PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
JANUARY 5, 1995

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 5, 1995.

A G E N D A

Work Session

3:00 p.m.	Council questions and comments
3:20 p.m.	Business Enhancement Districts
3:40 p.m.	Procedure for adjusting lot lines
4:00 p.m.	School bond issue
5:30 p.m.	Review of regular meeting Bonds Auditorium equipment purchase
5:45 p.m.	Mayor Pro Tem and Alternative and board/liaison appointments

Regular Meeting

6:00 p.m.

I ROLL CALL

II PUBLIC INPUT

1. Business license fee for arcades

2. Espresso cart at Resort Center Plaza

III MINUTES OF MEETING OF DECEMBER 15, 1994

IV REPORTS FROM COMMISSIONS AND BOARDS

V COMMUNICATIONS FROM COUNCIL AND STAFF

VI PUBLIC HEARING

1. Ordinance approving the amendment to the amended final plat of Prospector Square, recorded on December 26, 1974 at Summit County, Recorded #126443, on Lots 48A, 48B, 48C, 48D and 48E located at Parking Lot G at Prospector Square, Park City, Utah

2. Continuation of consideration of the expanded use and the purchase of film and sound equipment for the Park City Library and Education Center Auditorium in an amount not to exceed $45,000

VII CONSENT AGENDA

1. Ordinance approving the amendment to the amended final plat of Prospector Square, recorded on December 26, 1974 at Summit County, Recorded #126443, on Lots 48A, 48B, 48C, 48D and 48E located at Parking Lot G at Prospector Square, Park City, Utah

2. Resolution setting regular meeting date, time, and location for meetings of the City Council of Park City, Utah for 1995

3. Resolutions amending previous Resolutions 27-94 and 31-94 to allow any financial institution meeting State Money Management Council Rule 18-5 (A or better rating) to enter IREAs with the City

4. Resolution approving a supplemental indenture to existing lease revenue bonds and amending a lease to permit IREAs

VIII OLD BUSINESS

Consideration of the expanded use and the purchase of film and sound equipment for the Park City Library and Education Center Auditorium in an amount not to exceed $45,000

IX RESIGNATIONS AND APPOINTMENTS

Appointment and term of Mayor Pro Tem and Alternate Mayor Pro Tem

X ADJOURNMENT

A Redevelopment Agency and Municipal Building Authority meeting will convene

Posted: 1/3/95 noon

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
JANUARY 5, 1995

I ROLL CALL

Mayor Brad Olch called the regular meeting of the City Council to order at approximately 6 p.m. at the Marsac Municipal Building on Thursday, January 5, 1995. Members in attendance were Brad Olch, Ruth Gezelius, Roger Harlan, Lou Hudson, Shauna Kerr, and Leslie Miller. Staff present were Toby Ross, City Manager; Meg Ryan, Planner; Bob Johnston, Leisure Services Director; Melissa Call, Facilities Coordinator; and Jodi Hoffman, City Attorney.

II PUBLIC INPUT

The Mayor invited the public to comment on any matters of City business not scheduled on the agenda:

1. Business licensing - Fred Birch, owner of a new business, stated that he felt that he is providing a smoke-free, alcohol-free, drug-free, fully supervised gaming facility (video, billiards, etc.) for teenagers and young adults which is very much needed in the community. However, there are square footage fees and a $50 assessment on each machine which he didn't feel is fair as these fees are designed for bar businesses. He urged Council to waive the fee for equipment and create a new category to place his business. Mr. Birch stated that he has until January 15 to pay his fees, but the business will have to close if he has to pay these high license fees. The City Manager reported that he spoke with Mr. Birch earlier and staff is researching the fee structure for vending machines. He suggested that this matter be brought back to Council at its next meeting with some alternatives, including the possibility of an amendment to the fee resolution. Mr. Ross indicated that the City will waive the January 15 deadline until this matter can be reviewed and there will be no penalties. Ms. Kerr suggested that a fleet fee be created for on-site machines. Mr. Birch countered that when an operator has more machines, the square footage is likely to increase and he felt that a new category should be made for businesses not related to alcohol serving estabishments. Ms. Kerr pointed out that in all fairness there are businesses like the 7-11 which pays a square footage and the assessment on vending games and it would be the same for a hotel lobby. She added that businesses pay different square footage fees and suggested that he should probably be calculated at the lowest square footage fee.

2. Espresso cart at Resort Center - Ralph Parson, Espresso Brothers at Albertsons, asked for clarification on the cart at the Resort Center and its compliance with City ordinances. The Mayor indicated that the owner of the cart was notified that there needed to be a change to the shelter and she is in the process of getting the structure built according to building codes.

With no further comments, the public input was closed.

III MINUTES OF MEETING OF DECEMBER 15, 1994

Ruth Gezelius, "I move approval of the minutes of December 15, 1994, as presented". Shauna Kerr seconded. Lou Hudson abstained as he was not in attendance. Motion carried.

Ruth Gezelius	Aye
Roger Harlan	Aye
Lou Hudson	Abstention
Shauna Kerr	Aye
Leslie Miller	Aye

IV REPORTS FROM COMMISSIONS AND BOARDS

None.

V COMMUNICATIONS FROM COUNCIL AND STAFF

None.

VI PUBLIC HEARING

1. Ordinance approving the amendment to the amended final plat of Prospector Square, recorded on December 26, 1974 at Summit County, Recorded #126443, on Lots 48A, 48B, 48C, 48D and 48E located at Parking Lot G at Prospector Square, Park City, Utah - See following staff report. Meg Ryan explained that this would reconfigure building pads and this request comes to Council with a positive recommendation from the Planning Commission. Some of the benefits of this action is increased control over the design parameters of the building and a pedestrian pathway easement to the Rails-to-Trails corridor. With no comment or questions, the public hearing was closed.

2. Continuation of consideration of the expanded use and the purchase of film and sound equipment for the Park City Library and Education Center Auditorium in an amount not to exceed $45,000 - Melissa Call updated Council on changes from last meeting's discussion on this matter. She informed Council that she has obtained two additional bids which are almost identical in pricing as Claco but it is a gamble to order equipment out-of-state. She added that Joanna Charnes has received a guarantee from Claco agreeing to buy back the equipment after a year at 70% of the purchase price. Ms. Call pointed out that leasing the equipment is costly and recommended purchasing the equipment from Claco.

The Mayor invited the public to comment.

Dr. Mike Andrews assured Council that the proposed Performing Arts Center will not compete with the film series at the Park City Library and Education Center auditorium. Although there will be sound and film equipment at the Performing Arts Facility, it is primarily for educational use. He did not view this as a conflict but rather complimentary.

Frank Harris stated that he was the treasurer of Park City Performances for several years. He stated that if the City decides to enter into an agreement with the Arts Council that it will have to make a finding that there is public benefit that justifies expenditure of the money. Because of his involvement with PCP, he added that although people may support a concept in spirit, they didn't always support it by buying tickets and participating. Many movie houses showing these types of films have gone out of business and the Holiday Village Cinema doesn't run these movies because it isn't a big draw. He also discussed ticket price and the importance of selling refreshments. Refreshments can bring in revenues but can be messy and create maintenance problems. Mr. Harris stated that there is a small chance of making money and some chance of losing a little bit. He hoped that the Council would realize that it could lose up to $15,000 to $20,000 for a community benefit, as opposed to thinking that it will recoup and make money on the $45,000 expenditure.

Nikki Lowry, School Board, Park City Performances and citizen commented on the success of films at the Egyptian Theater and requests from the public for more films. She stated that because of the play schedules, she cannot schedule films and its film business is pretty much limited to the Sundance Film Festival. Ms. Lowry emphasized that she did not view the film series at the Education Center as competition because more cultural events is better for the community. She felt that this would be a tremendous opportunity for students and teenagers.

Dell Fuller, Parks and Recreation Board member, stated that there is continued support for the proposal and the Board unanimously endorses it and encourage the Council to vote affirmatively.

Joe Tesch, Arts Council, felt that with the new buy-back proposal from Claco at 70% is the difference between $39,000 and $27,000. He felt confident that if Claco would commit to that for 12 months, it would commit to 13 months which would mean from Sundance alone of the $12,000 difference, the City recovers $10,000, leaving a maximum deficit of $2,000. He is confident that the Arts Council can cover that amount of money.

Joanna Charnes, Executive Director of the Arts Council, stated that the Education Center auditorium is a facility which is only used ten days out of the year for the Sundance Film Festival which she felt is not enough. Separate from that, there is so much support for films. She emphasized the merits of the buy-back plan from Claco. Ms. Charnes referenced the Landmark Symposium and the cultural needs assessment and the many meetings with staff and the Council and felt that the public process has been thorough.

Marianne Cone, resident, discussed the film series at the Egyptian Theater in the '70s and suggested that there be preselling of tickets or a ticket package. She also recommended that there be an incentive for people walking or taking the bus so there isn't a parking problem. Ms. Cone stated that she is in support of this idea.

Fred Hillyard, University of Utah, strongly supports this initiative by the Arts Council. He shared information about enrollment in film studies in conjunction with the Sundance Film Festival which has increased over the years. If the equipment is approved, the University would have a quarterly academic class and it would be advertised in two publications with wide circulation. Because the films would be shown on the weekends, they would not interfere with the programs at the Education Center during the week. Additionally, the University would be willing to invest in equipment and would accept an invoice up to $4,000 as they cannot make a contribution of cash. Discussion ensued about ownership of the equipment and Mr. Hillyard pointed out that the income from the University's program would pay back that debt and the ownership would transfer. The actual transfer action would require legal advice.

Ruth Wagner, county resident, stated that she has talked to about 63 people about this hearing. Having another cultural peg in Park City is another feather in your cap. Most people she has spoken to have expressed a desire and need for films in the community.

Catherine Henney, President of the Arts Council, pointed out that two years ago the Arts Council wrote a grant and was awarded $16,000 from the Restaurant Tax Committee to be allocated toward the acoustical equipment in the auditorium. Last year, the Arts Council was turned down for a grant request for projection equipment. This is an attempt to help the City make the auditorium a viable facility for community use.

Paul Sincock, member of Parks and Recreation Board, Board of Directors of the Kimball Art Center, and Arts Council, stated that his primary concern was whether this proposal made economic sense for the use of public monies and he is convinced that the risk is relatively low. He felt that Mr. Harris' comments were valid for five years ago but the community has changed and the film series can now be supported. He reiterated the risks are low given the buy-back from the vendor and asked Council why they would not do this. Councilman Harlan asked why a private party has not shown alternative films; Mr. Sincock felt that a private vendor would not want to expend $45,000 for a venture that "he wouldn't know would fly". He added that if the City has an economic pay-back in a relatively short time and it benefits the community, why not do it? The Mayor felt that the first year is a given, but asked what would happen if in the second year, the series is not as popular and the two payments from Sundance, commitment from the University and buy-back are expended. Paul Sincock agreed that that could be one of the downsides, but there will be a 12 to 13 month window in which the Council can determine how viable this is and at that point a decision can be made whether or not to continue. The equipment is still valuable in the second year.

Hayden Williams, member of the Kimball Art Center Board and Arts Council and Chairman of First Nighters of PCP, stated that First Nighters is their biggest money-making event. She felt that that could be incorporated with the films and could provide a lot of support.

Ron Montgomery, Sundance Film Festival technician, stated that the equipment should be satisfactory for at least five years and discussed the digital add-on capabilities of the system. He stated that he has owned and operated theaters for the last 20 years and the proposed equipment for the auditorium would meet or exceed any industry standards and will provide many years of good performance with minimal upkeep.

Lani Furr, member of the Parks and Recreation Board and Arts Council, noted that aside from recreation, this community considers itself an arts community. She named the various arts events in town and this would expand the support of the arts in Park City. She felt that a film series would highly promote the City's goals of having more sense of community.

Ron Butkovich, resident on Woodside, stated that this is a great use of the building he felt that interest and financial support will grow through the years and supported the proposal.

With no further comments or questions, the public hearing was closed.

VII CONSENT AGENDA

Ruth Gezelius, "I move approval of Consent Agenda Items 1 through 4". Leslie Miller seconded. Motion carried unanimously.

1. Ordinance approving the amendment to the amended final plat of Prospector Square, recorded on December 26, 1974 at Summit County, Recorded #126443, on Lots 48A, 48B, 48C, 48D and 48E located at Parking Lot G at Prospector Square, Park City, Utah - See following staff report and public hearing comments.

2. Resolution setting regular meeting date, time, and location for meetings of the City Council of Park City, Utah for 1995 - This matter is mandated by state statute. Council will meet on Thursdays at 6 p.m. in the Marsac Municipal Building.

3. Resolutions amending previous Resolutions 27-94 and 31-94 to allow any financial institution meeting State Money Management Council Rule 18-5 (A or better rating) to enter IREAs with the City - and

4. Resolution approving a supplemental indenture to existing lease revenue bonds and amending a lease to permit IREAs - See attached staff report.

VIII OLD BUSINESS

Consideration of the expanded use and the purchase of film and sound equipment for the Park City Library and Education Center Auditorium in an amount not to exceed $45,000 - Lou Hudson stated that he supports this proposal as he has not heard any negative comments and it is important to have the best use out of the facility. Leslie Miller noted that on different levels, this meets the test. She commented that the role of the Arts Council has been somewhat confused as the Park Record described this as a loan. The Arts Council has done the leg work in putting this proposal together and have offered in-kind and volunteer support to help recover what is asked to be spent which is a good deal for the City. She added that there are many expenditures that the Council makes that have no opportunity for cost recovery and the $45,000 is in the realm of the $24 million budget to reasonably consider. The need for this has been demonstrated through the cultural needs survey. Ms. Miller pointed out that she is one of the founders of the Park City Community Coalition that is very familiar with the history of the site and the focus of the group was community and a publicly accessed building and now the public wants an opportunity to use the facility. She concluded that sometimes in an effort to be fiscally responsible, the Council tries to view things in a way that a business proposal in the private sector is studies but we are public representatives and there doesn't need to be a recovery because of the community benefit.

Shauna Kerr emphasized that this money is being requested from the Capital Improvements Fund and in the years as an employee, Ms. Kerr stated that staff spent many hours making dream lists for capital improvements fund monies prior to budget time. Those projects were always prioritized and reviewed very carefully. The dream list was always millions of dollars fuller than the pot of money available. She stated that she realized the benefits and the possibilities that exist, she did not think it is appropriate to ursurb the CIP process by doing a mid-year exchange of funds. It would be more appropriate to leave the Sundance $5,000 on the table this year and put this project into the CIP wish list with the rest of the projects and evaluate at budget time to avoid violating a process that exists for allocating public funds. She supported the idea but did not support a mid-year transfer.

Roger Harlan expressed concern that the marketing plan is non-existent as are funds to support a plan and had hoped that a sponsor would have surfaced. He agreed with Ms. Kerr and felt that the process has been flawed. Elected officials have a fiduciary responsibility and $45,000 is still a lot of money.

Ruth Gezelius stated that she is in support of the proposal, however she shares some of the concerns voiced by members of the Council as she feels it inappropriate to consider other than at budget time so that requests can be fairly evaluated and prioritized. At the same time, Ms. Gezelius pointed out that she has always regretted the neighborhood opposition to the development of the Carl Winters School as it was one of the reasons why Council didn't make the auditorium improvements in the beginning. She feels that it is underutilized and hope that it can be better utilized. Ms. Gezelius was disappointed in the marketing plan and felt the plan would be better if the Arts Council came to the Council with some funding. She feels better about the buy-back but disagrees with the analysis that the City would only be out a couple of thousand dollars, because by the time you invest in marketing, rent movies, and heat the auditorium, we've expended far more than $2,000 of taxpayers' money. Ms. Gezelius stated that she feels somewhat apprehensive about on-going funding for programs that not everyone in the community will use and Council is often criticized for its support of recreation programs. Without the buy-back provision, she could not support this.

Roger Harlan, "I move that the City purchase the mentioned projection equipment from the Claco firm and that the Arts Council be given the full responsibility to operate the film operation and to meet the projected revenue needed to break even. If the Arts Council cannot meet these minimum revenues, the City would then be free to determine the future of the projection equipment". The Mayor asked if there needs to be more clarification in the form of a lease or yearly review. Leslie Miller referred to components of the staff recommendation for clarification and Ms. Kerr noted that Mr. Harlan probably has further concerns relating to the role of the Arts Council. Ms.

Kerr felt that the City would want a written agreement with them specifying what its responsibilities and liabilities are and what the City's role is and our expectations for the film process. Mr. Harlan stated that he is not opposed to having a contractual agreement in his motion. Leslie Miller pointed out that the Arts Council may have to convene to agree to enter into a contractual agreement. Ruth asked if the buy-back provision could be included in the motion.

Toby Ross restated the motion, Authorize the loan from the CIP Fund to purchase the equipment and authorize staff to enter contracts for the purchase and installation of equipment with Claco, operation of a film series with the Park City Arts Council, and assistance with the purchase from the University of Utah, DCE. The long-term contract with the Arts Council should specify its obligation for operations, renting of the equipment and auditorium, and marketing the auditorium after one year, and in the event the Arts Council fails to meet its obligation, the Council will reconsider this program, contingent on the Arts Council entering into a contract. Roger Harlan agreed with this restated motion. Lou Hudson seconded. Ruth Gezelius suggested that the contract specify regular reporting periods and Ms. Kerr wanted some assurance that the equipment purchased from the University becomes the City's property. Ms. Gezelius asked if Council feels comfortable with this action without the contracts before them; it was pointed out that Council will not meet for a week and this has to be accomplished by the Film Festival. Motion carried.

Ruth Gezelius	Aye
Roger Harlan	Aye
Lou Hudson	Aye
Shauna Kerr	Nay
Leslie Miller	Aye

IX RESIGNATIONS AND APPOINTMENTS

Appointment and term of Mayor Pro Tem and Alternate Mayor Pro Tem - Ruth Gezelius,, "I move that we appoint Leslie Miller as Mayor Pro Tem for the year 1995 and the Alternate Mayor Pro Tem as Roger Harlan for the year 1995". Shauna Kerr seconded. Motion carried unanimously.

X ADJOURNMENT

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

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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
Deputy City Recorder

PARK CITY SUMMIT COUNTY UTAH
CORPORATE
Seal
MARCH 1,
1884

PARK CITY COUNCIL WORK SESSION
SUMMIT COUNTY, UTAH
JANUARY 5, 1995

Present: **Brad Olch, Roger Harlan, Shauna Kerr, Leslie Miller, Ruth Gezelius, Lou Hudson, Toby Ross, Jodi Hoffman, Myles Rademan**

Alison Child, resident; Rick Brighton, architect; Dr. Don Fielder and Dr. Mike Andrews, Park City School District

1. **Council questions and comments.** Shauna Kerr reported that she received a call from Fred Birch who complained about the video machine assessment for business licensing. She noted that she has received positive remarks about bus service in Deer Valley. Ruth Gezelius noted a banner violations on Main Street. For the benefit of Leslie Miller, Assistant Attorney Mark Harrington, stated that TCI has the ability to increase subscriber fees. Ms. Miller felt that attending the Resort and Tourism Conference in Banff is an appropriate expenditure for Council in Olympic planning efforts. Ms. Gezelius pointed out the benefits of the annual Resort and Tourism Conference organized by the International City Management Association.

Ms. Miller stated that she received a call from John Helton who is pleased with the result of new construction next to his historic home. The setback was increased because it was reviewed site specifically and Mr. Helton had an opportunity to comment. If the house had just meet the standard requirement it would have blocked his views and light. It is good to look at site specific situations and Ms. Miller wondered if it couldn't become a standard with homes of that size for increased setbacks for compatibility. She asked if staff could look into businesses outside the city limits using the "Park City" name and/or logo. She discussed her concern regarding the espresso cart at the Resort Center and the Mayor explained that the structure will be completely enclosed in a couple of weeks so there will be no question about compliance with city ordinances.

2. **Business Enhancement Districts.** Myles Rademan stated that the Historic Main Street Enhancement District is a concept which resulted from the SummerTour '94. He explained that staff from Parks and Recreation and Public Affairs developed an action plan. It was felt that:

- those benefitting from the aesthetic improvements will have to bear a percentage of the cost.
- the business license fee is probably the most workable form of raising additional revenues.
- the Council will be asked to consider contribution additional revenues to match the private funding up to an agreed limit ($25,000).

- a plan and work program will be developed and a standing Advisory Board will be appointed from those asked to contribute to oversee the expenditure of the funds.

- this program will have to be explained and promoted so that a majority of those who benefit will support the imposition of an additional business license surcharge fee.

- this example of public private cooperation can serve as a for other sections of the City wishing to enhance their areas.

Myles emphasized that although the Main Street Merchants Association support the project, not all merchants belong to the group and many have not heard about the project. With the consent of Council, he would like to organize a meeting with Main Street businesses. Jennifer Harrington then showed slides of Main Street areas which could be improved. Pace Erickson reported that the City now spends about $100,000 on Main Street (i.e., banners, maintenance, decorating but not snow removal). Lou Hudson suggested that this be a volunteer effort, but Ruth Gezelius discussed the difficulty when the building isn't occupied by an owner. Shauna Kerr stated that she was a proponent of this project after the summer tour but suggested that the letter should wait until this is discussed at the Council retreat to make sure this is a priority of Council, and Ms. Gezelius suggested that the feedback from the businesses could be helpful at the retreat and that this is a good community project. Leslie Miller agreed that this needs to be set as a priority and could not justify a $50,000 expenditure without further discussion. She also considered beautification as an individual responsibility and there may be planning difficulties. She could not support this yet and wanted to make sure that there is a high level of commitment from the Main Street Merchants and that there is good justification in providing matching grants from general taxpayers' dollars. Ms. Miller felt that assessing higher business license fees will not be popular. A meeting with the Main Street Merchants is fine as long as they know "it is not a given". Lou Hudson noted that other commercial areas would request the same consideration and John Sands from the Prospector business district agreed that other areas feel neglected.

The Mayor recommended that this be discussed further at the retreat.

Procedure for adjusting lot lines. City Attorney Hoffman explained that this review was prompted by a request from a citizen. In the past, through various administrative actions, staff had facilitated the recombination and resubdivision of Old Town lots without public input and without discretionary review. That process enabled the owners of contiguous Old Town lots either to develop them as single lots, with small structures, or as combined and reconfigured lots with much larger structures. Over the past year, staff has amended its practice of administrative adjustment of lots within Old Town to conform with state law, particularly with regard to mailed notice to all property owners in the plat.

Ms. Hoffman pointed out the expectations from plats and used the Aspen Springs Subdivision Plat as an example of how view corridors were planned, platted and recorded. The differences between typical plats and the Park City Survey, Millsite Reservation, and Snyders Addition is that the historic plats are very large and the topography and development patterns vary. She discussed steps to streamline the process including, in the long term, legislative action which would take into account the difficulty with historic plats. In the short term, applicants could notice property owners within 300 feet, as provided in the Land Management Code, and place a note on the plat regarding noticing. A third solution would be for the City to subdivide the historic plats into smaller sections so that noticing is more manageable. Council needs to give direction regarding building across lot lines which would require an ordinance amendment. Ruth Gezelius felt that lot combinations should require more review as setbacks should be increased.

Leslie Miller asked why this is occurring now and why previous city attorneys weren't aware of non-compliance with state law. Ms. Hoffman responded that it was just a matter of the right questions being asked and the timing. Ms. Miller noted that property owners were not very comfortable about the plat note. Alison Child, property owner and applicant, felt that lot combinations should occur as permitted uses because that has been the process and lot combinations have the desired effect of lowering densities. She felt that suddenly the rules have changed and that these decisions should be made by the administrative staff and not the elected officials. Rick Brighton, architect, stated that it is absurd to have these applications go to the City Council. Ms. Miller felt it important to be sensitive to applicants, and the City Manager explained that the City could absorb some of the mailing costs for noticing until the proper amendments are made. Ms. Child suggested that the City obtain another legal opinion and questioned that if this is a gray area, why are we spending so much time on this.

Because of time constraints, this matter will be discussed further at another meeting.

3. School Bond issue. Dr. Fielder stated that the bond issue totals $31.5 million for the construction of secondary facilities. He stressed that the School District will be "catching up" with the amenities common to schools in other communities. The proposed expansion to the high school will be able to accommodate up to 1,500 students. It is expected that the 950 enrollment will increase to 1,300 in two years. The expansion will include 23 classrooms, media center, applied technical center, and various renovations. He discussed the construction of the auditorium which is planned for 1,000 seats. This is the minimum number of seats suggested if there are to be performances by the ballet and orchestra. Dr. Fielder emphasized that it will not be elaborate and there can still be an intimate feel about the facility when smaller programs are held. This auditorium will cost $3.8 million. He indicated that $1 million is committed by fund-raising efforts of the Performing Arts Foundation; $1.5 is already approved from the last mill levy and the proposed bond will add $1.3 million. For the benefit of Brad Olch, it was explained that fund-raising efforts have produced $400,000 in cash, $350,000 in pledges, leaving $250,000 short to meet the $1 million.

Leslie Miller asked if the facility would be shared with the community and Dr. Fielder responded that it would if there is an opportunity and suggested entering into an interlocal agreement. Ruth Wagner, resident, felt that income from events be used for the benefit of the entire School District and it was pointed out that it is anticipated that uses in the auditorium will not produce much income. Mike Andrews discussed the purposes of the Performing Arts Foundation which include operating and maintaining the facility. Dr. Fielder commented on the parking plan and the fields space. He noted that there will be more fields than currently exist which will be adequate but not ideal. On a $100,000 valuation, the $31.5 million bond will cost property owners about $100 without impact fees and $70 with impact fees. There is currently $2.5 remaining from the last issue of which is in a fund for capital facilities. Dr. Fielder pointed out that $3 million of the $30.5 million is earmarked for land acquisition for the new middle school, although it is hoped that land will be donated. In response to a question from Leslie Miller, Dr. Fielder responded that the District cannot collect more money than it has bonded for and must be revenue neutral. She asked if the District would return to the taxpayers with a property tax increase to cover the increased demands of maintenance and operation of the facilities. Dr. Fielder emphatically responded that the bond issue does not relate to maintenance and operations of facilities.

Dr. Fielder explained the features of the new middle school which is proposed to be located in the county and that it will have a pool. Interlocal agreements may be considered for recreational uses. As time ran out, the work session concluded and the regular meeting convened.

Prepared by Janet M. Scott

PARK CITY
1884

COUNCIL AGENDA REPORT

DATE: December 28, 1994
DEPARTMENT: Community Development Department
AUTHOR: Megan B. Ryan
TITLE: Amendment to Prospector Square Final Plat on Lot G - 1777 Prospector Avenue.
TYPE OF ITEM: Quasi - Judicial

SUMMARY RECOMMENDATIONS:

Adopt the ordinance amending the plat on Parking Lot G, Lots 48A, 48B, 48C, 48D and 48E, Prospector Square, in order to re-subdivide the property to accommodate a new building pad configuration.

DESCRIPTION:

A. Topic.

PROJECT STATISTICS

Applicant:	**Don Sargent, Jack Johnson Co. for Lost Prospector Associates**
Proposal:	**Plat amendment at Lot G - 1777 Prospector Avenue**
Zoning:	**General Commercial**
Adjacent Land Uses:	**Commercial, Residential, Rail Trail**
Date of Application:	**September 16, 1994**
Project Planner:	**Megan B. Ryan**
Staff Recommendation:	**Approve with conditions**

B. Background.

The request for the plat amendment was heard before the Planning Commission in a public hearing on December 12, 1994. No public input was received at that hearing. The

Commissioner's determined that a positive recomendation should be forwarded to the City Council on the requested plat amendment to Lot G.

C. Analysis

The proposed reconfiguration will realign the building pad configuration on Lot G. Staff has worked with the applicant in order to provide a permanent pedestrian connection to the Rail Trail and has been able to negotiate landscaping improvements to the site as well. The building facades will also be treated with the same architectural detail on all sides of the project as a result of this reconfiguration. Please see Exhibit B for the proposed reconfiguration.

- Parking

Adequate parking that complies with the Land Management Code Section 13.2 (d) is provided on-site for the project. The larger issue of parking within the entire Prospector Square Subdivision is being monitored by staff in conjunction with the Prospector Square Property Owners Association Parking Agreement of 1987. Quarterly parking buildout reports will be submitted to the Community Development Department by the Owner's Association. When the buildout level reaches 85% of the entire subdivision then a Parking Needs Analysis will be conducted. The study will examine and address alternative parking solutions for the area. The buildout level, as of October 1994, is currently at 70.4% according to the Prospector Square Property Owner's Association.

- Trails

The applicant has agreed to provide public pedestrian access to the Rail Trail. Details on the exact location are provided on the plat. Suncreek Condominiums Homeowner's Association has met with the applicant and approves of the access point proposed. The Homeowners were contacted at the request of staff to ensure that the had no outstanding issues with the reconfiguration.

- Pedestrian Walkways/Landscaping

Walkways will be provided around the perimeter of the building. Landscaping will be provided in accordance with a landscape plan to be approved by the Community Development Staff.

Determination of Findings. The staff recommendation for the project includes several conditions. These conditions are based on the following findings and conclusions:

1. The development of a commercial building on this site will substantially increase vehicular and pedestrian traffic along Prospector Drive and throughout the Prospector Square Office Park development. The site is located adjacent to the Park City Rail Trail. Location of a pedestrian pathway that links the project site to the Rail Trail will provide accessible pedestrian connections to the multi-use trail. In providing access to the multi-use trail pedestrian and vehicular traffic will be reduced along Prospector Avenue.

2. The pedestrian pathway is consistent with the Park City Comprehensive Plan in that the Plan calls for the implementation of the Parks and Recreation Master Plan. The Parks and

Recreation Master Plan requires that a comprehensive network of trails, landscaping and parks be created for aesthetic and recreational opportunities for residents and visitors to Park City. The pedestrian pathway on this project will help to fulfill the Parks and Recreation Master Plan.

3. The owner has agreed to the dedication of an easement for a pedestrian pathway connecting the site to the Park City Rail Trail. The dedication includes construction of improvements from the easement to the Rail Trail.

4. The owner has agreed to a maximum Floor Area Ratio of 2.0 in accordance with prior agreements on building limitations as negotiated with the Prospector Square Property Owners Association. The Floor Area Ratio has been limited in order to mitigate the potential parking problems that may occur in the Prospector Square development area.

5. Inadequate circulation in front of the building pads may necessitate additional fire protection requirements, such as modified 13-D sprinklers or such other systems as recommended by the Fire Marshal.

Conclusions of Law:
1. There is good cause for the amendment as the reconfiguration will provide a pedestrian access point and;
2. Neither the public nor any person will be materially injured by the proposed plat amendment.

D. Department Review.

The Community Development Department and City Attorney's Office has reviewed this project.

ALTERNATIVES

A. Deny the amendment to the final plat thereby retaining the present building pad configuration.
B. Approve the amendment to the final plat thereby allowing for the reconfiguration of the Lots 48A-48E.
C. Continue the item and request further evaluation and recommendations from Staff.

SIGNIFICANT IMPACTS:

The proposed reconfiguration of will result in an alternative configuration on parking Lot G. This alternative will not significantly effect parking on site, nor will it increase the amount of square footage as originally approved for the site. The project will provide for an improved public connection from Prospector Avenue to the Rail Trail. Landscaping and pedestrian walkways will also be provided on and next to the site. Public improvements such as these have been included in the project in order to mitigate any adverse impacts on the adjacent property owners and public who utilize the area.

CONSEQUENCES OF NOT TAKING THE RECOMMENDED ACTION:

If the Council chooses not to approve the plat amendment as proposed the applicant will retain the right to construct four smaller separate buildings on the originally approved and platted lots.

RECOMMENDATION:

The staff recommends that the Council select Alternative B, and approve the proposed amendment to the Final Plat of Prospector Square at Parking Lot G subject to the following conditions:

1. **All Standard Project Review Requirements shall apply. The final landscape plan shall to the best extent possible include landscaping along Prospector Avenue. The final landscape plan shall be approved by the Community Development Department Staff prior to building permit issuance. The final design elements approved for the front building facades shall also be required on the rear building facades.**

2. **Prior to plat recordation, the City Council, City Attorney, and City Engineer shall have reviewed and approved the final plat. All other notes and dedications from the recorded Prospector Square plat, Recorded #125443, and the Supplemental Amended Plat, recorded #397064, are in full force and effect.**

3. **A pedestrian access easement to the Rail Trail shall be provided on site and as illustrated on the amended plat. The location and design of the rail trail connection shall be reviewed and approved by the Community Development Department Staff prior to plat recordation. The connection shall not be required to include more elements than a compacted base material and shall be designed in order to provide an easily identifiable access point for users of the Rail Trail. Additional design measures are encouraged but are to be provided at the applicant's discretion.**

4. **The final building configuration shall fully satisfy the Fire Marshal's requirements for emergency vehicle access prior to Building Permit issuance. Modified 13-D sprinklers may be required if adequate circulation is not provided for in front of the building pad.**

5. **A financial security in 125% of the amount to be approved by the City Engineer as sufficient to construct all public utilities, sidewalks, parking lot paving, trails, bridges, landscaping and utility relocation shall be in place prior to plat recordation or building permit issuance. The form of the financial security shall have been approved by the City Attorney.**

6. **The buildings on the newly created lots shall not exceed a Floor Area ratio of 2.0.**

EXHIBITS
EXHIBIT A - LOCATION MAP
EXHIBIT B - PROPOSED PLAT AMENDMENT, DECEMBER 2, 1994

COUNCIL AGENDA REPORT

DATE: December 29, 1994
DEPARTMENT: Leisure Services
AUTHOR: Bob Johnston, Melissa Call
TOPIC: The purchase of film/sound equipment for and expanded use of the Park City Library and Education Center Auditorium
TYPE OF ITEM: Legislative

SUMMARY RECOMMENDATION: Staff recommends City Council authorize a loan amount of $45,000 from the CIP fund for the immediate purchase of film and sound equipment for the Park City Auditorium to implement a film series program that would begin in Spring '95 and would coincide with the U of U DCE spring quarter schedule. Also, staff recommends City Council change the policy regarding use of the Auditorium to increase the allowable number of days that the Auditorium can be used at full capacity.

*** Denotes information, changes and references added to previous Council Report of December 15, 1994 Council Meeting.**

A. Background: The Park City Library and Education Center opened in 1993 and included, along with the Library, a 460 seat Auditorium. The Council policy regarding the use of the Auditorium was to take a "wait and see" approach to future needs and upgrades made to the Facility. Council requested that staff monitor the uses and requests for the Facility to determine the appropriate needs and costs of meeting community needs.

The use of and demand for the Auditorium has steadily increased since its opening, and the success of the Sundance Film Festival's use of the Auditorium has prompted numerous requests for other film screenings. The demand for Film Festival tickets, the Landmark Symposium and the Park City Arts Council (PCAC) data have indicated local interest in alternative film. Most recently staff has been working with the Park City Arts Council on a proposal it submitted to offer an alternative film series. One component of the proposal is a request that the City purchase the necessary equipment to accommodate the film series. At this time, the equipment cost is estimated to be $45,000. No money is currently budgeted for this equipment.

Typically, this type of request would come to you during the budget process. However, now may be an advantageous time to consider expanding the roll of the Park City Auditorium to include ownership of film and sound equipment. Sundance will again be leasing the Auditorium for its Film Festival and the Park City Arts Council would like to use the Facility in conjunction with the University of Utah DCE and the City for alternative mini-film series as soon as possible, preferably to correspond with the U of U spring quarter. Both of these uses present opportunities for some immediate cost recovery. The proposal would be consistent with the Council's long-term goals of a "vital, healthy resort community" and "leisure and recreational opportunities for families and individuals".

B. **Analysis:** Several significant issues relate to these requests.

1) **Policy:** Currently this maximum capacity use is only allowed up to 10 days per year (to accommodate the Sundance Film Festival). Any proposed changes to the Auditorium's current use, specifically maximum capacity use, would require a policy change. This could be accomplished following the public hearing scheduled for Thursday or after a more expanded public process. A policy change should reflect a direction on cost recovery. i.e. if the equipment is purchased, should we attempt to recover those costs through user fees and/or rental charges? Staff recommends attempting 100 percent cost recovery.

The current City policy allows up to 400 people per event. Use of the Auditorium's maximum present capacity, approximately 460 seats (about 80 seats were removed this year to modify the Facility to meet ADA requirements) is allowable for only 10 days per year to accommodate the Film Festival. Although the proposed increase seems minimal and projections for the film series are based only on 100 people per screening, it would make sense to increase the maximum capacity allowable use by 5-10 days per year in the event of the film equipment purchase, in order to maximize the potential for cost recovery.

The City currently adhere's to an administrative policy that any group expecting over 200 people (the number comfortably accommodated by current available parking) make arrangements for overflow parking with the Park City Ski Area or similar situation. The group must also have volunteers and signage on hand at each event to direct patrons to proper parking areas in order to mitigate any impact or problems from parking in the immediate neighborhood.

According to current policy, all events are scheduled to minimize the impact on <u>all</u> tenants of the Park City Library and Education Center Facility as well as the neighborhood. Even during last year's Sundance Film Festival (maximum capacity), some of the prior problems were less apparent as a result of the new parking at the south end of City Park and new parking strategies. Also, the Facility Manager received no complaints from neighbors regarding parking because of recent Auditorium events such as the

Warren Miller film screening, folk concerts or other performances.

2) <u>**Operation and responsibility:**</u> Expanded use the Auditorium will likely increase staff involvement. The Miners Hospital Community Center position that Council approved one and one-half years ago has already been expanded from 1/2 time to 80% time after taking over the Auditorium and lease and special event responsibilities. Expanding the use of the Facility will more than likely increase staff costs. The role of the Park City Arts Council should be defined and responsibilities established regarding the sharing of responsibilities for organizing mini-alternative film series.

*** Attached is a letter of intent from the Park City Arts Council stating it is prepared to enter into a long-term agreement with PCMC to produce the proposed film series to help cover the costs of the film equipment purchase.**

3) <u>**Equipment:**</u> Staff has consulted with Ron Montgomery, Technical Director for the Sundance Film Institute. He agreed to conduct an equipment needs assessment and a film series first-year plan for us and develop costs based on those needs. Ron has worked extensively with Claco, the company that provides the equipment for the Sundance Film Festival and which was involved with the Auditorium renovation. He has, in conjunction with Claco, received a commitment for the equipment listed in 4B below and and as attached exhibit A has also agreed to act as the programming consultant and train our projectionists.

*** Also, attached is a memo from Ron stating his views on the proposed equipment purchase and his concerns about using a company other than Claco (see attached exhibit D).**

4) <u>**Economics:**</u> This equipment request is based on a proposed partnership between the City, Park City Arts Council (PCAC) and the University of Utah DCE (U of U DCE) for a film series program in the Park City Auditorium. The figures in the following budget projections are based on certain commitments and assurances. These commitments include (*** and are attached pages listed as exhibits A, B and C**):

a) An acknowledgement from Sundance Film Institute that it is willing to pay an additional $5,000 per year equipment rental fee to PCMC instead of to Claco.

b) Claco (working with Ron Montgomery) has agreed to provide the following for the P.C. Auditorium for the $45,000 fee:
1. All necessary 16mm and 35mm film and sound equipment (combination of new and rebuilt equipment).
2. Modification or replacement of existing Auditorium film screen to make it movable, allowing for other types of usage.
3. Installation of all purchased equipment.

Revenue scenario #3

Rentals	$ 7,500
Sundance equipment rental	$ 5,000
Other misc. equip. rentals ($250 X 4)	$ 1,000
*Additional revenues from grants	$ 1,000
*Additional equipment rentals for sound system, i.e.lectures and concerts (20 @ $50)	$ 1,000
Total film program revenues scenario #3	**$15,500**

(* New revenues added in this scenario; average revenue per screening = $516)

Note: The University of Utah DCE has indicated it would make a $4,000 cash contribution toward the film equipment purchase; if this were to occur, it would reduce the annual debt service by approximately $600 per year.

C) **Departmental Review:** The issues of film equipment, the implementation of a film series program and an increase in allowable maximum capacity days have been reviewed by both the Miners Hospital Community Center Advisory Board (formerly the Miners Hospital Blue Ribbon Task Force) and the Park City Parks, Recreation and Beautification Board. Both groups have shown strong support for the concepts and have recommended the purchase of film equipment prior to the January '95 Sundance Film Festival. The City manager, Librarian and City attorney have reviewed the proposal.

D) **Alternatives:**

Alternative #1: Take recommended action to purchase and install film equipment before January 19, 1995 for a Park City Auditorium film series program and to initiate a public process to increase the allowable maximum capacity number of days to 15-20.

The advantages of this alternative would be:
- -Greater cost recovery potential overall
- -A film series program for the community sooner
- -Benefit the U of U DCE curriculum and PCAC objectives sooner
- -Better utilize the Auditorium sooner

The disadvantages would be:
- -Financing equipment not budgeted for in the middle of a fiscal year
- -Short time allowed to meet objective
- -Little opportunity for public input
- -Potential for competition with private sector.

Alternative #2: Wait until the new budgeting process begins for FY 96 and 97 to purchase equipment and hold policy change hearings.

The advantages of this option are:
- -More traditional budgetary and procurement processes
- -More time to research and implement plan
- -More time for public input would eventually provide for expanded use.

The disadvantages of this option are:
- -Loss of $5,000 equipment rental from Sundance that will not be an option after January 19, 1995.
- -The City will not be able to make target time frame for a Spring '95 launch of a film series program.
- -The City will not make a spring quarter deadline for U of U DCE class offering, which could mean a potential loss of its cash commitment and/or the partnership agreement
- -Loss of commitment for the equipment @ the current offered price quote, which could increase the cost of the equipment, possibly by $10-15,000 based on prior quotes)
- -Possibility that the City won't be able to launch a series until Fall '95 if the International Music Festival leases the Auditorium again summer '95

-Potential for competition with private sector.

Alternative #3: Do nothing--do not purchase film and sound equipment for the P.C. Auditorium.
The advantages of this option are:
-Less demand on staff time
-No capital expense or risk
-No potential for competition with private sector.
The disadvantages of this option are:
-The Facility will remain under-utilized
-Frequent film screenings will remain infeasible
-Community interests will not be met
-PCAC objectives and U of U DCE curriculum interests will not be satisfied.

Alternative #4: Explore the potential for private management and investment in equipment.
The advantages of this option are:
-No capital expense or risk for City
-Less demand on staff time
-More traditional budgetary and procurement processes
-More time to research and implement plan
-More time for public input would eventually provide for expanded use.
The disadvantages of this option are:
-Loss of $5,000 equipment rental from Sundance that will not be an option after January 19, 1995.
-The City will not be able to make target time frame for a Spring '95 launch of a film series program.
-No film series for a spring quarter deadline for U of U DCE class offering, which could mean a potential loss of its cash commitment and/or the partnership agreement
-Loss of commitment for the equipment @ the current offered price quote, which could increase the cost of the equipment (possibly by $10-15,000 based on prior quotes)
-The film series would be offered as a commercial venture.

*** Alternative #5: Consider the lease option provided in the letter from Claco (see exhibit A).**
The advantages of this option are:
-A film series program for the community sooner
-Benefit the U of U DCE curriculum and PCAC objectives sooner
-Better utilize the Auditorium sooner
-More traditional budgetary and procurement processes; less immediate initial financial obligation and risk
-More time to research and implement plan
-More time for public input would eventually provide for expanded use.
The disadvantages of this option are:
-Some immediate financing, not budgeted for, still required

bid on the IREAs. When the IREAs were bid in December, First Bank of Oregon was the high bidder, but ultimately declined to complete the transaction because of a change in the bank's investment policy. The other bidder, Texas Commerce Bank, was eager to proceed. However, after receiving preliminary quotes from potential bidders it seemed that Park City would get substantially better bids if it requested bids from more institutions. So, despite the fact that delays could cost the City money, staff and our financial advisor concluded that the higher bids resulting from allowing more bidders to participate should more than make up for costs of the delays. All bidders will meet the State's rating requirements for institutions to participate in IREAs. The actions being considered are consistent with the Council's long-term goal of sound financial management.

C. **Analysis**. The Council reviewed the basic considerations in IREAs in October and determined to proceed along with refunding of lease and water revenue bonds as a way of lowering the overall interest costs.

D. **Department Review**. The City Manager, Finance Director and City Attorney reviewed the proposal and concur with the recommendations.

ALTERNATIVES:

A. **Approve the supplemental indenture and authorize qualified institutions to bid and the City Manager and Finance Director to select the best IREAs**. With this authorization we will bid and enter IREAs for about $13 million.

B. **Do not approve the supplemental indenture and authorize qualified institutions to bid and the City Manager and Finance Director to select the best IREAs**. With this authorization we will bid and enter IREAs for about $11 million.

C. **Decline to authorize IREAs**. The Council could conclude that the potential savings do not justify the risk or that there would be a better time to enter IREAs and retract its authorization.

SIGNIFICANT IMPACTS: If interest exchange agreements are authorized (alternative A) we expect to save $300,000 to $400,000. Currently the difference between short (7 to 30 day bonds) and medium (5 year) term rates is historically large. This gives the City its best return (about $200,000 per year at current rates). Over time, we expect short term rates to climb relative to medium term rates perhaps equalling or exceeding today's medium term rates. Still, over the 5 year life of these IREAs we expect a significant positive return based on our analysis of the usual relationship between short and medium term rates. The risk of very high short-term rates which would cost the City money in the IREAs is somewhat off set by the fact that when short-term rates rise our other investments make more money. Essentially, the IREAs are a hedge against the decline we have already seen in short-term rates.

Not approving the additional $2 million (alternate B) lowers the risks and potential returns by about 15% The City is action permitted to issue slightly more IREAs than the bonds that secure them which has the effect increasing risks and potential returns by about 15%. Staff is recommends that the IREAs be approximately equal to the amount of the bonds (plus or minus 5%)

The City has already incurred some costs which cannot be recovered unless we enter the IREAs, but many of the costs are not incurred until we enter the agreements (alternative C).

CONSEQUENCES OF NOT TAKING THE RECOMMENDED ACTION: Short term rates are currently low, while medium term rates seem to have stabilized with very little difference between 5, 10 or 30 year rates. This would appear to be a very good time to enter IREAs. One would have to expect short-term rates to decline (and the trend appears to be up) or medium-term rates to rise (and the trend appears to be down) to favor waiting to enter the agreements. By waiting to enter the agreements we could be forgoing some potential savings. Since the City issued the water revenue bonds in October the movement of rates has favored the City ~~in the~~ IREAs. However, staff feels that we have seen most if not all of the positive movement and we should not delay any longer.

RECOMMENDATION: The Council and MBA should approve a supplemental indenture to existing lease-revenue bonds permitting IREAs and authorize the City Manager and Finance Director to request and select proposals from financial institutions qualified by the Utah Financing Act and complete any other actions necessary to participate in about $13 million of IREAs.

Specifically, the Council is being asked to:

1. Adopt two resolutions amending previous resolutions 27-94 and 31-94 to allow any financial institution meeting State Money Management Council Rule 18-5 (A or better rating) to enter IREAs with the City;

2. Adopt a resolution approving a supplemental indenture to existing lease-revenue bonds and amending a lease to permit IREAs.

The MBA is being asked to:

1. Adopt a resolution amending previous resolution 4-94 and to allow any financial institution meeting State Money Management Council Rule 18-5 (A or better rating) to enter IREAs with the City;

2. Adopt a resolution approving a supplemental indenture to existing lease-revenue bonds and amending a lease to permit IREAs.

PARK CITY
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COUNCIL AGENDA REPORT

DATE: November 14, 1994
DEPARTMENT: City Manager and Finance
AUTHOR: Toby Ross
TITLE: Refunding Existing Revenue Bonds
TYPE OF ITEM: Administrative/Legislative

SUMMARY RECOMMENDATIONS: The Council and Municipal Building Authority (MBA) should approve a supplemental indenture to existing lease revenue bonds permitting interest rate exchange agreements (IREAs) and authorize the City Manager and Finance Director to request and select proposals from financial institutions qualified by the Utah Financing Act to participate in IREAs for approximately $13 million of IREAs.

DESCRIPTION: To complete IREAs previously authorized by the Council, the MBA and Council:

1. must approve a supplemental indenture to lease revenue bonds held by Bank One to permit interest rate exchange agreements; and

2. should authorize the City Manager and Finance to request and select proposals from financial institutions qualified by the Utah Financing Act to participate in IREAs rather than limiting bidding to the two firms already authorized.

A. Topic. Council and MBA actions necessary to enter IREAs which were previously discussed and authorized.

B. Background. On November 17, the MBA and Council authorized IREAs for a $5.6 million of lease-revenue refunding and an additional $2 million of lease-revenue bonds that are not proposed for refunding. To include the $2 million in the IREA transaction the MBA, Council and Bank One must approve a supplemental indenture to the bonds authorizing the IREAs. The MBA and Council had already authorized IREAs for a $4.95 million water bond restructuring. The IREAs are being combined to total about $13 million to assure adequate bidding competition.

The Council had previously authorized two financial institutions to costly monthly lease payments (not budgeted) and a large loss (about $24,000) if equipment is not purchased at the end of the lease.

SIGNIFICANT IMPACTS: While there is considerable support for the purchase of film equipment, no one is offering to guarantee the operating costs for the ten years it will take to repay the costs of the equipment. If the film series isn't successful or relocates or if the Sundance Film Festival decides not use the auditorium, the City may have equipment for which there is little demand. The worst case risk is that the idea fails after only one year. The City probably could resell equipment for about $35,000 assuming a market for it. Hence, the City would stand to lose about $7000 plus staff costs. By comparison, the lease-purchase option would cost about $24,000 to get out of the project if it failed (see table, exhibit E).

CONSEQUENCES OF NOT TAKING THE RECOMMENDED ACTION: The film series would be delayed or never happen. The City may avoid the risk of advancing the costs of film equipment. The proposal could be considered along with other budget proposals, consistent with the normal process.

RECOMMENDATION: The Council should:

A. Conduct a public hearing on the proposal;

B. Authorize a $45,000 loan from the CIP Fund for the purchase and installation of film and sound equipment for the Park City Auditorium;

C. Increase the number of days of maximum capacity use from 10 to 20 days per year; and

D. Authorize staff to enter contracts for the purchase and installation of equipment, operation of a film series and assistance with the purchase from University of Utah, DCE.