PARK CITY
1884

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
JANUARY 8, 1998

PUBLIC NOTICE IS HEREBY GIVEN that the City Council of Park City, Utah will hold its regularly scheduled meeting at the Marsac Municipal Building, 445 Marsac Avenue, Park City, Utah for the purposes and at the times as described below on Thursday, January 8, 1998.

AGENDA

Closed Session - Work Session Room - Main Level

3:30 p.m. Property acquisition

Work Session - City Council Chambers - Lower Level

4:45 p.m. Council que. .ons and comments
5:15 p.m. Review of regular meeting
- Property acquisition - SR224 and SR248
- Water service and acquisition agreement
- Other meeting questions and comments

Regular Meeting - City Council Chambers - Lower Level

6:00 p.m.

I ROLL CALL

II PUBLIC INPUT

1. White Pine Touring - Ed Brophy

2. Paid parking system - Lloyd Meyers

III COMMUNICATIONS FROM COUNCIL AND STAFF

Paid parking update

IV WORK SESSION NOTES AND MINUTES OF MEETING OF DECEMBER 11, 1997

V CONSENT AGENDA

1. Resolution establishing a regular meeting date, time, and location for meetings of the City Council of Park City, Utah for 1998

2. Ordinance accepting the public improvements at Hidden Oaks Subdivision

3. Ordinance accepting the public improvements at Treasure Hill Subdivision

4. Resolution celebrating the gala opening of the George S. & Dolores Dore' Eccles Center for the Performing Arts on January 10, 1998

VI RESIGNATIONS AND APPOINTMENTS

Appointment of Mayor Pro Tem and Alternate Mayor Pro Tem

VII OLD BUSINESS

Water service and land acquisition agreement - White Pine Associates

VIII NEW BUSINESS

1. Authorization to staff to proceed with the acquisition of property from Zions Bank located at the intersection of SR224 and SR248 in the amount of $650,000

2. Findings of fact, conclusions of law, and order of the City Council upholding the Planning Commission's determination of October 22, 1997 that a proposed gate at the northerly end of the Gleneagles Subdivision is not a permitted use, but requires a conditional use process

IX ADJOURNMENT

Redevelopment Agency and Municipal Building Authority meetings will convene to establish meeting dates for 1998

Posted: 1/5/98

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PARK CITY WORK SESSION NOTES
SUMMIT COUNTY, UTAH
JANUARY 8, 1998

Present: Mayor Brad Olch; Council members Hugh Daniels, Roger Harlan; Shauna Kerr; Chuck Klingenstein; and Paul Sincock

Toby Ross, City Manager; Brian Anderson, Parking Manager; Jerry Gibbs, Public Works Director

1. **Council questions and comments.** Mayor Olch administered the oath of office to re-elected Shauna Kerr as she was unable to attend the swearing-in ceremony on January 5, 1998. Paul Sincock felt that the hand-tags have not been publicized enough and should be featured in the newspapers as they are very convenient. He explained that some people believe that the parking minimum is one dollar but it is $.50. Brian Anderson explained that a week before the program began, someone vandalized the meters with construction foam, which was easily repaired. Paul Sincock apologized to the Mayor and Roger Harlan for missing the swearing-in ceremony on Monday.

Chuck Klingenstein disclosed that he received a call about lack of lighting at Bonanza Drive and the rail-trail crossing. In response to a question regarding motorcycle parking, Mr. Anderson believed that it is free. At this time, there is no motorcycle zone so bikes could be "stacked" as opposed to taking up a parking space. Mr. Anderson felt this could be considered in the spring. Chuck Klingenstein stated that he is disappointed with the lack of the snow and the closure of the White Pine cross-country ski center which is affecting residents and visitors. He believes cross-country skiing is a critical component to our winter-time experience and after visiting with Kathy and Charlie Sturgis, the staff and the Mountain Dell course, has come to the conclusion that there was not sufficient snow during the Christmas season to open the track and as of today, the situation is no better. He relies on Pace Erickson to make the proper decision to open as he is responsible for the golf course. It is his opinion, given the interest, success and necessity of cross-country skiing in the community, that this operation be re-evaluated in terms of course lay-out, capital facilities, operations, snow depths and related variables; the costs associated with these factors and who pays these costs. Our biggest failure has been not to charge White Pine the true costs of operations in the past so that they have never been concerned about this, and if he were the operators of the center, would also be upset by not having the course open with less than adequate snow especially knowing there are yearly costs to the City attributable to cross-country operations. Mr. Klingenstein emphasized that there is a lot of bad information floating around the community, especially that White Pine has paid $25,000 to $30,000 in damage costs. This is wrong -- rental income for the use of the track was $8,500 last year. That was rent, not payment for damages and the bill for damages was never sent although clearly stipulated in the contract. He suggested that Charlie Sturgis and Pace Erickson look at relocation of the track on the golf course, avoiding fairways so the track could be opened sooner with less snow. He warned White Pine that if there is damage to the course, there will be bills for the repair as is stipulated in the contract. Finally, it is time for the City, White Pine, and the Parks and Recreation Board to review the operations and capital improvement costs as cross-country skiing is too important to the community.

Hugh Daniels thanked staff involved in the paid parking program for handling the complaints and solutions. In response to a questions about receiving information about transit on the 645-PARK number, Jerry Gibbs explained that this is a problem that occurred while reprogramming the phone system and it is in the process of being corrected. Mr. Daniels felt that the hang-tags work well and suggested that the south Marsac lot have an assortment of time limits. He expressed concerns about blocked access to the north lot. Mr. Daniels was pleased that the Ten O'Clock Whistle is working and again commented on the do not enter sign on Crescent which continues to be knocked down. He thanked staff for the financial update in the manager's report and stressed that the next quarter is very important to him as it will reflect sales tax revenue. He agreed with Mr. Klingenstein comments on cross-country skiing; there is an existing contract. Mr. Daniels is not convinced that 12" is the magic number and is willing to look at other methodology, but not at the last minute.

Shauna Kerr reported that there is a fund-raising benefit for Syd Rammel tonight and encouraged the public to attend. She encouraged better enforcement of illegally parked vehicles on the access road to the north lot of the Marsac building because of concerns of emergency access. Paul Sincock added that there is also a problem in the south lot. She stated that the snow making crews have saved the Christmas season and felt it may be time for a winter festival thanking employees who made the holidays a financial success. She congratulated the opening of the Performing Arts Center and noted that the best input she has received about paid parking came from the Alamo. She explained that the patrons and employees of the Alamo are at least giving it a chance and she will continue to listen to them. Ms. Kerr relayed to Kathy and Charlie Sturgis of White Pine that she hopes it will snow soon and that she will soon receive an apology. She has received a lot of bad publicity which she doesn't deserve, and asked if it is true that they met with Pace Erickson last summer about setting the track in the rough. Mr. Sturgis responded that it is true, but he didn't think that it was possible then but it may be possible now. Ms. Kerr understood that the track could have and would have been set in the rough if agreed upon then, and all of this could have been avoided. If this is a viable option, she encouraged moving forward. She felt that in December, Council gave good direction to resolve this problem with other alternatives, and instead this has turned into a public policy issue that is never good when the issue is contractual.

Roger Harlan thanked Myles Rademan on the summary of the town meetings. He reported that he received a complaint about the perceived high cost of producing the parking brochure and investigated the cost. The taxpayer was surprised that it was produced at a low cost. He commented on a graffiti arrest and would like violators prosecuted to the fullest as this is not acceptable in the community. Mr. Harlan also recognized the efforts of the snow-making crews.

2. Review of regular meeting:

Property acquisition - SR224 and SR248. The City Manager explained that shortly before Christmas, staff learned of the possibility of the sale of this property. The property was subject to an application for a bank and office building which was initially denied by the Planning Commission, appealed to the Council, and denied by the Council. The property recently transferred to a subsidiary of Zions. Through illustration of a map, he pointed out the proposed 10,000 square foot building and explained that it was denied because of concerns regarding access and open space. When this property was acquired by Zions, it had already commenced construction on a new facility to the east and didn't need the property. It was generally marketed, but was offered to Zions customers and the City was allowed to submit an offer, and through negotiations, the City was awarded the high bid for the property. He pointed out that the City's bid was not higher than others, but the City had fewer contingencies, other than Council approval. Toby Ross added that the property is oddly shaped and explained adjacent property and access easements. This would be a land banking acquisition with a public entry statement and open space corridor and there is an access easement which exists on the open space parcel. The site has had historic development on it which has ceased use and there were underground tanks which have been removed. The issue before Council is whether or not to proceed.

Water service and acquisition agreement. Mr. Ross explained that action on these agreements was continued from Council's December 18 meeting to provide an opportunity for the public to become better informed. The staff apologizes for the complexity of the language in the agreements which is largely due to tax regulations. Through illustration of a map, he described the 5,000 acres of land, some of which is owned directly by the Condas Family, and some leased or controlled by the developer of the proposal. This represents an exchange of water service for some control of the development with regard to open space, including ownership and public access. The area is roughly the size of Park City. He described the property, which would eventually be owned fee simple by Park City and as result of this acquisition, the City would not have the flexibility to convert it to uses other than recreation and open space. A portion of the property is allowed to be used by the seller in the form of recreation, consistent with the open space restriction. He continued that the City has unilateral control of the recreational uses and no activities could occur without the approval of the City. In addition to the basic exchange of water for control of land, there are a number of things that have occurred over the two year negotiation to modify the development proposal outside of this land. The initial development presented to Council two years ago had development pods in four areas, which have now been consolidated into a new development area.

The City Manager explained that there was some misunderstanding that because there were 750 acre feet reserved that White Pine Associates would have the authority to resell water. That was not allowed in the previous agreement and this has been better clarified in this draft; violation would represent a material breach by WPA and the City would be able to terminate the delivery of water. No one believes that 750 acre feet of water will be used and is more of an "historic artifact" from earlier discussions, but the applicant has agreed to an additional limitation that basically limits the availability of water to two acre feet per unit and 50 acre feet for other ancillary purposes. It further requires that the CC&Rs include and enforce provisions that would work toward getting usage down from that level, so that minimum water use is affected in this development; the applicant has agreed to the provision. There is a question of whether Park City has the water to do this, and there is an extreme high probability it can as there has been a recent approval from the State Engineer on pending water applications. The approval frees the City to use its capacity of wells and the treatment plant to deliver water within the City and this project. There is a 750 acre foot allocation to WPA in the Smith-Morehouse water agreement and it is unknown if that will go forward in a timely fashion. It is contemplated that initial water delivery would not occur from that source and if long-term delivery were to occur, it probably would displace other sources that already would be delivering water here. WPA will be paying 30% of the cost of reserving that water and represents approximately $100,000 over the life of the agreement. Mr. Ross explained that there will be a consolidated water application which, if approved, will accommodate the water needs for the City for the next 10 to 20 years. This particular development has a phasing program which is likely to demand very little water for at least the next four to five years and it is felt there will be ample time to address water issues. Because the developer has to pay for development and supply systems for water, it is in WPA's best interest to identify and utilize readily available sources and work has been done to do that, and it is likely that a portion of the development will be served with water that is not currently available to the City. He felt that there are adequate protections for the City and this agreement would not provide the applicant with any priority right in the water district. Provisions have been added to the fees to clarify that WPA is obliged to pay the actual or marginal cost of the delivery or development of sources.

The City Manager added that in the recital of the second agreement relating to the easement, there will be language to clarify the descriptions of the property in addition to maps before it is executed. The developer will prepare a phase one environmental assessment of the property which will occur prior to the City acquiring the property. There will be indemnification language to protect the City from any liability arising from recreational activities granted by WPA. The City would not indemnify WPA but would not hold it responsible for City activities. The property is constrained to base density of a maximum of 175 units on the property that is currently controlled, and an additional 206 - 210 units if all of those other properties were brought within the auspices of White Pine. This would represent over 4,000 acres of land. Mr. Ross concluded that this presentation basically covers the modifications to the agreement presented to the Council on December 18 and entertained questions from the Council. In response to a question from Ms. Kerr, the City Manager explained that in the portions of the parcel outside these areas, there are proposed ski runs and facilities and there was a concern that one of the lifts would be visible from SR224 at the entrance to Bear Hollow. This is not the case; the alignment of the lift at that point is in a draw and behind a ridge line. Mr. Ross clarified for Mr. Klingenstein that in the event recreational portions are leased, there will always be public access. He continued that staff is recommending striking 8.3. in the existing document which covers the issue of financing the pubic facilities.

See regular meeting minutes.

Prepared by Janet M. Scott

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PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
JANUARY 8, 1998

I ROLL CALL

Mayor Brad Olch call the regular meeting of the City Council to order at approximately 6 p.m. at the Marsac Municipal Building on Thursday, January 8, 1997. Members in attendance were Brad Olch, Hugh Daniels, Roger Harlan, Shauna Kerr, Chuck Klingenstein, and Paul Sincock. Staff present were Toby Ross, City Manager; Jerry Gibbs, Public Works Director; Mark Harrington, Deputy City Attorney; and Jodi Hoffman, City Attorney.

II PUBLIC INPUT

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

1. White Pine Touring Center - Ed Brophy, Old Town resident and cross-country skier, stated that he is disappointed that the center is not open. He encouraged the City engage in a better dialog with White Pine so people know when it will open. Chuck Klingenstein responded that there was a lot of discussion on this during work session. He assured Mr. Brophy that staff will be working with Kathy and Charlie Sturgis on resetting the track in the rough to open it with less snow.

2. Paid parking system - Lowell Meyers, Park Meadows resident, noted that the signs directing where people are to pay are pointing into stores on Main Street which is confusing to visitors and interrupt businesses giving change. A merchant suggested to him that someone from the City be available on Main Street to exchange tokens. There was discussion about the inconvenience of merchants buying tokens at Public Works. Mr. Meyers believed that tourists just don't understand how the system works and there is resentment among locals. His son, who manages a restaurant, has lost an employee who could not afford to pay to park, although Mr. Meyers admitted that he wasn't sure that the employee explored other options. There is unrest about paid parking and there are bugs that need to be worked out and he felt that the signage could be better. Paul Sincock believed that Mr. Meyers has some good points, and emphasized that the merchants can help the program or hurt it with the manner in which they interface with customers. Mr. Meyers referred to the merchant whose 20 year customer refuses to do business there because of paid parking. Mr. Sincock indicated that patrons can now park in front of a business and Ms. Kerr added that if she were a merchant that wanted to keep a 20 year customer, that she would validate parking. Mr. Meyers suggested that the City make it easier for merchants to obtain tokens, rather than having to go to Public Works. The City Council agreed.

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

III COMMUNICATIONS FROM COUNCIL AND STAFF

Roger Harlan complimented the City Recorder's lengthy minutes on Gleneagles. Paul Sincock reported on a pre-opening of the Eccles Performing Arts Center tonight.

Paid parking program update - Jerry Gibbs reported that there were complaints about the meters not accepting coins and some modifications were made on the machines in Swede Alley and as of today, there have not been problems. By tomorrow, there will be stickers on the meters indicating what credit cards will be accepted and instructions for using credit cards. There were problems with the smart card in-coder; after 500 cards, meters began to malfunction. Mr. Gibbs explained a program of mailing $10 credited cards to residents in the Park Meadows, Thaynes Canyon, Ridgeview, Prospector, and Deer Valley areas; it was decided not to send them to Old Town since it is part of the permit parking system. Thirty-four percent of the cards have been sent out; the remainder will be sent out next week. Mr. Gibbs advised that the 125 hang-tags have been sold out and an additional 375 tags will be available next week. By January 30, there will be an additional 500 and people on the list will be notified when they arrive. The Park City Ambassadors have been volunteering as parking information people and will again be out next weekend. This has been a successful program. He continued that there will be special parking tags for construction projects and explained the parking mitigation plan process when building permits are issued. A complaint log has been set up and Mr. Gibbs appreciated Mr. Meyers comments. No tickets have been issued to date, only warnings, and won't be until next Monday. The 150 employee permits for the third level of China Bridge were sold out quickly and the fourth level of the China Bridge is over occupied. A permit system there may need to be considered there, as residents are no longer able to park in that area. It was pointed out that this area frees up between 6 p.m. to 7 p.m. Mr. Gibbs agreed with Mr. Meyers that there are some problems with signage. The reason the arrows point to the sidewalk is because the meters are installed on a 45° angle so that they are visible when traveling in a car. He stated that Park Avenue was included in the paid parking program, but staff is now recommending that it not be included in the program, but limited to two hour parking from 10 a.m. to 8 p.m. There are not enough meters to place in the area and there may be additional confusion to include the Town Lift area on Park Avenue. He acknowledged Ms. Kerr's comments about enforcement on the north Marsac building lot, but explained that he does not have manpower due to enforcement in other areas, unless there is approval for additional funding. He suggested improving signage in the area before people are assigned there and signage is currently being evaluated. In working with the Planning Department, they have tried to come up with attractive signs and not a large number. They were aware that this may result in not enough signs and there may be adjustments.

Ms. Kerr believed that with the Film Festival patrons parking illegally on the access road along with employees, resources may have to be allocated during that time. Mr. Gibbs agreed to do that. He reported that the cash collection has been about $1,000 per day indicating that there are a large number of people using the meters in spite of the problems. Roger Harlan asked if the Film Festival violators will receive tickets or warnings. Mr. Gibbs responded that there needs to be some adjustments in the signage, and the City should continue to give warnings or no warnings at all. It is important to continue to enforce the no parking areas and loading zones. Chuck Klingenstein felt that the signage to the Sandridge lot could be clearer and Jerry Gibbs recognized this is a problem area that will be corrected. Other parking lots will be identified as well. Mr. Klingenstein also reported on a problem with lighting of the Sandridge stairs. Paul Sincock and Shauna Kerr thanked Mr. Gibbs and his staff for handling this difficult situation.

IV WORK SESSION NOTES AND MINUTES OF MEETING OF DECEMBER 11, 1997

Shauna Kerr corrected the work session notes and Paul Sincock made several typographical corrections to the minutes. Chuck Klingenstein disclosed that he will be abstaining as he was not in attendance. Roger Harlan, "I move approval of the Work Session Notes and Minutes of December 11, 1997, as corrected". Paul Sincock seconded. Motion carried.

Hugh Daniels	Aye
Roger Harlan	Aye
Shauna Kerr	Aye
Chuck Klingenstein	Abstention
Paul Sincock	Aye

V CONSENT AGENDA

Hugh Daniels, "I move approval of Consent Agenda Items 1 through 4". Paul Sincock seconded. Motion unanimously carried.

1. Resolution establishing a regular meeting date, time, and location for meetings of the City Council of Park City, Utah for 1998 - See staff report.

2. Ordinance accepting the public improvements at Hidden Oaks Subdivision - See staff report.

3. Ordinance accepting the public improvements at Treasure Hill Subdivision - See staff report.

4. Resolution celebrating the gala opening of the George S. & Dolores Dore' Eccles Center for the Performing Arts on January 10, 1998 - Staff recommends approval.

VI RESIGNATIONS AND APPOINTMENTS

Appointment of Mayor Pro Tem and Alternate Mayor Pro Tem - The Mayor recommended appointing Chuck Klingenstein as Mayor Pro Tem and Hugh Daniels Alternate Mayor Pro Tem. Paul Sincock, "I so move". Shauna Kerr seconded. Motion unanimously carried.

VII OLD BUSINESS

Water service and land acquisition agreement - White Pine Associates - The City Manager explained that this was discussed in work session. The Mayor added that this is not a public hearing but invited the public to comment.

Tom Hurd, resident, stated that he just read about this in the paper the other day and it is astounding to him that the City is trading $3.5 million worth of water which may be worth considerably more than that for a conservation easement where there is question if it would be developed anyway. He insisted that there should be public input on this matter and the Mayor indicated that is why it was continued from December 18. Mr. Hurd believes water is an important issue and the public needs to know what is going on and questioned if this is what the citizens want or need. He questioned whether the City needs to get involved in the development of the County. This needs to be discussed more and the public needs more information.

The City Manager stated that there is confusion about the dollars in the agreement. The $3.2 million for water is a fee that offsets the fee for the land as is more of an artifact than a reality; all of the water will be paid for through the terms of the agreement either by direct payment to the City or by impact fees at its marginal cost. There is no gift of water to the developer. The General Plan, recently adopted, includes a provision to encourage the acquisition and the protection of open space beyond our borders and language that the City would use its service capabilities as a tool to affect that change. Mr. Ross continued that this is the first effort to comply with those General Plan policies, it is consistent with the General Plan in this area and in the discussion of White Pine area in that document, this was contemplated. This element was fully debated through the General Plan process, even though this agenda item doesn't appear to have received a lot of attention. He noted that from the period of December 18, 1997 until now, he has had an opportunity to talk to a number of people who had concerns and in every instance has been able to clarify the issues and satisfy their concerns. Chuck Klingenstein added that Park City taxpayers have been paying a tax to the Weber Basin Conservancy District for Smith-Morehouse water for a number of years. About two years, Keith Kelly and George Johnson, approached Weber Basin about acquiring that water and Summit County and Park City took the position that their taxpayers have been paying for that water and therefore it should remain in the public domain. At that time, Park City was allocated 2,500 acre feet of water; 750 of which this proposal was interested, and the rest of the water went to Summit County and eventually the Atkinson Water District. He continued that it has never been the intention of the City that all of the 750 acre feet would go to this project and Council has directed that there be very clear language that residential uses will not exceed 400 acre feet and there are guidelines and standards to make sure this occurs. Mr. Klingenstein clarified that the City, then maintains the excess of the 750 acre feet plus the remainder of the 2,500 acre feet. Paul Sincock stated that this costs Park City no money, we get 600 acres of open space and the City can participate in the negotiations shaping this large development.

Tim Henney, resident, asked the number of homes that could be built in the four pods given the slope or zone; the City Manager believed it was somewhere in the neighborhood of 70. He continued that the density was not eliminated but relocated to another area. The proposed development of Iron Canyon was discussed and Keith Kelly indicated that it was proposed at 30 and eventually dropped to zero. Mr. Klingenstein explained the location of the development which is considerably less intrusive than the initial proposal and the City Manager stated that the lodge facility has been omitted. Tim Henney asked for an explanation of the recreation areas, ski lifts, and Untied Park City Mine's interest here. Mr. Ross responded that UPCM is not a party of the agreement or the development at this time, and if it develops its property, it would have to approach the County for water. The ski lifts are located on the portions of the canyons that are outside the view of the highway and would serve The Canyons Resort; the seller would reserve the right to enter into leases with The Canyons. The western portion of the 600 acres, or about half, is subject to lifts and runs and the seller reserves the right to enter into leases according to the open space easement. The eastern, or visible side, does not render that right. Tim Henney pointed out that approximately 300 acres will be under the control of The Canyons and the seller, and questioned if that could be considered year-round public access. Mr. Ross stated that this question was raised earlier. The existence of those leases would not preclude public access, but would regulate its use, particularly in the winter. It is contemplated that the existing 600 acres will be expanded to the bulk of the entire 4,000 acre property so that public access by virtue of improved trails and rights by easement would be extended over the entire project. Mr. Henney asked who would make the determination as to how to regulate the 600 acres for recreational purposes that the City owns fee simple. Toby Ross explained that the portion that the seller can issue recreational leases would be between the seller and the lessee consistent with the uses specified in the easement. With respect to the area the City controls, the Council together with a recommendation from the Parks and Recreation Board, would control that area. There is generic language in this agreement regarding the easements and there will be easements drafted and negotiated with the seller and then recorded. Chuck Klingenstein commented that a component to the public access is that the developer has been meeting with the County to develop a trail system that would be separate from the ski runs so that cross-country skiing can occur in the winter-time and there could still be downhill runs.

Tim Henney referred to the comment that the water needs over the next four to five years will be minimal, and asked where the water comes from. The City Manager indicated that the system has not been designed yet and the agreement contemplates design and development of the system in cooperation with the City and the developer. Where the water comes from is dependent upon the design and there are two or three options including local water sources or extensions from existing water facilities of the City. Mr. Ross added that a reservoir probably would be in the same location regardless of source of water, but there is also a pipe line that exists by the barn that could be extended in conjunction with the trail system. This would be a City system to the point of at least the reservoir. The City probably would not take ownership of the normal delivery system within a subdivision and WPA will most likely contract for services to operate the system.

Dana Williams, resident, stated that the Citizens Alliance for Responsible Growth has met with the developer and he appreciated Mr. Kelly's invitation to meet with them. Mr. Williams asked if an open space easement is a conservation easement. The City Manager answered that a Park City open space easement is that; it has the limited use restrictions and he fully expects compliance because of the consequence of paying rollback taxes. The language must be acceptable to the City before closing. Chuck Klingenstein explained that the "true" open space will be the eastern and northern aspect and the back side will have a recreation easement. Mr. Williams countered that associated with that area are lodges, rest rooms, and restaurants. Mr. Ross clarified that there could be a building, not a lodge, similar to a pro shop on a golf course. Keith Kelly interjected that a building is not contemplated, but if one is, it will be subject to City review and approval. Dana Williams stated that he understood that snow making, day lodges, rest rooms, restaurants and other ski related support facilities could be built on the property that is not visible. Mr. Ross noted that if it is Mr. Kelly's contention that that is not going to happen, the agreement can be modified to better reflect that intent. Chuck Klingenstein noted that Mr. Williams brought up a good point and asked for clarification on the lodge. Keith Kelly explained that the service provided by The Canyons is only the most southwesterly pod of Iron Mountain and is probably less than a quarter of the property that is involved in the actual ski terrain. It is also the most remote area of the resort and therefore it is not contemplated that there will be any lodge or restaurant facilities, maybe a bathroom. This agreement does not preclude that, but it would be extremely difficult for The Canyons to serve that area with water that is not from this system. If it is water from this system, the City has the right to approve the water service. He added that this area is the final phase of the improvements to the runs and lifts in The Canyons Resort and there has not been a great deal of study. Tim Henney suggested that the City preclude other services to circumvent development and preserve the open space. Keith Kelly explained that the City has control through the easement and through the fee ownership of the area, and this is the only area designated for ski services. This is not treated the same as the area outside the 600 acres where additional water service might be provided for on-mountain facilities where the City would clearly have the option to provide water service, but it is not obligated to do so. The City Manager stated that the easement will be drafted so that the City has absolute control. It will not necessarily preclude the City from granting an approval, but it will provide City control in the approval. Jodi Hoffman added that the land development agreement will be modified to include that concept, so that it is not just provided for in the easement. Ms. Kerr assured Mr. Henney that the minutes of this meeting will reflect that as well. In response to a question from Chuck Klingenstein, Mr. Kelly indicated that he is comfortable with the proposed clarifications.

Hugh Daniels, "<u>I move approval of the water service and land acquisition agreement(s); it will need some rewriting based on some technical discussions we have had this</u>

evening both in work session and during the main meeting so I would direct staff to prepare that in substantial form as we have discussed and if there are any questions, that staff return to Council for discussion". Chuck Klingenstein seconded, but asked if it is acceptable that Council have an opportunity to read the documents before final signature. Council concurred and Hugh Daniels amended his motion. Mr. Daniels stated that it is unfortunate that members of the community didn't feel this was given enough attention. The Council continued action for an additional three weeks and Council members had the benefit of two years of discussion, where the public hasn't, and for that he apologized. This proposal is consistent with the General Plan in using all the options available to protect Park City's borders, to provide for open space, and reduce density. This is more important to him than the water although water is an important component to the community. Mr. Daniels hopes the County does a good job with its general plan. This provides the City with an unusual opportunity to make sure that the project stays at base density and doesn't increase through the new matrix system. He believes that the open space will go beyond the 600 acres as the surrounding property will also provide public access for recreation. Mr. Daniels stated that this gives Park City a seat at the table, which is significant especially in consideration of the new annexation laws and not having a current planning interlocal agreement. He disclosed that he has spent a considerable amount of time with the developers and members of the community over the past several weeks, and believes that in the long-run this project is to the benefit of the community.

Chuck Klingenstein stated that he echoes Mr. Daniels comments and pointed out that land negotiations are delicate. The developer was turned down on various proposals during the years and has responded accordingly. This would have been difficult to do in the public forum. One of his biggest concerns was using one of Park City's most valuable resources, water, but this does meet the goals of the General Plan. He referred to the Weber Basin proposal, and added that the State Engineer has recently freed up about 800 acre feet of water, and there is a consolidated application being processed. He stressed that he does not take this lightly and would not approve it if he was just relying on one source, but feels there are three options here. This will be serving good public purpose.

Paul Sincock felt that Council Members Klingenstein and Daniels expressed his comments well and thanked the developers and land owners for their patience; it is refreshing to see a development with a vision of low density. He hopes that their relationship with The Canyons is a good one as time moves on.

Shauna Kerr recognized that there appear to be three votes to approve this agreement, but she will be voting against it, not because she doesn't believe in the concept, but because of the timing. The consolidated water application and other water deals are pending. There are people in the community still confused about what is hoped to be accomplished. She felt that the goals are honorable on both sides but the ill-well generated by inappropriate timing sometimes outshines good intentions, and this is a project better solved when the consolidated water application and other water issues are concluded. Ms. Kerr wished the developer the best, but reiterated that it is premature in her estimation. Any developer should be applauded when there is base density, as it is very rare, as "it is like seeing Elvis with Big Foot".

Roger Harlan agreed with Messrs. Daniels' and Klingenstein's comments and added that it is unusual to negotiate with a developer who has been so cooperative. In the five years he has served on Council, there is nothing parallel to this proposal. When this was first discussed with Council, the selling point to him was the assurance of a visual corridor on the strategic north face of Iron Mountain, which is significant.

Keith Kelly thanked the members of the Council and staff, which leads him to believe that Council's actions are consistent with the General Plan, which means a lot to him. He clarified that there are two agreements and not one. The Mayor called for a vote.

Hugh Daniels	Aye
Roger Harlan	Aye
Shauna Kerr	Nay
Chuck Klingenstein	Aye
Paul Sincock	Aye

Motion carried.

VIII NEW BUSINESS

1. Authorization to staff to proceed with the acquisition of property from Zions Bank located at the intersection of SR224 and SR248 in the amount of $650,000 - See staff report and work session notes. The Mayor invited comments and questions from the Council and the public.

Tom Hurd, resident, didn't feel that Park City should put all of the real estate agents out of business by buying every piece of land, and suggested that this particular parcel be passed up.

The City Manager explained that if the action is to approve, staff recommends that it be subject to the adoption of a reimbursement resolution so the acquisition could be accommodated through a bond issuance of the Redevelopment Agency. Chuck Klingenstein stated that he appreciates Mr. Hurd's comments and explained that this is not a pure open space acquisition and could be described as growth management land banking. Portions of it can be used for open space and others sold off to offset the cost. It allows Council to change the zoning on it as there have been applications on the site which have prompted concerns about traffic and other issues. The property ties into an open space parcel behind it and there are a lot of options that Council feels are important to the town. Shauna Kerr commented that this purchase will be funded through the RDA which meets the intent of the statute with regard to redeveloping blighted areas. There is an existing storage yard and the old car wash which has fallen into disrepair and if acquiring this intersection through RDA funds breaths new life into it, whether it be a sale or a transfer with restrictions, she would fully support using of RDA funds to accomplish those goals.

Paul Sincock, "I move approval of the purchase of the property located at 740 East Kearns Boulevard in the amount of $650,000, subject to a reimbursement resolution from the RDA". Roger Harlan seconded. Hugh Daniels pointed out that this is an expensive piece of property and he has some concerns if this is the best use of funds. He will reluctantly support the motion only because it is not being acquired solely for open space, and there are other options as far as decreasing the City's cost by selling off parcels and down-zoning. Roger Harlan added that the Finance Manager has provided him with a list of property acquisitions, and disposition of the payments; he felt that the City is on solid ground as far as not over-extending its resources in the acquisition of this property. Motion unanimously carried.

2. Findings of fact, conclusions of law, and order of the City Council upholding the Planning Commission's determination of October 22, 1997 that a proposed gate at the northerly end of the Gleneagles Subdivision is not a permitted use, but requires a conditional use process - Shauna Kerr disclosed that she will be abstaining and excused herself from the meeting. Chuck Klingenstein added that since he was not in attendance in hearing this appeal, will be abstaining from discussion and voting. Jim Roberts, applicant, stated that he needs about 20 minutes for a presentation but is more than happy to put his comments in the form of a written brief or argument to be filed with the City Attorney. Council will then have the benefit of his comments in reviewing the findings; he suggested that his could be continued until a mutually acceptable date. Mark Harrington, Deputy City Attorney, emphasized that the Land Management Code stipulates that a decision on the findings must be made within a time frame from the actual decision. He recommended that Mr. Roberts stipulate on the record that he agrees to the extended time. Mr. Roberts agreed to an extension and suggested that if the City Attorney files something additional, that they have an opportunity to comment on that. Ms. Hoffman agreed. The Mayor suggested continuing to a date uncertain. Paul Sincock, "I so move". Hugh Daniels seconded. Motion carried.

Hugh Daniels	Aye
Roger Harlan	Aye
Shauna Kerr	Absent/abstention
Chuck Klingenstein	Abstention
Paul Sincock	Aye

IX ADJOURNMENT

With no further business, the regular meeting of the City Council was adjourned and Municipal Building Authority and Redevelopment Agency meetings convened.

* * * * * * * * * * *

MEMORANDUM OF CLOSED SESSION

The City Council met in closed session at approximately p.m. Members in attendance were Mayor Brad Olch, Hugh Daniels, Roger Harlan, Shauna Kerr, Chuck Klingenstein, and Paul Sincock. Staff present were Toby Ross, City Manager; Mark Harrington, Assistant City Attorney; and Jodi Hoffman, City Attorney. Paul Sincock, "I move to close the meeting to discuss property acquisition". Hugh Daniels seconded. Motion unanimously carried.

The meeting opened at approximately 4:55 p.m.

* * * * * * * * * * * *

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

Prepared by Janet M. Scott

Janet M. Scott

Janet M. Scott, City Recorder

PARK CITY
1884

DATE: January 8, 1998
DEPARTMENT: City Manager
AUTHOR: Jan Scott
TITLE: Mayor Pro-Tem Appointments and Meeting Dates
TYPE OF ITEM: Administrative/Legislative

SUMMARY RECOMMENDATIONS: Appointing a Mayor Pro Tem and Alternate Mayor Pro Tem at the regular meeting, and adopting resolutions setting forth meeting dates for the City Council and its related agencies are recommended actions.

DESCRIPTION:

A. Topic: These are both housekeeping matters. Setting regular meeting times, place and dates are a requirement of the state code.

B. Background: In January 1996, Roger Harlan was appointed Mayor Pro Tem and Shauna Kerr, Alternate Mayor Pro Tem. In 1997, Shauna Kerr was appointed Mayor Pro Temptress, bringing new meaning to that role, and Chuck Klingenstein Alternate Mayor Pro Tem. If Council chooses to follow its historic trend, the Alternate would become the Mayor Pro Tem, and an Alternate should be designated for 1998.

The regular meeting time of 6 p.m. has been in place since January 1986 to better accommodate the public. Prior to that, the regular meeting time was scheduled at 5 p.m.

Alternating work sessions was a new tactic in 1996, but proved to be not as beneficial as hoped or anticipated. There was no public reaction to the new schedule and it didn't offer the flexibility for formal actions. Although the meeting date resolution was amended during the year to allow votes during work session, there were weekly issues at hand that were determined to be more appropriately scheduled on a regular meeting agenda. This may be an item of discussion at Council's retreat on January 26 and 27. It should be noted that alternating work sessions do not affect the resolutions recommended for action at the Council, RDA and MBA meetings.

C. Analysis: N/A.

D. Department Review: N/A.

ALTERNATIVES:

A. Approve the request.

B. Deny the Request: The Council certainly has the discretion to change the manner of appointing the Mayor Pro Tem or to change the meeting time, place, or date. However, it is required to adopt meeting dates by resolution.

C. Continue the Item: These items could be continued, but it is recommended that these actions take place at the beginning of the year.

RECOMMENDATION: See summary recommendation.

Resolution No. 1-98

A RESOLUTION ESTABLISHING A REGULAR MEETING DATE, TIME, AND LOCATION FOR MEETINGS OF THE CITY COUNCIL OF PARK CITY, UTAH FOR 1998

BE IT RESOLVED by the City Council of Park City:

SECTION 1. REGULAR MEETING DATE. The regular meetings of the Park City Council shall be held on Thursdays at 6 p.m. at the Marsac Municipal Building, 445 Marsac Avenue, Park City, Utah. Regular meetings are open meetings, where agenda items are scheduled for public hearing and/or action. The time may change if it is felt appropriate to schedule issues of general interest at a time that may better accommodate the public. Meetings may be canceled when there is no pending business, no quorum, or the regular meeting date falls on a holiday.

The schedule for City Council meetings in 1998 are as follows:

January 8, 15, 22, 29	July 2, 9, 16, 23, 30
February 5, 12, 19, 26	August 6, 13, 20, 27
March 5, 12, 19, 26	September 3, 10, 17, 24
April 2, 9, 16, 23, 30	October 1, 8, 15, 22, 29
May 7, 14, 21, 28	November 5, 12, 19, 26
June 4, 11, 18, 25	December 3, 10, 17

SECTION 2. NOTICE OF PUBLIC MEETINGS. Notice shall be given, indicating the specific date, time, and location of the meeting. The agenda will be posted at the Marsac Municipal Building at least twenty-four (24) hours prior to each regular meeting, and same delivered to the local news media. The agenda for special or emergency meetings shall be noticed in the best manner practicable.

SECTION 3. WORK SESSIONS. Work sessions are open informational meetings, where new items are introduced or regular meeting agenda items are discussed for clarification prior to action. Typically, no formal action is scheduled or taken during a work session, but formal actions may be made to conduct the City's business, if it is deemed to be in the best interest of the public.

SECTION 4. CLOSED MEETINGS. Every meeting and work session is open to the public, unless closed pursuant to Sections 52-4-4 and 52-4-5 of the Utah Code. A closed meeting may be held upon the affirmative vote of two-thirds of the members of the public body present at an open meeting for which notice is given pursuant to Section 52-4-6, provided a quorum is present.

No closed meeting is allowed except as to matters exempted under Section 52-4-5; provided no ordinance, resolution, rule, regulation, contract, or appointment shall be approved at a closed meeting. The reason or reasons for holding a closed meeting, the roll call, and any dissenting vote to close the meeting, shall be entered in the memorandum of closed session and made a part of the minutes.

SECTION 5. EFFECTIVE DATE. This Resolution shall take effect immediately.

PASSED AND ADOPTED this 8th day of January, 1998.

PARK CITY MUNICIPAL CORPORATION

____

Mayor Bradley A. Olch

Attest:

____

Janet M. Scott, City Recorder

Approved as to form:

____

Mark D. Harrington, Deputy City Attorney

Resolution No. MBA 1-98

A RESOLUTION ESTABLISHING A REGULAR MEETING DATE, TIME, AND LOCATION FOR 1998 MEETINGS AND APPOINTING OFFICERS OF THE BOARD OF DIRECTORS OF THE MUNICIPAL BUILDING AUTHORITY OF PARK CITY, UTAH

BE IT RESOLVED by the Municipal Building Authority of Park City:

SECTION 1. REGULAR MEETING DATE. The regular meetings of the Municipal Building Authority shall be held on Thursdays at 6 p.m. or immediately following the adjournment or preceding the convening of other meetings that may be scheduled at 6 p.m. Meetings shall be held at the Marsac Municipal Building, 445 Marsac Avenue, Park City, Utah, except when there is no pending business or the regular meeting date falls on a holiday.

SECTION 2. NOTICE OF PUBLIC MEETINGS. Notice shall be given indicating the specific location of the meeting. The agenda will be posted at the Marsac Municipal Building at least twenty-four (24) hours prior to each regular meeting, and same delivered to the local news media. The agenda for special or emergency meetings shall be noticed in the best manner practicable.

SECTION 3. WORK SESSIONS. Work sessions are open informational meetings, where new items are introduced or regular meeting agenda items are discussed for clarification prior to action. Typically, no formal action is scheduled or taken during a work session, but formal actions may be made to conduct the Authority's business, if it is deemed to be in the best interest of the public.

SECTION 4. CLOSED MEETINGS. Every meeting and work session is open to the public, unless closed pursuant to Sections 52-4-4 and 52-4-5 of the Utah Code. A closed meeting may be held upon the affirmative vote of two-thirds of the members of the public body present at an open meeting for which notice is given pursuant to Section 52-4-6, provided a quorum is present. No closed meeting is allowed except as to matters exempted under Section 52-4-5; provided no ordinance, resolution, rule, regulation, contract, or appointment shall be approved at a closed meeting. The reason or reasons for holding a closed meeting, the roll call, and any dissenting vote to close the meeting, shall be entered in the memorandum of closed session and made a part of the minutes.

SECTION 5. SPECIFIC MEETING DATES. The schedule for Municipal Building Authority meetings in 1998 are as follows:

January 8, 15, 22, 29	July 2, 9, 16, 23, 30
February 5, 12, 19, 26	August 6, 13, 20, 27
March 5, 12, 19, 26	September 3, 10, 17, 24
April 2, 9, 16, 23, 30	October 1, 8, 15, 22, 29
May 7, 14, 21, 28	November 5, 12, 19, 26
June 4, 11, 18, 25	December 3, 10, 17

SECTION 6. APPOINTMENT OF OFFICERS. The officers of the Board of Directors of the Municipal Building Authority of Park City, Utah shall be as follows: The elected Mayor shall be the Chairman; the Mayor Pro Tempore shall be the Vice-Chairman; the Alternate Mayor Pro Tempore shall be the Alternate Vice-Chairman; the City Manager shall be the Executive Director; the City Recorder shall be the Secretary; and the Deputy City Recorder shall be the Deputy Secretary.

PASSED AND ADOPTED this 8th of January, 1998.

PARK CITY MUNICIPAL BUILDING AUTHORITY

____

Chairman Bradley A. Olch

Attest:

____

Janet M. Scott, Secretary

Approved as to form:

____

Mark D. Harrington, Deputy City Attorney

Resolution No. RDA 1-98

A RESOLUTION ESTABLISHING A REGULAR MEETING DATE, TIME, AND LOCATION FOR 1998 MEETINGS AND APPOINTING OFFICERS OF THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF PARK CITY, UTAH

BE IT RESOLVED by the Redevelopment Agency of Park City:

SECTION 1. REGULAR MEETING DATE. The regular meetings of the Redevelopment Agency shall be held on Thursdays at 6 p.m. or immediately following the adjournment or preceding the convening of other meetings that may be scheduled at 6 p.m. Meetings shall be held at the Marsac Municipal Building, 445 Marsac Avenue, Park City, Utah, except when there is no pending business or the regular meeting date falls on a holiday.

SECTION 2. NOTICE OF PUBLIC MEETINGS. Notice shall be given, indicating the specific location of the meeting. The agenda will be posted at the Marsac Municipal Building at least twenty-four (24) hours prior to each regular meeting, and same delivered to the local news media. The agenda for special or emergency meetings shall be noticed in the best manner practicable.

SECTION 3. WORK SESSIONS. Work sessions are open informational meetings, where new items are introduced or regular meeting agenda items are discussed for clarification prior to action. Typically, no formal action is scheduled or taken during a work session, but formal actions may be made to conduct the Agency's business, if it is deemed to be in the best interest of the public.

SECTION 4. CLOSED MEETINGS. Every meeting and work session is open to the public, unless closed pursuant to Sections 52-4-4 and 52-4-5 of the Utah Code. A closed meeting may be held upon the affirmative vote of two-thirds of the members of the public body present at an open meeting for which notice is given pursuant to Section 52-4-6, provided a quorum is present. No closed meeting is allowed except as to matters exempted under Section 52-4-5; provided no ordinance, resolution, rule, regulation, contract, or appointment shall be approved at a closed meeting. The reason or reasons for holding a closed meeting, the roll call, and any dissenting vote to close the meeting, shall be entered in the memorandum of closed session and made a part of the minutes.

SECTION 5. SPECIFIC MEETING DATES. The schedule for Redevelopment Agency meetings in 1998 are as follows:

January 8, 15, 22, 29	July 2, 9, 16, 23, 30
February 5, 12, 19, 26	August 6, 13, 20, 27
March 5, 12, 19, 26	September 3, 10, 17, 24

April 2, 9, 16, 23, 30	October 1, 8, 15, 22, 29
May 7, 14, 21, 28	November 5, 12, 19, 26
June 4, 11, 18, 25	December 3, 10, 17

SECTION 6. APPOINTMENT OF OFFICERS. The officers of the Board of Directors of the Redevelopment Agency of Park City, Utah shall be as follows: The elected Mayor shall be the Chairman; the Mayor Pro Tempore shall be the Vice-Chairman; the Alternate Mayor Pro Tempore shall be the Alternate Vice-Chairman; the City Manager shall be the Executive Director; the City Recorder shall be the Secretary; and the Deputy City Recorder shall be the Deputy Secretary.

PASSED AND ADOPTED this 8th day of January, 1998.

PARK CITY REDEVELOPMENT AGENCY

____
Chairman Bradley A. Olch

Attest:

____
Janet M. Scott, Secretary

Approved as to form:

____
Mark D. Harrington, Deputy City Attorney

PARK CITY
1884

CITY COUNCIL REPORT

DATE: January 8, 1998
DEPARTMENT: Community Development
AUTHOR: Eric DeHaan, P.E., City Engineer Eric DeHaan
TITLE: Acceptance of Public Improvements at Hidden Oaks Subdivision
TYPE OF ITEM: Administrative

SUMMARY RECOMMENDATIONS: Approve the ordinance accepting the public improvements at Hidden Oaks Subdivision.

DESCRIPTION:

A. Topic: Hidden Oaks Subdivision, made up of Phase 1A, Phase 1B, Phase 2, and Phase 3, was one of several Deer Valley MPD subdivisions formally known as Solamere Phases 3, 4, and 5. Hidden Oaks lies generally north of The Oaks subdivision, and adjacent to Royal Oaks and Hidden Meadow subdivisions. The four phases of Hidden Oaks consist of 52 single-family lots and all or portions of four City streets: Solamere Drive, Hidden Oaks, Cove, Hidden Oaks Lane, and Sun Ridge Cove. The ordinance under consideration today will accept the public improvements within the subdivision.

B. Background: The various phases of Hidden Oaks (1A, 1B, 2, and 3) were approved by the City Council between May of 1995 and May of 1996. The public improvements were begun in 1995 and completed in 1996 and 1997 as part of coordinated construction contracts also involving Hidden Meadow. The City Engineer's staff, together with our consultant inspectors, inspected the construction.

C. Analysis: Several homes are now under construction in Hidden Oaks, but the build-out percentage is well below the 50% level required for Park City to assume snowplowing responsibilities, a fact which is spelled out in the accompanying ordinance. In addition to the streets, the public improvements at Hidden Oaks include a 15-foot-tall retaining wall as well as a water distribution system. All improvements meet Park City's standards, but in the event of a failure of any of the improvements within the one-year guarantee period Park City is protected by a financial security in the remaining amount of $202,002.88.

The Staff is aware of one concern on the part of a neighboring property owner. The property owner owns a lot in Royal Oaks Subdivision south of Hidden Oaks lots 40, 41, and 42. During the course of construction there was extra soil material wasted on these lots, and the adjacent property owner is understandably concerned about the appearance of the waste pile and the question of whether the homes built on Hidden Oaks lots 40, 41, and 42 will be higher because of the imported fill. The staff feels that removing the imported fill at this time would create unnecessary dump truck traffic; the height of the future houses will be measured from natural grade prior to the fill. The soil has been rounded into berms and topsoiled, and the financial guarantee will assure our ability to require adequate revegetation.

Although there are trails throughout the Hidden Oaks/Hidden Meadow vicinity, this neighborhood formerly known as Solamere 3, 4, and 5 represents some of Park City's worst traffic planning. Since there is no neighborhood commercial area and no road outlet to the east, all of the neighborhood traffic must funnel through Deer Valley Drive for virtually every errand or trip. The second-home nature of Hidden Oaks partially mitigates this road pattern problem, and of course the subdivision received all of its approvals with the current lot and road configuration.

D. Department Review: This action has been coordinated with the Community Development Department.

ALTERNATIVES:

A. Approve the Request: Approve the request to accept the public improvements at Hidden Oaks Subdivision. This action will transfer ownership of the public improvements as described above to Park City in an orderly fashion.

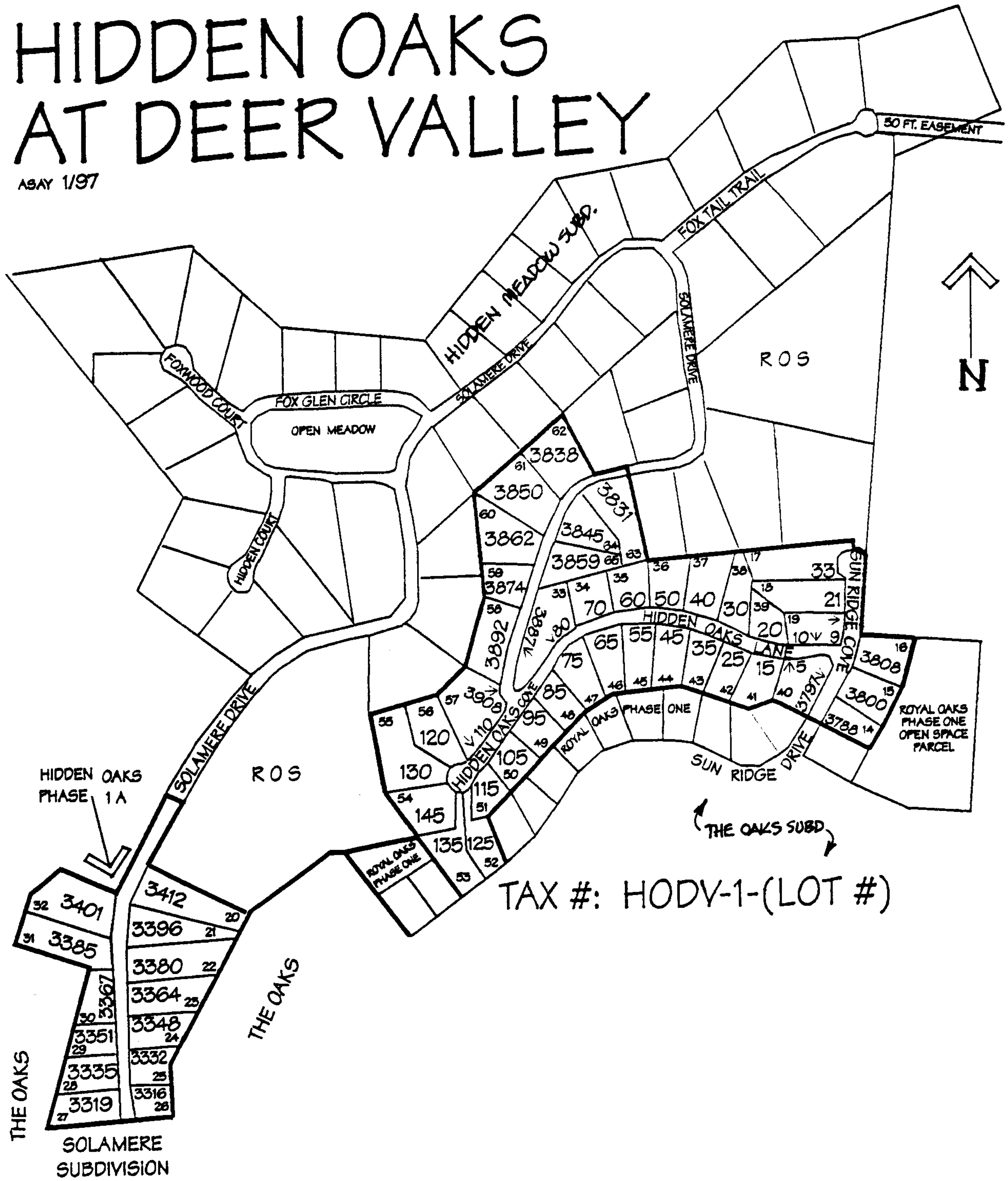
B. Continue the Request: In the event there are concerns on the part of the general public or the City Council, the ordinance can be continued for additional research or information.

SIGNIFICANT IMPACTS: There is no significant fiscal impact on Park City from accepting the public improvements at Hidden Oaks Subdivision, although the burden on most City Departments increases somewhat whenever new growth occurs. The impact on our streets department is mitigated by our policy not to plow snow until the subdivision is 50% built out.

RECOMMENDATION: Approve the ordinance accepting the public improvements at Hidden Oaks Subidivsion.

HIDDEN OAKS AT DEER VALLEY

ASAY 1/97



RD-MPD
ROS

When recorded return to:
PCMC
Attn: City Recorder
PO Box 1480
Park City UT 84060

ORDINANCE NO. 98-___________

AN ORDINANCE ACCEPTING THE PUBLIC IMPROVEMENTS
AT HIDDEN OAKS SUBDIVISION

WHEREAS, Hidden Oaks subdivision was approved by the Park City City Council in four phases between May, 1995, and May, 1996; and

WHEREAS, construction of the public improvements has been accomplished by the developer, including portions of Solamere Drive, Hidden Oaks Cove, Hidden Oaks Lane, and Sun Ridge Cove, trails, storm drains, and a water distribution system; and

WHEREAS, Park City has adopted LMC Section 15.3.1(g), which provides for the City Council to accept (by Ordinance) those public improvements which are dedicated and built in accordance with the requirements of Chapter 15 of the Land Management Code; and

WHEREAS, the public improvements within Hidden Oaks subdivision were installed in accordance with the ordinances in effect at the time of plat recordation and have been duly inspected by the City Engineer.

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

SECTION 1. PUBLIC IMPROVEMENTS. The City hereby accepts from the developer all public improvements at Hidden Oaks Subdivision which were intended for City ownership, subject to the developer's warranty of these improvements for one year following the adoption of this ordinance. Stabilization of all disturbed soil areas with revegetation shall have been achieved by the end of the one-year period commencing with the adoption of this ordinance.

SECTION 2. FINANCIAL GUARANTEE. To guarantee the improvements, Park City shall hold the remaining guarantee of $202,002.88 for a period of one year.

SECTION 3. SNOWPLOWING. The City streets are not yet accepted for purposes of snowplowing because fewer than 50% of the buildable lots within Hidden Oaks are built out or are in progress.

SECTION 4. EFFECTIVE DATE This ordinance shall be effective upon publication.

PASSED AND ADOPTED THIS _____DAY OF ____________, 1998.

PARK CITY MUNICIPAL CORPORATION

Bradley A. Olch, Mayor

ATTEST:

Janet M. Scott, City Recorder

Approved as to Form:

Mark D. Harrington, Deputy City Attorney

PARK CITY
1884

CITY COUNCIL REPORT

DATE: January 8, 1998
DEPARTMENT: Community Development
AUTHOR: Eric DeHaan, P.E., City Engineer Eric DeHaan
TITLE: Acceptance of Public Improvements at Treasure Hill Subdivision
TYPE OF ITEM: Administrative

SUMMARY RECOMMENDATIONS: Approve the ordinance accepting the public improvements at Treasure Hill Subdivision.

DESCRIPTION:

A. Topic: Treasure Hill Subdivision is a part of the Sweeney MPD. Treasure Hill created five single-family lots accessed via King Road and upper Norfolk. The homes under construction on Lots 3 and 4 are very visible on the hillside west of upper Old Town, as is the approximately 40 acres of open space which was protected as part of Treasure Hill Subdivision. The public improvements at Treasure Hill consist of a water main and fire hydrant on King Road above Sampson Avenue and similar improvements in the "turnaround" area at the north end of Upper Norfolk Avenue. There is also an extensive network of hiking/biking trails known locally as the Sweeney Switchbacks which are in place and heavily used by locals. A sketch of the subdivision is attached.

B. Background: The Sweeney MPD was approved by the City Council in October, 1986. It embraced approximately 125 acres of the hillside west of the Historic District and adjacent to the Park City Mountain Resort.

Treasure Hill subdivision represents about one-third of the MPD's area but only a small fraction of its density. The MPD required dedication and improvement of a three-point turnaround at the end of Upper Norfolk, one of Park City's narrowest streets and one of our worst areas for on-street parking. The turnaround has been constructed and works well as a place for the City snowplow to maneuver and turn around. The turnaround is also where the tunneled driveway to the homes on Lots 3 and 4 begins. Although Treasure Hill is probably one of Park City's most complicated five-lot subdivisions, the public improvements have been completed.

C. Analysis: The public improvements within Treasure Hill Subdivision are fairly small in scope, generally the water system, the turnaround, and the trails. All were inspected by the City

Engineer's office. In addition, there was a requirement for dust control on the private portion of King Road (above Sampson Avenue) which was achieved by the developer and the lot owners paving several hundred feet of King Road. The King Road Gate was moved up King Road to a location above lots 1 and 2 of Treasure Hill, and a private turnaround was created just below the new gate location. In order to guarantee the public improvements against failure, the ordinance provides for retaining a $20,410.00 financial guarantee for one year.

D. **Department Review:** This action has been coordinated with the Community Development Department. No outstanding concerns have been identified involving other departments or the project's neighbors.

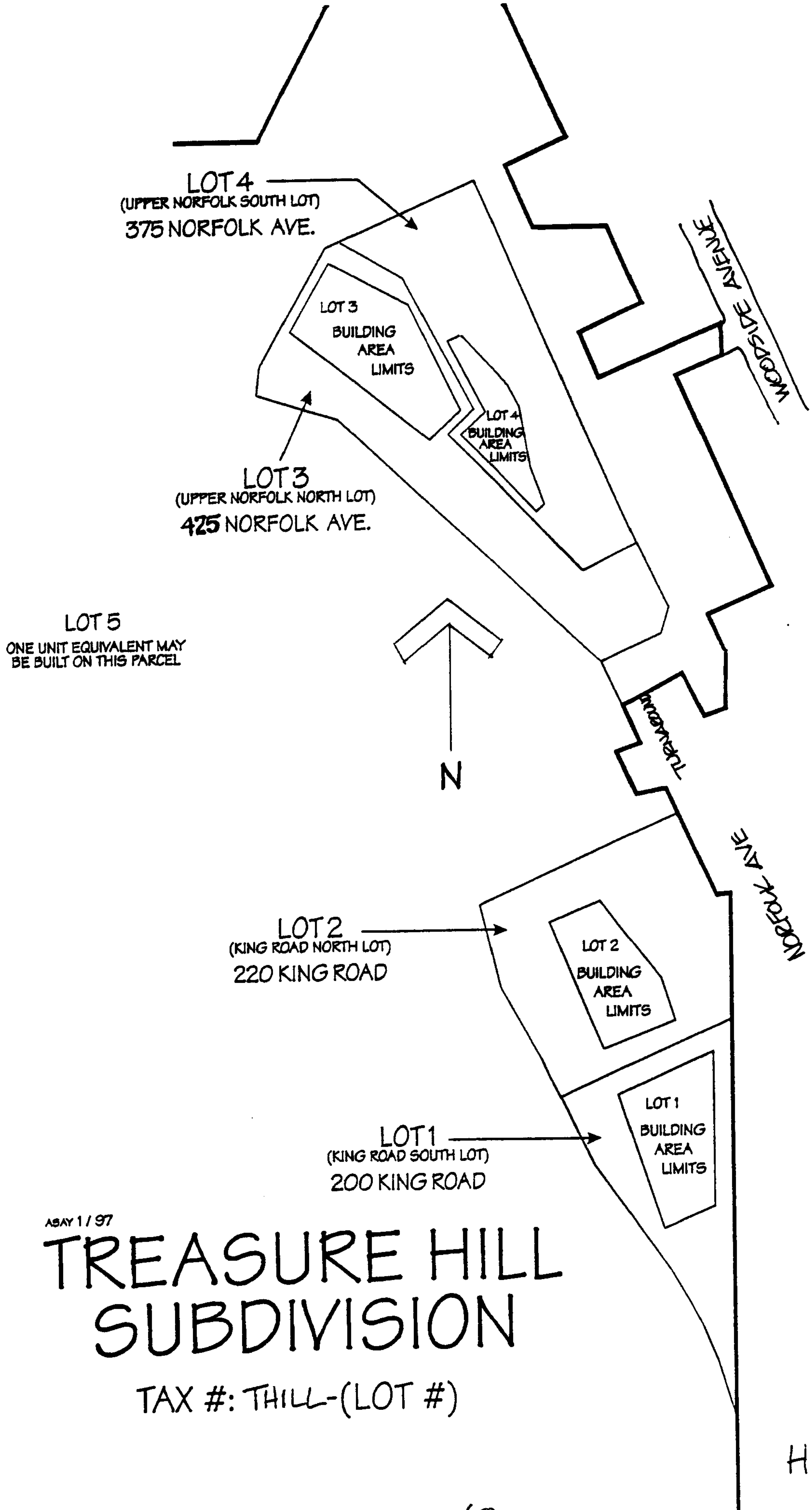
ALTERNATIVES:

A. **Approve the Request:** Approve the request to accept the public improvements at Treasure Hill Subdivision. This action will transfer ownership of the public improvements as described above to Park City in an orderly fashion.

B. **Continue the Request:** In the event there are concerns on the part of the general public or the Council, the ordinance can be continued for additional research or information.

SIGNIFICANT IMPACTS: The Public Works Department will be responsible for maintenance of yet more water facilities as a result of this ordinance. No new public streets will be maintained as a result of this ordinance, however.

RECOMMENDATION: Approve the ordinance accepting the public improvements at Treasure Hill Subdivision.



TREASURE HILL SUBDIVISION

TAX #: THILL-(LOT #)

HR-1-MPD

When recorded return to:
PCMC
Attn: City Recorder
PO Box 1480
Park City UT 84060

ORDINANCE NO. 98-___________

AN ORDINANCE ACCEPTING THE PUBLIC IMPROVEMENTS
AT TREASURE HILL SUBDIVISION

WHEREAS, Treasure Hill Subdivision was approved by the Park City City Council on September 7, 1995; and

WHEREAS, construction of the public improvements has been accomplished by the developer, including trails, storm drains, and a water distribution system; and

WHEREAS, Park City has adopted LMC Section 15.3.1(g), which provides for the City Council to accept (by Ordinance) those public improvements which are dedicated and built in accordance with the requirements of Chapter 15 of the Land Management Code; and

WHEREAS, the public improvements within Treasure Hill subdivision were installed in accordance with the ordinances in effect at the time of plat recordation and have been duly inspected by the City Engineer.

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

SECTION 1. PUBLIC IMPROVEMENTS. The City hereby accepts from the developer all public improvements at Treasure Hill subdivision which were intended for City ownership, subject to the developer's warranty of these improvements for one year following the adoption of this ordinance. Stabilization of all disturbed soil areas with revegetation shall have been achieved by the end of the one-year period commencing with the adoption of this ordinance.

SECTION 2. FINANCIAL GUARANTEE. To guarantee the improvements, Park City shall hold the remaining guarantee of $20,410.00 for a period of one year.

SECTION 3. SNOWPLOWING. The turnaround at the end of Upper Norfolk is hereby accepted for purposes of snowplowing because over 50% of the buildable lots within Treasure Hill are built out or are in progress.

SECTION 4. EFFECTIVE DATE This ordinance shall be effective upon adoption.

PASSED AND ADOPTED THIS _____DAY OF ____________, 1998.

PARK CITY MUNICIPAL CORPORATION

Bradley A. Olch, Mayor

ATTEST:

Janet M. Scott, City Recorder

Approved as to Form:

Mark D. Harrington, Deputy City Attorney

PARK CITY
1884

DATE: January 5, 1998
DEPARTMENT: Executive
AUTHOR: Toby Ross TR
TITLE: Zions Property Acquisition
TYPE OF ITEM: Legislative

SUMMARY RECOMMENDATIONS: The Council should determine whether or not to acquire the property located at 740 East Kearns Boulevard.

DESCRIPTION:

A. Topic:

Proposed property acquisition.

B. Background:

Great Western Financial (GWF), a wholly owned subsidiary of Zions First National Bank (Zions), owns a parcel located at 740 East Kearns Boulevard. The parcel was previously used as a self-serve car wash. On May 24, 1995, the former owner of the parcel, P.C. Development, submitted a Conditional Use Application to the planning department. The goal was to combine this parcel with three other parcels and construct a 10,000 sq. ft. commercial building on the combined site. The building would have housed a bank/office complex for Zions.

At a work session, on August 30, 1995, the Planning Commission addressed the project for the first time. Although the application had not been finalized, the Commission voiced several concerns with the project. First, was the potential loss of open space. This project required use of a portion of a parcel that had been set aside as open space in the previously proposed Snow Creek Crossing Subdivision. The tradeoffs between the construction of this project and the loss of open space were questioned by the Planning Commission. Concerns were also voiced about traffic, access, and parking at the proposed site.

The Planning Commission discussed the project again at its meeting on March 27, 1996. The major issues at this meeting focused on the loss of open space, the loss of vegetation buffering the shopping center from the two highways, the visual impacts and use of the Frontage Protection Zone, and the adverse impacts of traffic circulation created by a new connection between Snow Creek Drive and the two State Highways.

On June 12, 1996, this project was again presented to the Planning Commission. In a unanimous decision the Commission denied a Conditional Use Permit for this project. The primary reasons for this denial were concerns from the March 27 meeting, which commissioners felt had not been adequately addressed.

On June 18, 1996, the applicant appealed the Planning Commission's denial of the CUP to the City Council. This appeal was addressed at the City Council meeting on August 15, 1996. The Council, with a unanimous vote, upheld the Planning Commission's denial of the June 12, 1996 request to amend the Snow Creek Crossing MPD and MPD/CUP application for the bank project.

More recently the property has been the subject of enforcement efforts by the City to improve the unsightly appearance. The site currently is surrounded by a chain-link fence and partially covered with piles of dirt. At various times this past summer, the site was used for construction staging and storage but is relatively clean at this time.

Very recently the title transferred from P.C. Development to Zions (GWF). Zions recently commenced construction of a new bank building on another site in Snow Creek Crossing and no longer has any need for the property. City staff learned of the possibility of a sale and the Council authorized staff to try to acquire the property.

C. <u>Analysis</u>:

The property located at 740 East Kearns Boulevard between the Mount Air Cafe and the Jess Reid Building at the intersection of S.R. 248 and S.R. 224. Substantial landscaped highway right-of-way abuts the property to the south and an open space parcel in Snow Creek Crossing abuts the property to north. The "L" shaped property is approximately 15,000 square feet. The property is zoned GC (General Commercial) and is in the frontage protection zone. The property benefits from easements to the adjacent properties (see map).

The accepted price for the property is $650,000. A representative from Zions said that they accepted the city's offer was despite the fact that it was later and no higher than at least one other because the city's offer had fewer contingencies. The city's only significant contingency is approval by the City Council. Zions asked that the offer be put into a formal purchase agreement and their attorney and City Attorney have begun that process.

The property was purchased in 1995 for about $550,000; fuel storage tanks were removed and some environmental analyses were performed after the purchase which added to the cost (value). Zions had additional design, planning and holding costs which they contend will not be recouped at this price.

The property is in the Lower Park Avenue RDA. Adequate money is currently available in the RDA to acquire the property. Zions would be willing to arrange short-term financing and may be willing to take long-term bonds. Staff has not identified any advantage to financing this acquisition.

The purpose of an acquisition of this property would be to control its use and development, if any. In the immediate term the City would expect to clean the site and remove the old buildings to present a more attractive statement at this key intersection. In the longer term this property could be an entry statement and key component of the entryway. The Council would reserve the right to resell some or all of the property.

We have received a copy of a letter from the Department of Environmental Quality indicating that the site complies with state underground storage tank rules. We have requested soils tests but have not received results.

D. <u>Department Review</u>:

Representatives from the Administrative Services, Executive, Legal and Community Development Departments have reviewed the acquisition and have identified no concerns that can't be addressed.

<u>ALTERNATIVES</u>:

A. <u>Authorize Purchase of the Property</u>:
Council can direct staff to prepare and the Mayor to execute the documents necessary to complete the purchase. We would expect to close in about 30 days.

B. <u>Authorize Purchase of the Property with Conditions</u>:
Council can direct staff to prepare and the Mayor to execute the documents necessary to complete the purchase on the condition that soils tests do not reveal unacceptable conditions. We expect to find some contamination that can be simply addressed. If we find a more difficult problem, we would return to the Council for direction. Zions has no obligation to accept this condition but may accept it if it does not result in significant delay.

C. <u>Decline to Purchase the Property</u>:
Council can direct City staff to communicate to Zions that we are not interested in acquiring the Property under the terms or at the price offered. The Council may decline to purchase the property but there is no real opportunity to discuss price or terms unless we uncover undisclosed conditions or circumstances.

D. <u>Continue the Item with Direction</u>:
The current offer does not provide for any additional time to accept or reject the proposal. It is possible that requests for information that could not have been anticipated or provided earlier would justify a short continuation. Zions has no obligation to grant an extension.

<u>SIGNIFICANT IMPACTS</u>:

The purchase price of $650,000 represents about one-half of the annual revenue from the Lower Park Avenue RDA. The current budget allocates $1.1 million for the purchase of the Baingo-Wortly parcel which probably will be purchased with other money freeing this money for the purchase. If RDA money is used, the RDA board should adopt a reimbursement resolution so that the purchase can be included in an anticipated RDA bond.

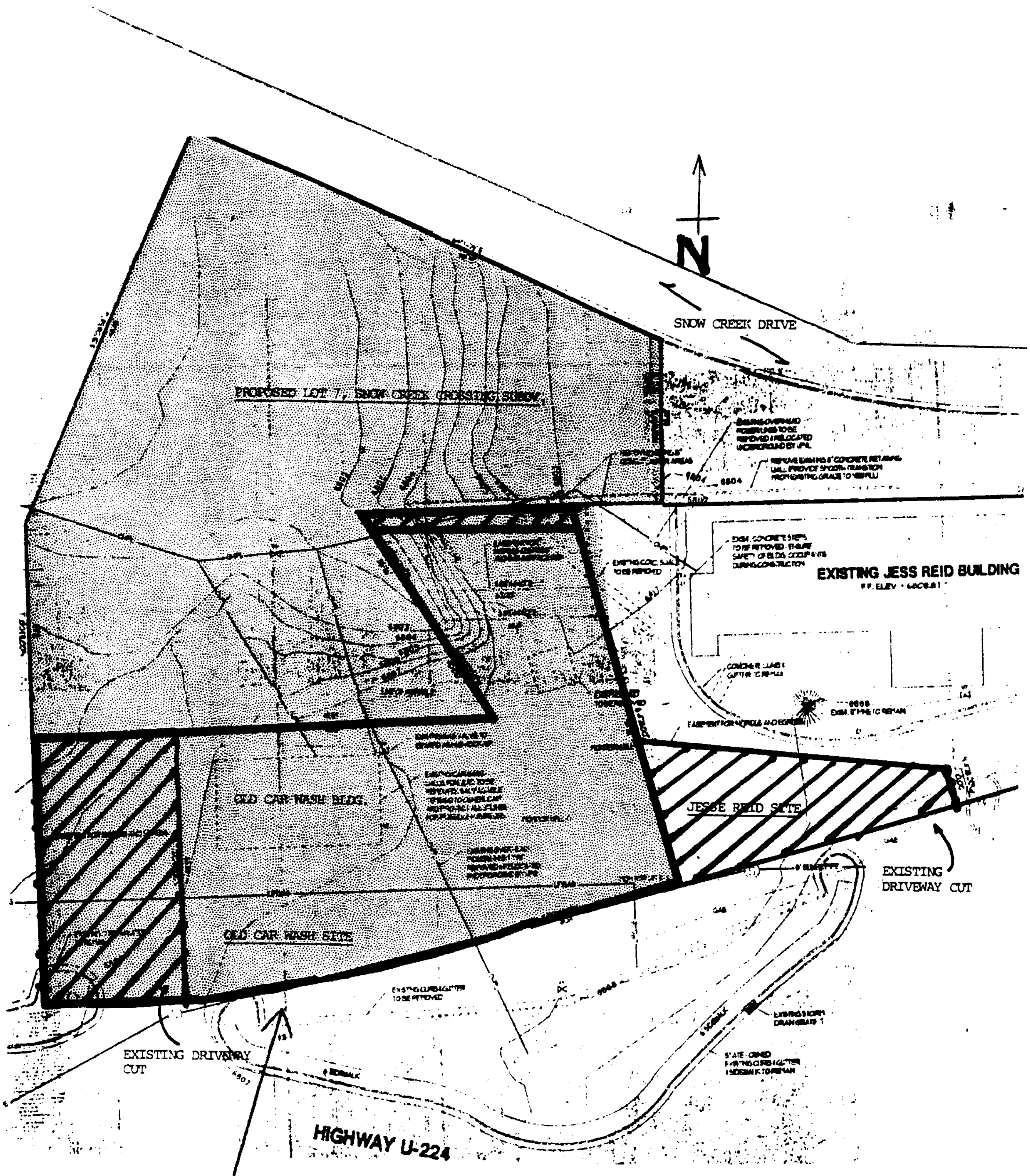
<u>CONSEQUENCES OF NOT TAKING THE RECOMMENDED ACTION</u>:

If we choose not to purchase the property, it is likely that the property will be sold to another purchaser and that a development proposal for the property will be submitted to the city.

RECOMMENDATION:

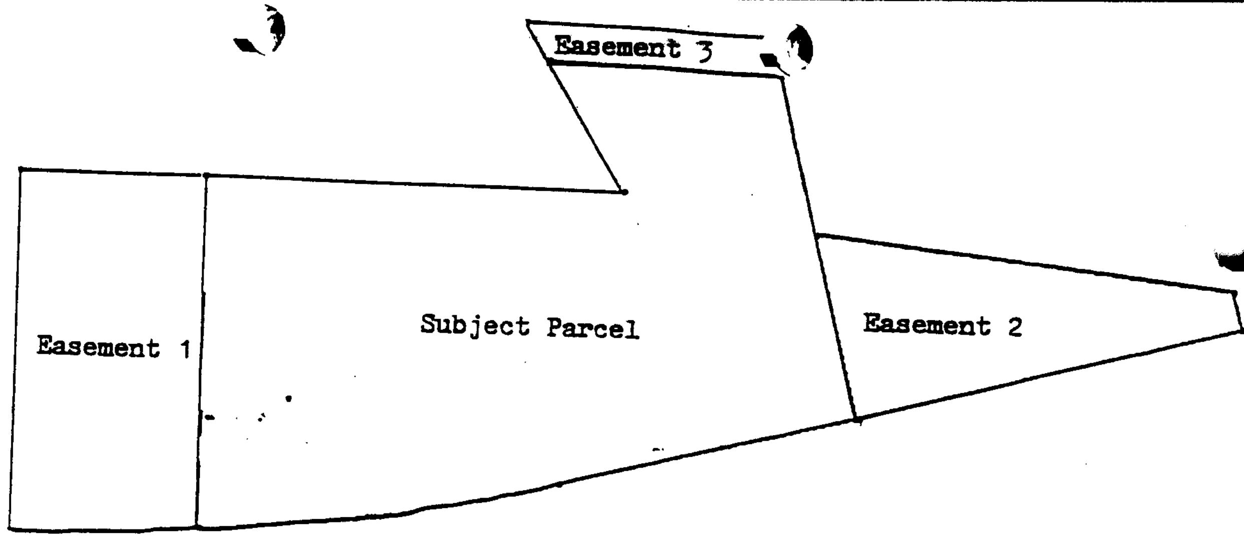
The Council should determine whether or not to acquire the property located at 740 East Kearns Boulevard. If the Council determines to acquire the property, then it should direct staff to prepare and the Mayor to execute the documents necessary to complete the purchase (with or without conditions). Assuming that the property is to be purchased through the RDA, then the Mayor and Council would act in their respective capacities in that agency.

Attachments: site and easement maps; underground tank letter.



ZIONS PARCEL

Access Easements Crosshatched



Scale : North Shift: +0 East Shift : +0 DMS Rotated: +000.0000	.... AREA .... Acres : 0.349 Sq. Feet : 15217 Sq. Meters: 1413.7 Perimeter : 579.56	.. CLOSING ERROR .. Bearing: S72.2647W Feet : 0.10 Meters : 0.032 Precision: 1/5589

SUBJECT PARCEL

1. S90E 111
2. N33.00W 40
3. S89.4440E 62.41
4. S14.28E 94.52
5. S75.32W 81.34
6. C1 Right, Radius= 523.7
   Bng= not given Dist= not given
   Del= not given Len= 96.3
   Tan= not given Rdl= not given
7. N0.53W 93.99

Scale : North Shift: +0 East Shift : +0 DMS Rotated: +000.0000	.... AREA .... Acres : 0.110 ± Sq. Feet : 4804 ± Sq. Meters: 446.3 ± Perimeter : 290.74	.. CLOSING ERROR .. Bearing: S71.0523E Feet : 0.74 Meters : 0.225 Precision: 1/393

EASEMENT 1

1. S0W 93.99
2. C1 Right, Radius= 523.7
   Bng= s88W Dist= not given
   Del= not given Len= 50.75
   Tan= not given Rdl= not given
3. N0W 96
4. N90E 50

Scale : North Shift: +0 East Shift : +0 DMS Rotated: +000.0000	.... AREA .... Acres : 0.072 Sq. Feet : 3150 Sq. Meters: 292.6 Perimeter : 277.36	.. CLOSING ERROR .. Bearing: CLOSED Feet : 0.00 Meters : 0.000 Precision: 1/270431

EASEMENT 2

1. N14.28W 50
2. S83.3644E 112.36
3. S14.28E 10
4. S75.32W 105

Scale : North Shift: +0 East Shift : +0 DMS Rotated: +000.0000	.... AREA .... Acres : 0.015 ± Sq. Feet : 653 ± Sq. Meters: 60.7 ± Perimeter : 151.91	.. CLOSING ERROR .. Bearing: N79.4000W Feet : 0.69 Meters : 0.210 Precision: 1/221

EASEMENT 3

1. N33.00W 12
2. S89.4440E 67
3. S14.28E 10.5
4. N89.4440W 62.41

State of Utah
DEPARTMENT OF ENVIRONMENTAL QUALITY
DIVISION OF ENVIRONMENTAL RESPONSE AND REMEDIATION

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Executive Director
Kent P. Gray
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ARCHITECTS

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ERRL-0260-96

March 11, 1996

NEIL

~~Bill Richardson~~
PC Development
~~510 South 600 East~~
Salt Lake City, Utah 84102

CURT & FILE

RE: Release Site EIQO, Self Serve, 740 Kearns Boulevard, Park City, Utah
Facility Identification No. 7000039
Site Closure and Petroleum Storage Tank Fund Work Plan and Budget Approval

Dear Mr. Richardson:

The case file for this facility has been reviewed by your state project manager, Dale Urban, who has recommended that no further corrective action be taken at this time. This recommendation is based upon the information contained in the file supplied by you or your consultant.

The budget is hereby increased from the original approved budged of $23,254 to the final approved budget $40,500 for one year of quarterly groundwater monitoring and soil remediation in the form of on-site aeration. Please finalize this previous scope of work and the approved work plan as discussed herein, and submit the final invoices within 60 days of receipt of this letter.

The proposed work plan for well abandonment, site reclamation and final summary report is also approved with a corresponding budget of $2,629 as proposed.

The information you have submitted indicates that petroleum contamination remaining at the site complies with state underground storage tank rules. Based upon current land use, there appears to be no pathway for exposure to the contamination. In the future, if there is a change in land usage, or if other evidence indicates a spread of contamination from the facility which may cause a threat to human health or the environment, further corrective action may be required.

Sincerely,

for Brad T. Johnson
Kent P. Gray, Executive Secretary (UST)
Utah Solid and Hazardous Waste Control Board

KPG/DTU/kz

cc: Steve Jenkins, E.H.S., M.P.H., Director, Summit County Public Health Department
Karen Nichols, EW & P Engineering

PARK CITY
1884

DATE: January 5, 1997
DEPARTMENT: Administration
AUTHOR: Toby Ross, City Manager TR
TITLE: White Pine Canyon Water Service and Land Acquisition Agreements
TYPE OF ITEM: Legislative

SUMMARY RECOMMENDATIONS: Review and approve the proposed agreements establishing rights and responsibilities associated with water service and land acquisition in the area of White Pine Canyon and Iron Mountain.

DESCRIPTION:

A. Topic:

Review of two agreements that provide for an open space easement and option to purchase about 600 acres in the area of White Pine Canyon and Iron Mountain and limited water service to The Colony at White Pine Canyon (The Colony).

B. Background:

The Council reviewed and continued action on December 18, 1997 regarding two agreements that provide for an open space easement and option to purchase about 600 acres in the area of White Pine Canyon and Iron Mountain and limited water service to The Colony at White Pine Canyon. The staff report for that meeting provides the background and description of the proposed agreements and should be read in conjunction with this document. This report describes attempts to answer some questions raised about the arrangement and suggests some clarifying language to the agreement.

For over two years, Park City has discussed a variety of possible arrangements with Keith Kelly representing property owners in the White Pine Canyon area. For most of that time that group has been known as White Pine Associates or WPA, Ltd. (WPA). The equivalent group now is known as Iron Mountain Associates (IMA) and throughout this report IMA will represent the combination of the groups that are parties to the Agreement with Park City. While many things have been discussed, the essential features of all of these discussions have been Park City's interest in protecting open space and influencing the nature of development in the area and IMA's interest in securing a reliable water supply. After these many months of discussion and negotiation, we have drafted two proposed agreements: AGREEMENT FOR GRANT OF OPEN SPACE EASEMENT AND PURCHASE AND SALE OF PROPERTY (Open Space Agreement) and LAND DEVELOPMENT AND WATER SERVICE AGREEMENT (Water Service Agreement); collectively (Agreements).

C. Analysis:

1. Issues with Agreements

Annexation. The Agreements contemplate annexation to the Park City Water Service District but not to Park City. Some have asked why the City would not annex the project.

The property is within the area designated in the General Plan for consideration of annexation to the City. The principal advantages of annexation are an enhanced property-tax base and more specific land-use control. The principal disadvantages of annexation are expanded service responsibilities, the need to develop rural standards if the City were to accommodate the proposed development, and potential jurisdictional conflict with Summit County. Recent changes to state statutes makes annexation somewhat more difficult. A fiscal impact analysis of an earlier version of this plan indicated no overwhelming financial advantage to annexing the property. Changes to the project and conditions likely to follow from the annexation process probably could make the annexation fiscally positive for the City.

Water Use. Park City will provide sufficient water for the IMA project. Some have asked if we have the water, if the water use by the IMA project would affect snow making and if IMA could sell unused water.

The State Engineer recently approved changes to the use of certain City water rights which gives the City more flexibility in providing additional service. The Water Service Agreement gives IMA water on a basis similar to property in Park City except that WPA will pay for all required facilities and pay for water at the marginal cost (not the lower average cost). IMA will pay Park City an annual fee for the reservation of water. This fee initially will be 30 percent of the total and will be adjusted annually. The payment for the calendar year 1998, will be due when this agreement is executed. The amount of this year's payment will be $11,250.00.

The contract specifically prohibits using the water for snowmaking. The daily culinary use by the IMA project in October, November and early December at build out would equal only a few minutes of the pumping capacity of Park City Mountain Resort.

IMA probably will not use the 750 acre feet reserved in the agreement (400 acre feet is more likely). IMA will not have the right to sell, broker, change, exchange, or in any other way distribute any portion of the water not used by the IMA (see clarification).

Water Financing. Construction of the public water delivery system may be financed by Park City using bonds or other debt instruments. Some have asked why we would finance developer improvements.

Park City would only finance public system improvements not any subdivision improvements. This provision of the agreement stems from an assumption that Phase III of the Weber Basin project could be installed by Park City and later sold to Weber Basin. If that were to happen, IMA would provide land as collateral for such financing, and such land must be appraised at a value of at least 120% of the cost of constructing the water delivery system (similar to an earlier offer to Weber Basin). Since the Weber Basin Project has lagged behind the IMA project, it is unlikely that we will finance significant improvements. In any case, Park City is not obligated to finance the water delivery system or deliver water to the project until IMA has paid all cost of the design of the plans for the water delivery system and provided the necessary collateral. Any financing will return to the Council for additional authorization. IMA probably would agree to modification or even deletion of this provision.

2. Clarifications to the Agreements

Staff suggests the following clarifications to the agreement. The Council received complete agreements on December 18. Revised agreements are reflecting the suggested changes are available upon request.

Insert in LAND DEVELOPMENT AND WATER SERVICE AGREEMENT

3.1.5 Water Use Restrictions. IMA acknowledges that an allocation of 750 acre feet of water will likely exceed the needs of the IMA Project. Further, IMA agrees that this water allocation shall be used exclusively for the IMA Project. IMA shall not have the right to sell, broker, change, exchange, or in any other way distribute any portion of the water allocation not used by the IMA.

At the beginning of 6.3 Other Contract fees. The parties hereto agree that IMA shall be responsible for the marginal cost of developing and delivering wate

Insert in RECREATIONAL USE AND DEVELOPMENT AGREEMENT

2.4 Phase 1 Environmental Assessment Required. SELLER agrees to provide to BUYER, at least 60 days prior to the satisfaction or waiver of any of the conditions set forth in Section 2.3, a completed Phase 1 Environmental Impact Report.

3.5 Indemnity. SELLER covenants to indemnify, defend and hold harmless BUYER against any and all claims arising from the conduct or management of, or from anything whatsoever done on or about the Property, or arising from any act or negligence of SELLER or any of its agents, contractors, or employees, or arising from any accident, injury, or damage whatsoever, however caused, to any person or persons, or to the property of any person or persons, occurring on, in, or about the Property, and from and against all costs, attorney fees, expenses, and liabilities incurred in or about any such claim or action or proceeding brought thereon. SELLER further agrees to maintain liability insurance naming BUYER as an additional insured in an amount and type satisfactory to the City Attorney.

ALTERNATIVES:

A. **Approve the proposed agreement:**

B. **Revise and approve the proposed development agreement:**

C. **Continue the item with direction:**

D. **Decline to approve the proposed agreement:**

SIGNIFICANT IMPACTS

The Agreement would protect in perpetuity a sizable parcel of significant and highly visible open space and offer some development limitations in exchange for water service. The City expects to purchase the property for $3,247,500. The City would not have to purchase the land until it had received a $3,250,000 for delivery of the water. The costs of the water service and usual impact and service fees would be borne by IMA. The required projects would be undertaken by Park City. The facilities for the water service could increase the systems operating flexibility.

CONSEQUENCES OF NOT TAKING THE RECOMMENDED ACTION:

If the City does not approve this agreement, IMA will seek water from other sources which probably would not require similar development restrictions. The City will not control the 600 acres of open space and likely will not acquire any control of other open space expected in The Colony.

Short delays in approval probably can be accommodated; long delays could be similar to not approving the agreement.

RECOMMENDATION:

The Council should authorize the Mayor to execute the proposed agreements establishing rights and responsibilities associated with water service and land acquisition in the area of White Pine Canyon and Iron Mountain in substantially the same form as presented to the Council on January 8, 1998. The Council should authorize staff to prepare and the Mayor or City Manager (as appropriate) to execute any other documents necessary to complete this initial transaction.

Subsequent actions including annexation to the water district, designing delivery systems and securing agency approvals will be required before any water can be delivered.

LAND DEVELOPMENT AND WATER SERVICE AGREEMENT

THIS LAND DEVELOPMENT AND WATER SERVICE AGREEMENT ("Agreement") is made and entered into as of the ____ day of ____________, 1997 (the "Effective Date"), by and among IRON MOUNTAIN ASSOCIATES, LLC, a Utah limited liability company ("IMA"); IRON MOUNTAIN HOLDING GROUP, LC, a Utah limited liability company ("IMHG"); PARK CITY MUNICIPAL CORPORATION ("PARK CITY"); and the PARK CITY WATER SERVICE DISTRICT (the "SERVICE DISTRICT"), with reference to the following:

RECITALS

A. IMA plans to develop a residential and recreational real estate project in the vicinity of White Pine Canyon in Summit County near Park City, Utah (the "IMA Project"). The potential area for the IMA Project, which contains approximately 6,000 acres of land, is generally outlined on Exhibit "A," attached hereto and incorporated herein by reference. The exact IMA Project boundary is unknown at this time and will not be determined until after the Effective Date.

B. IMHG is currently the fee title owner of the property ("IMA Property") which is to be included in the IMA Project.

C. There are a number of other properties, owned by different individuals and entities, which may be included in the IMA Project. A list of all the properties which are, or which may be, included in the IMA Project is set forth on Exhibit "B," attached hereto and incorporated herein by this reference.

D. PARK CITY has defined the land use goals relating to White Pine Canyon in PARK CITY's General Plan Update, Phase I, adopted March 20, 1997 (the "City General Plan"). In an attempt to control growth and maintain the resort character of a mountain community, the City General Plan envisions substantial open space and low density residential development on the periphery of PARK CITY. In order to implement these goals, the City General Plan defines a potential urban expansion boundary and contains a land use element ("Land Use Plan"), which covers property in which PARK CITY has vital interests. White Pine Canyon comprises approximately one-half of all the property within the Land Use Plan.

E. Recent legislation adopted by the State of Utah (Utah Code Annotated, Section 10-1-104, *et seq.*) substantially restricts cities in Utah from annexing land, and consequently, cities in Utah have difficulty in directly controlling land uses on their peripheries.

IMA desires to cooperate with PARK CITY in achieving specific land use goals included in the Land Use Plan without the necessity of annexing the IMA Property into PARK CITY.

G. IMA intends to submit development applications to Summit County, Utah (the "County"). PARK CITY desires to use appropriate measures to assure that development in White Pine Canyon is consistent with the Land Use Plan.

H. An important goal of the City General Plan is the permanent preservation of the visual beauty of the PARK CITY entryway corridor ("Corridor") along Highway 224. The acquisition of a permanent open space easement over portions of the IMA Property would contribute substantially to the achievement of this goal.

I. Accordingly, under the threat of condemnation, IMHG has agreed to sell and PARK CITY has agreed to purchase an open space easement ("PARK CITY Open Space Easement") over approximately six hundred (600) acres of land in the Iron Mountain Area of White Pine Canyon. The terms and conditions of the sale are set forth in that certain Agreement for Purchase and Sale of Open Space and Escrow Instruction by and between IMHG and PARK CITY dated __________ __, 1997 (the "Open Space Purchase Agreement"), a copy of which is included in Exhibit "C" attached hereto and incorporated herein by this reference.

J. PARK CITY presently delivers water to users in and around PARK CITY through its water utility ("Water Utility") and the SERVICE DISTRICT. The present boundaries of the Water Utility and the SERVICE DISTRICT do not include the area in which the IMA Project is to be developed. IMA desires to secure, at the earliest possible time, a commitment from PARK CITY and others for sufficient water to meet the potential water needs of the IMA Project.

K. On November 27, 1996, PARK CITY, the Atkinson Special Service District (the "Atkinson District") and the County entered into a Memorandum of Understanding (the "Weber Basin MOU") with the Weber Basin Water Conservancy District (the "Weber Basin District"). Pursuant to the Weber Basin MOU, PARK CITY is to receive approximately 2,500 acre feet of water from Weber Basin District sources. The development of water sources through the Weber Basin MOU enhances the ability of PARK CITY to deliver water to additional users within the Water Utility and SERVICE DISTRICT boundaries.

L. Previously, IMA negotiated to obtain a separate agreement with the Weber Basin District and the Atkinson District for an allocation of 750 acre feet of water to the IMA Project. Subsequently, the parties to the Weber Basin MOU agreed that the proposed IMA allocation was included in the 2,500 acre feet to be allocated to PARK CITY under the Weber Basin MOU.

M. Before water can be delivered to the IMA Project, additions and expansions to the existing water delivery system will be required. Water tank(s), pipes, pumps and other facilities (collectively, the "WDS") must be designed and constructed to satisfy the water needs of the IMA

Project.

N. PARK CITY and IMA believe that they have significant mutual interests which may be advanced by entering into this Agreement, which addresses certain fundamental issues relating to the IMA Project, including the preservation of open space and the construction of the WDS.

O. IMA, IMHG, PARK CITY, and the SERVICE DISTRICT desire to set forth the general terms and conditions upon which development will occur within the IMA Project, how delivery of water will be provided for within the IMA Project, and how the new WDS will be designed, financed and constructed.

AGREEMENT

IN FURTHERANCE OF THE FOREGOING, and in reliance on the Recitals set forth above, and in consideration of the promises and the mutual covenants and conditions herein contained, the parties hereby agree as follows:

ARTICLE I
IMHG BOUND BY COVENANTS OF IMA

IMHG is presently vested with legal title to the IMA Property. Under agreements between IMHG and IMA, title to the land will be conveyed to IMA upon vesting of all discretionary entitlements for the IMA Project by the County. Under this Agreement, IMA is treated as the current landowner of the IMA Property. IMHG agrees to be bound by all of the covenants of IMA set forth herein relating to the IMA Property until the IMA Property is transferred to IMA.

ARTICLE II
IMA DEVELOPMENT COMMITMENTS

2.1 The County Plan. White Pine Canyon and the IMA Property are located in the Snyderville Basin, which is under the governmental jurisdiction of the County. The County is in the process of revising the General Plan for the Snyderville Basin (the "County Plan"). The proposed County Plan recommends a base density of: (a) one (1) unit per twenty (20) acres on land with slopes less than 30%, and one (1) unit per forty (40) acres on land with slopes of 30% or greater, as the primary land use designation; and (b) one (1) unit per five (5) acres on approximately one hundred (100) acres designated Rural Residential (collectively, the "Base Density"). In addition, the proposed County Plan provides incentives in the form of development density bonuses (the "Density Bonus") in excess of the Base Density when a proposed development plan includes amenities which assist the County in achieving identified community goals. The IMA Project, as proposed, would qualify for the Density Bonus.

2.2 The City General Plan. The City General Plan, as it relates to development of peripheral areas adjacent to PARK CITY: (1) requires development patterns that result in large, contiguous parcels of usable open space; (2) recommends acquisition of key parcels containing environmental areas, wildlife habitat, important vistas, or desired public access; and (3) encourages relatively low residential densities and the use of large single-family conservancy lots that enhance the impression of open space. In the City General Plan, the Base Density is considered to be the beginning point for negotiating development agreements for land in the peripheral areas of PARK CITY.

2.3 County Jurisdiction. IMA will submit its development applications ("Applications") to the County. Immediately after PARK CITY receives notice from the County that the Applications have been submitted to the County, so long as the Applications conform to the terms of this Agreement, PARK CITY shall immediately forward a letter of support to the County.

2.4 The IMA Development Plan. In order to assist PARK CITY in meeting the objectives of the City General Plan, IMA agrees to limit the development of the IMA Project to the Base Density plus certain project amenities which may include, but may not be limited to, an entry monument and gate, environmental and wildlife enhancements, an equestrian center, and homeowner common area facilities (collectively, the "Development Amenities").

2.4.1 Transfer of the Density Bonus. As part of its development plan, IMA has negotiated an agreement with ASC Utah, Inc. ("ASC"), the owner/developer of The Canyons ski resort, which permits ASC to develop ski terrain and modest resort-related commercial development (the "Resort-Related Development") within the boundaries of the IMA Project. In exchange, ASC agrees to accept the transfer of the IMA Density Bonus into the ASC resort center (the "Density Transfer") and allow IMA to develop residential units in the ASC resort center.

2.4.2 Limitation on Development to Base Density. The Density Transfer will enable IMA, and, in turn, PARK CITY, to achieve the most desired land use goals of the City General Plan and the County Plan by limiting residential development in White Pine Canyon to the Base Density. Provided the Density Transfer is completed, IMA agrees to limit residential development in the IMA Project to the Base Density and the Development Amenities.

2.4.3 Additional Development. If the Density Transfer is completed, IMA shall not seek approval for any additional residential development within the IMA Project in excess of the Base Density and the Development Amenities ("Additional Development"). Any Additional Development, including Resort-Related Development or any portion of development based upon the Density Bonus occasioned by the failure of the Density Transfer shall be subject to the provisions and limitations set forth in Section 3.1.2 of this Agreement.

ARTICLE III
PARK CITY WATER COMMITMENTS

3.1 PARK CITY Commitment of Water to the IMA Project. PARK CITY agrees to provide water sufficient to serve the IMA Project at the times and at the specific locations set forth in the water connection phasing plan described in Section 3.1.3 below (the "Water Commitment"). Pursuant to the Water Commitment, PARK CITY shall reserve water for the IMA Project from all PARK CITY and SERVICE DISTRICT sources for at least the number of "Water Connections," as defined in Section 3.1.2 below, necessary to provide water service for the Base Density and the Development Amenities.

3.1.1 Water Connection Defined. For the purposes of this Agreement, "Water Connection" shall be defined as follows:

(a) regarding the Base Density, the connection for water service to a residential lot or residential unit, regardless of the size of the structure(s) or the unit, and

(b) regarding the Development Amenities, the connections for water service necessary to adequately supply the Development Amenities, provided the total projected water usage by the Development Amenities does not exceed seventy-five (75) acre feet of water annually.

3.1.2 Limitations on Additional Water Connections. The Water Commitment is intended to serve only the Base Density and the Development Amenities. In addition to the Water Commitment, if the density transfer does not occur, PARK CITY may consent to additional Water Connections for water service in the IMA Project or in White Pine Canyon, including, *inter alia*, the Density Bonus development or the Resort-Related Development; provided, however, that no such Water Connections shall be permitted until PARK CITY has reviewed and agrees with the development plan for the Additional Development. In no event shall the Water Commitment include water for snow-making.

3.1.3 Limitations in Usage but not on Water Connections. In the event of drought conditions, limits on peak source capacity may require restrictions on all users within PARK CITY and the SERVICE DISTRICT. In no event, however, shall this provision be interpreted to limit the right to obtain Water Connections as provided herein.

3.1.4 Water Service Phasing Plan. The exact allocation needed to fully serve the IMA Project when completed is not certain at this time. The number of Water Connections which the parties estimate will be needed to serve the Base Density and the Development Amenities, and the estimated dates they will be needed, is contained in Exhibit "D" attached hereto and incorporated by this reference (the "Water Connection Phasing Plan"). The parties acknowledge that the numbers and dates contained in the Water Connection Phasing Plan are only estimates, since the Base Density and the Development Amenities cannot be precisely defined at this time. The parties agree to reasonably adjust the amounts and dates in the Water Connection Phasing Plan when more precise information is available.

3.1.5 Water Use Restrictions. IMA acknowledges that an allocation of 750 acre feet of water will likely exceed the needs of the IMA Project. Further, IMA agrees that this water allocation shall be used exclusively for the IMA Project. IMA shall not have the right to sell, broker, change, exchange, or in any other way distribute any portion of the water allocation not used by the IMA.

3.2 Representations and Warranties by PARK CITY and the SERVICE DISTRICT Regarding Capacity. Without in any way limiting the foregoing, PARK CITY and the SERVICE DISTRICT hereby warrant and represent that there is presently capacity from existing water sources to serve the IMA Project; provided, however,

3.3 No Condition Relating to the Weber Basin MOU. The commitment of PARK CITY to deliver water to satisfy the water needs of the IMA Project is not conditioned upon and does not depend upon the consummation by PARK CITY of the agreement contemplated by the Weber Basin MOU or on the delivery of water to PARK CITY by the Weber Basin District.

ARTICLE IV
ANNEXATION OF THE IMA PROJECT INTO THE SERVICE DISTRICT

Simultaneously with the execution of this Agreement, IMA and PARK CITY agree to take all steps required by applicable annexation laws and ordinances to extend the boundaries of the SERVICE DISTRICT to include the petitioning portions of the IMA Project and the WDS.

ARTICLE V
ANNEXATION TO THE WEBER BASIN DISTRICT

If and when PARK CITY or the SERVICE DISTRICT contracts with the Weber Basin District for the delivery of water, IMA agrees to promptly apply for annexation to the Weber Basin District for all property within the IMA Project which previously had been annexed to the SERVICE DISTRICT, and which is not already within the Weber Basin District.

ARTICLE VI
WATER SERVICE AND COMMITMENT FEES

6.1 Water Service Contract Fee. IMA shall pay to PARK CITY a water service contract fee ("Water Service Contract Fee") in the amount of Three Million Two Hundred Fifty Thousand Dollars ($3,250,000) payable on the date which PARK CITY and the SERVICE DISTRICT has fully satisfied the Water Commitment set forth in Section 3.1 above. The Water Contract Service Fee is designed to compensate PARK CITY for annexation to the SERVICE DISTRICT and to ensure water availability and is separate from and in addition to normal development, impact and/or connection fees charged by PARK CITY and the SERVICE DISTRICT.

6.2 Annual Water Commitment Fee. During the term of the Weber Basin MOU, IMA agrees to pay to PARK CITY an annual fee for reservation of water under the Water Commitment (the "Annual Water Commitment Fee"). The amount of the Annual Water Commitment Fee shall be thirty percent (30%) of the reservation fee which PARK CITY expects to pay to the Weber Basin District under the Weber Basin MOU (the "Reservation Fee"). The thirty percent (30%) amount is derived by dividing the 750 acre feet, which was the amount of water for which IMA originally agreed to contract with the Weber Basin District, by the 2,500 acre feet allocated to PARK CITY under the Weber Basin MOU. IMA acknowledges that an allocation of 750 acre feet will likely exceed the needs of the IMA Project. Nevertheless, IMA agrees to pay the Annual Water Commitment Fee for the full 750 acre feet on the terms and conditions set forth in this Agreement as part of the consideration it provides to PARK CITY hereunder.

6.2.1 Increases in the Water Commitment Fee. The Weber Basin MOU provides for increases in the amount PARK CITY will be required to pay to keep its reservation rights. As the amount of the Reservation Fee paid by PARK CITY under the Weber Basin MOU increases, the amount of the Annual Water Commitment Fee paid by IMA shall also increase such that IMA's Water Commitment Fee continues to be equal to 30% of the Reservation Fee; or absent a final Weber Basin agreement, 30% of what the Reservation Fee would have been under the Weber Basin MOU.

6.2.2 Decreases in the Water Commitment Fee. Each year, just prior to the payment of the Reservation Fee by PARK CITY, the amount of the Annual Water Commitment Fee shall be adjusted. For each connection the 30% share of the Reservation Fee paid by IMA shall be reduced pro rata by a fraction, the numerator of which is the total number of connections made to date, and the denominator of which is the total number of connections required to serve the Base Density, the Development Amenities and any approved Additional Development.

6.2.3 Timing of Payment of the Annual Water Commitment Fee. IMA shall pay the Annual Water Commitment Fee to PARK CITY annually, in advance, on or before December 31 of each year. The first Annual Water Commitment Fee, for the calendar year of 1998, in the amount of 11,250.00 shall be paid simultaneously with the execution of this Agreement. The amount of this fee was derived by multiplying the $37,500 amount of the initial Reservation Fee paid by PARK CITY to the Weber Basin District by 30%. Until the amount of the Water Commitment is modified by a written amendment to this Agreement, the amount of the Annual Water Commitment Fee shall continue to be the amount provided in Section 6.1 above.

6.3 Other Contract Water Fees. *The parties hereto agree that IMA shall be responsible for the marginal cost of developing and delivering water to the IMA Project.* All development/impact fees and Water Connection fees paid to the SERVICE DISTRICT for all user connections within the IMA Project shall be calculated using the same method for calculating the development/impact fees and Water Connection fees which are generally charged within the Water Utility. Payment of the costs of developing new sources of water, including the Weber Basin District source, shall be spread equally over the entire Water Utility and the SERVICE DISTRICT unless extraordinary costs can be identified and fairly assigned. User rates charged to connected water users within the IMA Project shall also be the same as the rates charged to other water users within the Water Utility unless extraordinary costs can be identified and fairly assigned. All development/impact fee fees and all Water Connection fees within the IMA Project pursuant to this Agreement, or to any outstanding contract commitments by IMA, shall be paid proportionally at the issuance of each building permit within the IMA Project. Such development/impact fees are a contractual obligation of IMA and IMHG, their successors and assigns, and will be assessed regardless of fluctuation in state law pertaining to the SERVICE DISTRICT's authority to impose an impact fee.

ARTICLE VII
DESIGN OF THE WDS

7.1 Design of the WDS. IMA and PARK CITY agree to cooperate in good faith in matters concerning the design of the WDS to meet the requirement of the IMA Project in the most efficient manner possible. IMA will contract independently for the design of the WDS. The design of the

WDS shall be in accordance with PARK CITY standards. The WDS shall be designed to deliver water from the nearest suitable water source within PARK CITY and the SERVICE DISTRICT. In order to provide potential third party participation in the cost of the WDS, it shall be designed, if practical, to allow other consumers to use the WDS for transporting their water. IMA and PARK CITY each agree to start immediately and proceed diligently with the designing and the processing of plans for the WDS.

7.2 Costs of Design of the WDS. IMA shall pay the entire actual cost of the design and plans for the WDS, including all construction drawings. IMA shall pay these costs on a current basis, and shall pay any required deposits, retainer or other advance fees necessary to initiate the design or the plans.

ARTICLE VIII
CONSTRUCTION AND OWNERSHIP OF THE WDS

8.1 Commencement of Construction. IMA shall commence construction of the WDS after all of the following conditions have been satisfied:

(a) Completion of the design and plans of the WDS and acceptance of same by PARK CITY;

(b) Receipt by PARK CITY of acceptable bids for the construction of the WDS;

(c) Procurement of all necessary rights of way and/or easements for the WDS;

(d) Receipt by PARK CITY of sixty (60) day written notice from IMA of IMA's requirement for water.

8.2 Phasing of Construction. The WDS may be designed and built in phases as may be appropriate for the delivery of water to the IMA Project. The parties agree to cooperate in obtaining any and all rights-of-way and/or easements needed to construct the WDS.

8.3 PARK CITY Financing of the WDS. PARK CITY shall finance construction of the WDS. In such event, IMA shall be required to make all required payments for the bonds, or other debt instruments, utilized by PARK CITY to finance the costs of construction and financing.

Conditions Precedent to Obligation of PARK CITY to Provide Financing. PARK CITY's obligation to provide the financing for the construction of the WDS and to deliver water to the IMA Project shall not be binding upon PARK CITY until IMA has paid all the costs of the design of and plans for the WDS and has provided the necessary collateral required by this Section.

(b) IMA Review of PARK CITY Financing. IMA shall have the right to review and provide advice and comment upon the financing method to be used by PARK CITY. PARK CITY shall provide a reasonable review and comment period to IMA for that purpose before final decisions are made by PARK CITY concerning the financing methods.

(c) Collateral for PARK CITY Financing. IMA shall be required to provide land within the IMA Project as collateral for the financing. IMA shall have the right to provide substitute collateral for the financing subject to approval of the collateral by PARK CITY, which approval shall not be unreasonably withheld. At the time of the commencement of construction of the WDS, if the collateral pledged by IMA is the land within the IMA project, the land shall have an appraised value equal to at least 120% of the financed amount.

8.3.1 Third Party Participation. IMA intends to seek participation of other landowners in White Pine Canyon to defray costs of the design and construction of the WDS. PARK CITY hereby acknowledges this intent. PARK CITY and the SERVICE DISTRICT agree that they will not separately negotiate and will not enter into water service commitments or supply agreements which propose to utilize the WDS without the express written approval of IMA and without an agreement on the part of the person(s) or entity(ies) to be served agreeing to pay IMA a proportionate share of the costs of construction of the WDS. The agreement(s) for reimbursement shall be valid for a period of ten (10) years form the date the construction of the WDS is completed.

ARTICLE IX
IMA INDEMNIFICATION OF PARK CITY AND THE SERVICE DISTRICT

In order to induce PARK CITY and the SERVICE DISTRICT to proceed with the annexation to the SERVICE DISTRICT, planning and construction of the WDS, and the transfer of ownership of the WDS to the SERVICE DISTRICT, IMA agrees to fully and completely indemnify PARK CITY and the SERVICE DISTRICT for all costs of annexation and acquisition of right of way, as well as the design and processing of plans for the WDS. In addition, IMA agrees to indemnify PARK CITY and the SERVICE DISTRICT for all costs of constructing and financing the WDS as provided in Article 8, above.

ARTICLE X
RECOVERY OF WDS COSTS

10.1 Lien Based Upon Proportional Allocation. Following completion of the WDS, the aggregate total of the cost of designing and constructing the WDS and the cost of financing the same shall be determined (the "Recovery Fee") and shall be allocated proportionately to each lot within the IMA Project which has been pledged as collateral. The portion of the Recovery Fee so allocated shall be secured by a lien in favor of PARK CITY. The lien shall continue to encumber each lot until the Recovery Fee has been paid in full. Initially, the Recovery Fee lien shall be, and thereafter shall remain, superior to any other encumbrance (except secured property taxes) and shall not be subordinated without the express, prior written approval of PARK CITY.

10.2 Reconveyance. A full reconveyance from the lien on each lot shall be approved by PARK CITY upon request and upon receipt by PARK CITY of the payment of a reconveyance fee equal to the outstanding balance of the Recovery Fee then still owed on the lot for which the reconveyance is requested. Alternatively, PARK CITY agrees that IMA may elect to have portions of the Recovery Fee assumed by the buyers of lots as partial consideration of the purchase price of said lots, provided that the portion of the Recovery Fee so assumed on one lot: (a) does not exceed 50% of the appraised value of the lot; and (b) is not and would not become subordinate to any other lien (except secured property taxes).

ARTICLE XI
MISCELLANEOUS

11.1 Notices. All notices required or permitted under the terms of this Agreement shall be deemed complete upon personal delivery, or upon deposit in first-class U.S. Mail with postage prepaid for certified mail, return receipt requested, addressed as follows:

Notices to PARK CITY and/or the SERVICE DISTRICT:

PARK CITY Municipal Corporation
c/o Toby Ross, City Manager
P.O. Box 1480
PARK CITY, Utah 84068

Notices to IMA:

Iron Mountain Associates, LLC
c/o IMA, Ltd., its Manager
White Pine Associates, Inc., its General Partner
c/o Keith R. Kelley, Vice-President
P.O. Box 681690
PARK CITY, Utah 84068

Notices to IMHG:

Iron Mountain Holding Group, LC
c/o Alexandra C. Ockey
West 802 Maxwell
Spokane, Washington 99201

The above notice addresses may be changed from time to time by the party to receive the notice, provided written notice to the other party, in the manner set forth herein, of a new or corrected address.

11.2 Attorneys' Fees and Other Expenses and Costs upon Default. If a default occurs in the performance of the obligations of any party to this Agreement, reasonable attorneys' fees, expenses and costs incurred in arbitration and/or court proceedings pursued to enforce the terms of this Agreement shall be awarded to the prevailing party in said proceedings.

11.3 Injunctive Relief Available in the Event of Default. In addition to money damage and other breach of contract remedies either of the parties hereto may have, in the event of a default hereunder, the parties acknowledge that such remedies may not be sufficient protection of their interests, so they are also each granted the right to injunctive remedies hereunder, including but not limited to, remedies of temporary restraining orders, preliminary injunction and specific performance where appropriate.

11.4 Authority. PARK CITY and the SERVICE DISTRICT represent and warrant that their performance hereunder and the transactions contemplated hereby have been duly authorized by all requisite actions. Each of the individuals signing on behalf of PARK CITY and the SERVICE

DISTRICT represents and warrants that he or she has the requisite authority to execute this Agreement.

11.5 Binding on Successors and Assigns. This Agreement, including all of its covenants, promises, obligations and agreements shall be binding on, and inure to the benefit of the successors and assigns of the parties hereto. Subject to the advance written approval of PARK CITY, which approval shall not be unreasonably withheld, IMA shall have the right to assign any part or all of its interest under this Agreement as it sells, exchanges, transfers and/or conveys any or all of its interest in the IMA Project, provided that any such successor in interest to IMA must be bound by all of the terms and conditions of this Agreement, or such portion of this Agreement as related to the portion of the IMA Project acquired by such successors.

11.6 Governing Law. This Agreement shall be interpreted and enforced according to the laws of the State of Utah.

11.7 Final Agreement, Amendment. This Agreement sets forth the final agreement of the parties hereto concerning the subject matter of this Agreement. All prior negotiations, oral agreements and written agreement, if any, concerning the subject matter of this Agreement are superseded and replaced by this Agreement. This Agreement may not be amended except by a written instrument signed by all parties hereto.

11.8 Time of the Essence. Time is of the essence in this Agreement.

11.9 Recitals Incorporated in Agreement. The Recitals set forth at the beginning of this Agreement are intended to be true and correct statements of fact and material representations of the parties hereto, and said recitals are, therefore, incorporated into the Terms of Agreement set forth herein, and are an integral and material part of this Agreement.

11.10 Counterpart Execution. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one agreement with the same effect as if all parties had signed the same signature page. Any signature page of this Agreement may be detached from any counterpart of this Agreement and reattached to any other counterpart of this Agreement identical in form hereto, but having attached to it one or more additional signature pages.

-- Remainder of Page Intentionally Left Blank --

IN WITNESS WHEREOF the parties have signed this Agreement as of the date first above written with the intent to be legally bound by all of the terms and conditions set forth herein.

PARK CITY MUNICIPAL CORPORATION

By:________________________________
Brad Olch, Mayor

PARK CITY WATER SERVICE DISTRICT

By: ___________________________________

Its:______________________________

IRON MOUNTAIN ASSOCIATES, LLC

By: WPA, LTD. -- Its Manager
By: White Pine Associates, Inc. – Its General Partner

By: _________________________________
Keith R. Kelley, Vice-President/Secretary

IRON MOUNTAIN HOLDING GROUP, LC

By:________________________________
Alexandra Condas Ockey
Chairman, Managing Committee

LIST OF EXHIBITS

A. Map of the IMA Project Area.
B. Potential Properties in the IMA Project
C. Agreement for Grant of Open Space Easement and Purchase and Sale of Property
D. Water Service Phasing Plan