three lots dedicated for multifamily units. He noted three fourths of the property would be open space. The proposed square footage would be 150,000 square feet. An affordable housing lot was also included in the plat.

Council Member Worel asked if there was a historic rail line that ran through the property. Murphy affirmed the rail line was on the property and was located in the open space portion. Council Member Worel asked if lot combinations would be allowed and could those be prohibited. Harrington stated Planning would have to see what the requirements for that zone would be. Astorga stated this was Residential Commercial Zone which mimicked the HR-1 Zone. Council Member Worel indicated her concern was that lots could be combined in order to build bigger homes.

Council Member Henney asked why one Planning Commissioner did not vote for the subdivision. It was indicated that the Planning Commissioner was not present for the previous discussion on this subdivision and felt uncomfortable voting on the item.

Council Member Ware Peek agreed with Council Member Worel's hesitancy for the larger homes on combined lots. Murphy stated the home would get correspondingly smaller and would not be double the size because they had two lots.

Council Member Ware Peek asked if the ridge line would be preserved. Murphy stated it would, that the open area behind the Marriott was the location for the development.

Mayor Beerman opened the public hearing. No comments were given. Mayor Beerman closed the public hearing.

Council Member Joyce stated this development was simple and clean for a big project. The developer talked to neighbors and moved buildings and driveways to accommodate sight lines. They designated open space, and went out of their way to be a good neighbor. It looked like the HR-1 Zone, which was the surrounding zone. He stated he could not support restricting lot combinations, and felt projects should stay consistent.

Council Member Gerber thanked the applicant for going above and beyond with affordable housing, outreach efforts, and the low impact for such a big project. Council Member Henney liked the Rockwell Road. Council Member Ware Peek thanked Council Member Joyce for his comments and expressed appreciation for the care that was taken on this development. Mayor Beerman stated this was a model for developments and he supported it. He also felt it should stay consistent with the surrounding area.

Council Member Worel moved to approve Ordinance 2018-05, an ordinance approving the Kings Crown Re-Subdivision located at 1201-1299 Lowell Avenue, Park City, Utah, based on the findings of facts, conclusions of law, and conditions of approval. Council Member Gerber seconded the motion.

RESULT: APPROVED
AYES: Council Members Gerber, Henney, Joyce, Ware Peek and Worel

2. Consideration to Approve Ordinance 2018-06, an Ordinance Approving the Empire Residences Condominium Plat Located at 7695 Village Way Pursuant to the Findings of Fact, Conclusions of Law and Conditions of Approval:
Kirsten Whetstone, Senior Planner, presented this item. She stated this project would have 21 residences, a unit for ADA and one deed restricted employee housing unit. It would also have underground parking.

Council Member Worel asked why the ADA unit was platted as common area. Whetstone indicated if the project was private, the unit would be included in the density. Since the unit would be located in the common area, it could only be rented, and would never be sold.

Council Member Gerber asked if there would be a limit on HOA fees for the affordable housing unit. Lynn Padan noted the HOA would own the affordable unit so it wouldn't be assessed any HOA fees. Whetstone said the unit would be deed restricted so it would need to comply with the City's Affordable Housing Plan. The affordable unit would have to be occupied. The Affordable Housing department would be reviewing this unit.

Council Member Henney stated the location was a concern and requested a discussion on building affordable units versus having the developer pay an in-lieu fee so an affordable subdivision could be built.

Mayor Beerman opened the public hearing.

Fern Baird asked what the rent would be and if the affordable unit would be a long term rental. It was indicated the rent would be income restricted.

Mayor Beerman closed the public hearing.

Council Member Henney moved to approve Ordinance 2018-06, an ordinance approving the Empire Residences Condominium Plat located at 7695 Village Way pursuant to the findings of fact, conclusions of law and conditions of approval. Council Member Worel seconded the motion.

RESULT: APPROVED
AYES: Council Members Gerber, Henney, Joyce, Ware Peek and Worel

3. Consideration to Approve Ordinance 2018-07, an Ordinance Adopting Chapter 3, Stormwater, of Title 13, Water and Stormwater Code, of Park City Municipal Code:
Jason Christensen, Water Resources Manager, stated the City was obligated to adopt this code to be in compliance with the MS4 and the Federal Government laws:

Council Member Worel asked if this was consistent with Summit County. Christensen stated the proposed code was consistent with the Wasatch Front. Summit County hasn't implemented the MS4 program yet, so he was unsure if this language was in the County code.

Council Member Ware Peek asked how the City could get the word out so residents and businesses could be informed. Christensen stated there was a posted phone number that the City had for information and the County Health Department answered the calls after business hours. It was indicated that under this code, residents could wash their cars but couldn't have a business come to their homes to wash/detail the residents' cars. Council Member Gerber asked if mailers or notices could be sent out notifying water customers of the new law. Christensen stated mailers had been sent with the water bill.

Mayor Beerman opened the public hearing. No comments were given. Mayor Beerman closed the public hearing.

Council Member Joyce moved to approve Ordinance 2018-07, an ordinance adopting Chapter 3, Stormwater, of Title 13, Water and Stormwater Code, of Park City Municipal Code. Council Member Gerber seconded the motion.

RESULT: APPROVED
AYES: Council Members Gerber, Henney, Joyce, Ware Peek and Worel

VIII. ADJOURNMENT

With no further business, the meeting was adjourned.

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Michelle Kellogg, City Recorder

Treasure Hill Property Acquisition and Settlement

City Council Presentation

01 February 2018

Existing Conditions
April 2017

Photographic Simulation Refinement 17.2

Photographic Simulation
Refinement 17.2

Existing Conditions
April 2017

Side by Side Comparison

Refinement 17.2 **Photographic Simulation**	**April 2017** **Existing Conditions**
	

By the Numbers

62.18 acres - Potential Property Acquisition

- 11.5 acres (E-MPD, Hillside Properties)
- 50.61 acres (ROS-MPD)
- .07 acres (HR-1-MPD)

42.7 acres - Current Open Space Parcel

- Lot 5 Treasure Hill Phase I
- Deeded over to the City in 1995

104.88 acres total – Open Space

By the Numbers

- **948,730 square feet**
  - **Refinement 17.2 (current proposal)**
- 1,005,387 square feet
  - Refinement 17.1
- 1,016,887 square feet
  - Refinement 2008

Structure and Terms of Deal

- Two (2) Agreements
  - Real Estate Purchase Agreement
  - Settlement Agreement

Real Estate Purchase Agreement

- $6M Earnest Money, non-refundable and applied against purchase price
- Prior to Execution of Purchase Agreement:
  - Agree to open space deed restriction (conveyed at closing)
  - Assignment of Town Lift Agreement
    - Involves Vail and the Town Lift Base Area
    - Some rights and obligations may carry over to PCMC through assignment
  - Other Easements
    - There are some existing secondary access easements that affect the lower portion of the Property immediately behind existing homes

Settlement Agreement

- Becomes effective if purchase of property does not close
- $6M Earnest Money would be exchanged for 10% of project density
- Timing and mechanics still being negotiated

Transfer of Development Rights (TDR)

- Reserved Right Not Proposed
- LMC limits to 22 UE’s vs. 219 UE’s approved
- Current LMC Process
  - Master Planned Development
  - Planning Commission Approval
- Receiving Zones
  - Deer Valley/Snow Park
  - Prospector/Bonanza Park
  - Snow Creek

Current Property Tax Debt

Park City Municipal Corporation - General Obligation Debt Service (Voter Approved Property Tax Bonds)								
Year	**Series**							Grand Total
	GO 2008 Open Space	GO 2009 Open Space/Walkability	GO 2010 Open Space	GO 2013 Open Space (Refunding 2003 Bonds)	GO 2013 Walkability	GO 2014 Open Space (Refunding 2004 Bonds)	GO 2017 Bonanza Flat Open Space	Total GO Debt Payment Per Year
'18	$ 894,200	$ 1,021,810	$ 554,735	$ 408,000	$ 576,813	$ 723,400	$ 2,223,326	$ 6,402,284
'19	892,400	1,020,576	549,135		578,213	732,250	2,241,550	6,014,124
'20	894,600	1,023,516	541,335		584,413		2,245,350	5,289,214
'21	900,600	1,023,340	537,475		585,313		2,228,600	5,275,328
'22	904,250	1,026,220	527,288		589,850		2,214,350	5,261,958
'23	905,463	1,026,450	521,190		597,850		2,202,350	5,253,303
'24	909,150	1,024,400	513,915		599,100		2,187,350	5,233,915
'25			505,200		599,938		2,174,350	3,279,488
'26					604,038		2,153,100	2,757,138
'27					602,538		2,138,850	2,741,388
'28					609,175		2,121,100	2,730,275
'29							2,141,350	2,141,350
'30							2,159,350	2,159,350
'31							2,180,100	2,180,100
'32							2,178,450	2,178,450
Total Debt (P&I)	$6,300,663	$ 7,166,312	$ 4,250,273	$ 408,000	$6,527,241	$ 1,455,650	$32,789,526	$ 58,897,665

Current Property Tax Debt