PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
DECEMBER 19, 2002

PUBLIC NOTICE IS HEREBY GIVEN that the City Council of Park City, Utah will hold its regularly scheduled meeting at the Marsac Municipal Building City Council Chambers, 445 Marsac Avenue, Park City, Utah for the purposes and at the times as described below on Thursday, December 19, 2002.

1:00 p.m. Summit County Commission meeting

Closed Session

2:30 p.m. Property

Work Session

2:45 p.m. Council questions/comments
3:15 p.m. Cross-country skiing in Round Valley
3:30 p.m. Affordable housing update
4:15 p.m. Review of regular meeting
- Annexation policy
4:50 p.m.
- MFL banners
- Snyderville Basin Special Recreation District
- HOA noticing
- Judge Tunnel
- Insurance
- Transit Center
- Water bond
- Audit

Other meeting questions/comments
5:50 p.m. Break

Regular Meeting

6:00 p.m.

I ROLL CALL

II PUBLIC INPUT

III COMMUNICATIONS FROM COUNCIL AND STAFF

IV WORK SESSION NOTES AND MINUTES OF MEETING OF NOVEMBER 21, 2002

V CONSENT AGENDA PUBLIC HEARING

1. Ordinance amending Chapter 11 of the Sign Code, Title 12 of the Municipal Code of Park City, Utah

2. Ordinance approving an amended Record of Survey for Three Kings Condominiums, located at 1420-1585 Three Kings Drive, Park City, Utah

3. Ordinance approving the Record of Survey for the Inn at Silver Lake Condominiums, located at 7560 Royal Street East, Park City, Utah

4. Ordinance amending the Land Management Code Section 15-1-12(E)(2) regarding owner association notification

VI CONSENT AGENDA

1. Ordinance amending Chapter 11 of the Sign Code, Title 12 of the Municipal Code of Park City, Utah

2. Ordinance approving an amended Record of Survey for Three Kings Condominiums, located at 1420-1585 Three Kings Drive, Park City, Utah

3. Ordinance approving the Record of Survey for the Inn at Silver Lake Condominiums, located at 7560 Royal Street East, Park City, Utah

4. Ordinance amending the Land Management Code Section 15-1-12(E)(2) regarding owner association notification

5. Authorization to proceed with an easement agreement, encroachment agreement and deed transfer for property located at 402 Main Street, Park City

6. Acceptance of audit report

7. Extension of letter of intent for development of an ice facility between Park City Municipal Corporation and the Snyderville Basin Special Recreation District

8. Resolution adopting an amended Memorandum of understanding for recreation services between Park City Municipal Corporation and the Snyderville Basin Special Recreation District

9. Lease with the Utah Department of Alcoholic Beverage Control for space located at 328 Main Street, Park City, Utah

10. Lease with Ahh Spa for massage services for space within the Racquet Club

11. Authorization to the Mayor to execute an inter-agency agreement between Park City Municipal Corporation (Park City) and the Park City Water Service District (District), authorizing Park City to lease water rights from the District and to charge and collect water rates set by the District

VII NEW BUSINESS

1. Authorization for payment of Worker's Compensation, Comprehensive General Liability, and Property insurance premiums providing insurance coverage for a one year period from January 1, 2003 through January 1, 2004.

2. Resolution of the City Council of Park City, Utah (the "Issuer") finalizing the terms and conditions of the issuance and sale by the issuer of its water revenue and refunding bonds, Series 2002 in the aggregate principal amount of approximately $9,000,000 (the "Series 2002 Bonds"); awarding and confirming the sale of said Series 2002 Bonds; authorizing the execution by the Issuer of a General Indenture of Trust, a First Supplemental Indenture of Trust, a Bond Purchase Agreement, and

other documents required in connection therewith; authorizing the taking of all other actions necessary to the consummation of the transaction contemplated by this Resolution; and related matters

3. Authorization to staff to enter into a contract with Carollo Engineers for three engineering phases of the Judge Water Treatment project, and approve funding for Phases I, II and III engineering in an amount not-to-exceed $462,517

4. Authorization to remit final payment of grant funding and to execute a contract amendment with Herm Hughes & Sons Inc. for constructions services of the Old Town Transit Center and Deer Valley Drive round-about

VIII PUBLIC HEARING

Ordinance adopting the Park City Annexation Policy Plan, including the annexation expansion area boundary map, to be included in the Municipal Code, as part of the Land Management Code, to be known as Title 15, Chapter 8- Annexations

IX ADJOURNMENT

PARK CITY WATER SERVICE DISTRICT MEETING
SUMMIT COUNTY, UTAH
DECEMBER 19, 2002

PUBLIC NOTICE IS HEREBY GIVEN that the Park City Water Service will hold its regularly scheduled meeting immediately following the City Council meeting at the Marsac Municipal Building City Council Chambers, 445 Marsac Avenue, Park City, Utah for the purposes and at the times as described below on Thursday, December 19, 2002.

I ROLL CALL

II PUBLIC INPUT

III MINUTES OF MEETING OF OCTOBER 17, 2002

IV CONSENT AGENDA

Authorization to the Chairman to execute an interagency agreement between Park City Municipal Corporation (Park City) and the Park City Water Service District (District) whereby the District leases water rights to Park City and authorizes Park City to charge and collect water rates set by the District

V ADJOURNMENT

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
DECEMBER 26, 2002 AND JANUARY 2, 2003

PUBLIC NOTICE IS HEREBY GIVEN that the City Council of Park City, Utah **will not** hold its regularly scheduled meetings on Thursday, December 26, 2002 and January 2, 2003.

Posted: 12/16/02
Revised: 12/18/02
See parkcity.org

PARK CITY WORK SESSION NOTES
SUMMIT COUNTY, UTAH
DECEMBER 19, 2002

Present: **Mayor Dana Williams; Council members Peg Bodell, Kay Calvert, Candace Erickson, Jim Hier; and Fred Jones**

Tom Bakaly, Acting City Manager; Matt Twombly, Project Manager; Bob Stephens, Administrative Services Director; Rick Lewis, Community Development Director; Kirsten Whetstone, Planner; Colin Hilton, Project Manager; Kathy Kelly, Racquet Club Director; Ray Milliner, Planner; Alison Butz, Special Events and Facilities Manager; Kathy Gammel, Water Manager; Lori Collett, Finance Manager

Scott Loomis, Director of Mountainlands Community Housing; Abe Young, Deloitte and Touche LLP

1. **Council questions/comments.** There was discussion on the senior citizen group and the Mayor reported that the City gave the center a new television set. Fred Jones asked for Council consensus to direct staff to consider installing low level lighting for the Olympic tower. Tom Bakaly explained that the original tower lighting system would not be allowed according to the conditions of approval but CDD could review an optional lighting scheme. Peg Bodell stated that this sounds like another added expense to something that was suppose to be free. She understood that it wasn't to be lit and asked if the goal is to draw attention to it. Mr. Jones responded that his goal is to have it seen and again suggested that CDD bring options back to Council. Ms. Bodell added that she would like an opportunity to evaluate the effect the tower during the day, before a lighting scheme is entertained. There are so many issues that Council has to get through and this is pretty low on her list. Candace Erickson stated that she is thrilled the tower is up and pointed out that there is already some light in the plaza; it may be better to wait and see if there is a need. The Mayor suggested discussing this again on January 9. Kay Calvert disclosed that she has received a complaint about balloon operators, and Tom Bakaly explained that staff has been meeting with this individual on policy and other issues.

In response to an article in the *Park Record* about affordable housing on the old sewer site, the Mayor stated he received two emails adamantly opposed to anything other than a neighborhood park on the site.

2. **Cross-country skiing - Round Valley.** Matt Twombly explained that possible dog sledding in Round Valley prompted questions from Council on cross-country skiing. Mountain Trails graded a one mile loop along the jeep trail for the City and staff is asking for direction on a policy about grooming the trail. The grading took place in tandem with the relocation of the gate and installation of a sign. Jim Hier asked the cost of grooming and Tom Bakaly explained that Mountain Trails has provided the service. This project was recommended by the Parks and Recreation Board trails and cross-country skiing subcommittee on a trial basis. It is not currently intended that the City perform or

pay for this service and is not part of the RAP tax funding. Jim Hier stated that he is willing to permit grooming there but not to fund it at this point and Mr. Bakaly pointed out that is consistent with the staff's recommendation. Peg Bodell suggested that information on the trail's usage be compiled. Jim Hier repeated his recommendation for the benefit of the Mayor and added that grooming activities should be coordinated with the Leisure Services Department.

3. Affordable housing update. Bob Stephens explained that affordable housing has been a goal of the City Council through the '90s through to today and certainly the demographics have changed during the past ten years. He referred to his staff report breaking projects into two categories. The programs established for City employees included a housing allowance which began in the mid-1980s at $100 a month for any employee who lived within the School District boundaries. In the mid-'90s it was increased to $200 and for emergency response personnel set at $250. This is funded through each department's operating budget. The mortgage assistance program was approved by Council in the mid-1990s. If an employee is purchasing a home within the School District boundaries, the City will match the down-payment up to an amount of $10,000 amortized over 20 years, of which the first five years of payments can be deferred. To date, 21 loans have been rendered, 12 loans have been paid in full, six are in the process of being repaid, and three are in the five-year deferral period. In response to a question from the Mayor, Mr. Stephens advised that at the end of 2001, 81 employees take advantage of the housing allowance. Another type of affordable housing program involved the purchase of four units to be used as rental units at Silver Meadows in 1995 for employees. The Council also purchased a unit at 1465 Park Avenue in 1998 which was not deed restricted. Two additional units were purchased prior to the Olympics for temporary staff and last spring, Council decided to retain ownership. The City now owns seven units , which has worked out very well and he explained the waiting list process. Mr. Stephens added that the City tries to attract new employees to live in the area because once they move to an outlying area, it becomes more difficult to get them back .

In response to questions from Peg Bodell about the housing allowance, Bob Stephens explained that someone living in assisted housing may also qualify for the allowance. The number of years certain individuals have been receiving the housing allowance has not been determined, but some employees may have been receiving it for all 15 years. He added that in addition to the units the City owns at Silver Meadows, there are employees who have purchased units. If an employee with mortgage assistance leaves the City, there is a five year period in which to repay the City a balloon payment. Payments are reallocated to the mortgage assistance fund which is funded at $32,000 a year. There was discussion about the City's history with the program and the restrictions on resale prices. The City has the first right of refusal, and then Mountainlands is offered the unit.

Mr. Stephens continued that the community-wide affordable housing is supported by the City with financial contributions and legislation. He referred to previously adopted resolutions and discussed the effects of the Historic District grant program on housing stock once used for affordable housing in Old Town. In 1995, the City established affordable housing requirements for MPDs and annexations and by 2000, 200 units had come on line. At the same time, the Council set up an affordable housing task force which resulted in the production of the annual housing update. An affordable housing element was also adopted in the General Plan. From 1995 to the present, the City Council committed about $500,000 by way of contributions, fee waivers, mortgage assistance loans, purchases, and no interest loans for projects. The City Attorney was successful in FannieMae accepting mortgages on deed restricted properties. Ms. Calvert asked for the amount of housing allowances given from 1995 to the present, and Bob Stephens explained that those numbers can appear in the personnel line in each operating budget. In the early 1990s, ICTHOS was replaced by MCHT. He reviewed a number of recent projects and personally expressed that the Silver Meadows units are an asset to the City and should be retained. In 1995, the Fire District, School District, and Sewer District were invited to participate in the project, but declined.

The City was also successful in obtaining a CDBG Grant for utility installation at North Horse and MCHT has a pending application for a proposed project in lower Deer Valley. Mayor Williams believes that there may be funds available to municipalities which may not be available to organizations like MCHT. Mr. Stephens indicated that he is not sure what funding is available but the City has infrastructure in place to administer grants. Kay Calvert explained that grant-writing is a very specific skill and felt that funding this position is overdue as there are other areas where the City would benefit. There was discussion about the City's ability to manage grants, although there is not a specified grant-writer. Ms. Calvert added that this service is provided by professional consulting companies. Mr. Hier agreed that having a consultant would be helpful, but couldn't support a full-time position and pointed out that administrative time is often reimbursed for the preparation of grant applications. Fred Jones referred to the Mayor's comment about grant programs the City may be eligible to receive funding and those questions and goals need to be answered before embarking on a grant-writing effort. The Mayor felt that information can easily be obtained and made available to members.

Peg Bodell questioned whether the City should be a landlord as opposed to being a facilitator and grant-writing is facilitating. She would like the City to move away from the role of landlord and this is a policy question that Council needs to support and have reflected in the General Plan. There are different housing needs; temporary resort, employee, and year round. Fred Jones expressed that the City can't solve the affordable housing issue by itself and there are a number of parties who need to come to the table as each as their own individual needs. He added that the numbers in the report look pretty *soft* and the information needs to be confirmed data rather than conjecture. There are a lot of philosophical questions and although he doesn't necessarily want the City to be the landlord, we should be instrumental in solving the problem. Ms. Bodell continued that the Council needs staff to put partners together and define the City's role. Bob Stephens responded that the concept of buying existing inventory as opposed to building new continues to be debated. He agreed with Mr. Jones' concerns about data being skewed and cited HUD median income figures as an example. One of the trends over the last ten years is the need to add two to three affordable units per year. Additionally, there are units that will be built as a part of project obligations. He emphasized out that the subsidized rental income has almost reached the open market rents and for the first time, there are vacancies at Aspen Villas. There were previous discussions with MCHT about the City subsidizing rents or buying down property and Mr. Loomis is very aggressive with housing grants. He agreed with Council that all stakeholders need to get together and former MCHT Director Phyllis Robinson is willing to facilitate such a meeting. Council member Erickson stated that it is important to define a goal; do we want to house 100%, 50%, etc. of our workers? She doesn't have a lot of confidence in others stepping up to the plate, although Deer Valley has been consistent in meeting its obligations.

Scott Loomis believed there are a lot of things the City can do in the short term but it is difficult to determine the commitment of the resorts and the County. The Sewer District has a housing allowance program and the School District claims it has no funding for housing incentives. MCHT acquired 12 single family residences in Oakley as a requirement of a project. He explained a home owner team building program, involving seven families this year and 13 are anticipated next year. It is hoped to rehabilitate two homes and build 20 for-sale units. It received a three-year grant from HUD that will provide for transitional housing. MCHT continues to operate the housing resource center and the tenant outreach program. He acknowledged the controversy over affordable housing, but has learned that there are many citizens that are 100% behind their housing efforts. The focus of MCHT is not providing transient housing, but year-round housing for essential workers. The LMC and General Plan are extremely supportive of affordable housing and provide a framework, but exactions are only mitigating the situation because of the demand of service workers associated with projects. He spoke about criticism of the Deer Valley project being too dense and referred to the LMC where 27 units would be allowed while they are proposing 8.3 equivalent units. It is very difficult to build affordable housing in Park City, but the City can assist with fee waivers, abatements, contribution of land, affordable housing funding and leveraging the opportunity for grants with MCHT. He discussed the Council's directive in looking at City-owned parcels with staff. One option is to sell the rental units owned by the City to qualified buyers. With regard to the Pechnik property, it appears best to tear the house down and build a duplex. He felt that the property at Holiday Ranch Loop is a good opportunity to create some for-sale affordable single family housing. The property at the Senior Center could accommodate a few units and should be pursued. Fred Jones added that availability of transportation is part of the issue, and perhaps this type of housing should be called *resident housing.* He expressed a concern of building affordable housing for commuters from Salt Lake. Mr. Loomis explained that to qualify there are guidelines describing *essential workers* and a priority system; there are controls for assisted housing that don't exist in market rate housing. Mr. Hier agreed with a task force approach and added that there is only so much the City can do and the County should be involved, including large employers outside the City limits. Fred Jones stated that Wasatch County should also participate. Within the City, Jim Hier felt development of City property or trades should be explored. There was discussion about the Senior Citizen Center and Pechnik properties. Mayor Williams expressed his concern with the density of the Deer Valley project, especially with the number of potential cars parked on the street. The use of the Holiday Ranch Drive property for affordable housing has prompted some strong opposition, and he received two correspondences from concerned residents. Additionally, there are wetlands and clean-up issues in the area and it may be that this area is better suited for mixed uses, including a park.

Peg Bodell felt that the housing allowance is a great tool for attracting employees, but it should be reconsidered so that high paying managers are not included. Bob Stephens understood the direction of Council to be using City-owned properties for development of housing, i.e., design ideas on Pechnik, negotiating on the Flagstaff development, concepts on old sewer site, and look at other parcels. He understood to continue waiving $5,000 per unit and there was discussion about making the waiver more current. Mr. Hier referred to the staff report alternatives and stated that he supports three of the four recommendations, except getting into the development business. Bob Stephens indicated that he will bring back to Council an inventory of City land and associated restrictions. With regard to financial support, staff will continue to identify opportunities and bring them back to Council and re-evaluate the waiver amount. Staff will proceed with arranging a meeting with stakeholders. Candace Erickson was interested in selling the Pechnik property and using these funds toward affordable housing in a better location. With regard to returning with information on sites, Fred Jones clarified that he is not looking for plans but rather the issues and constraints. There was discussion on the required clean-up of the Holiday Ranch site.

4. Review of regular meeting:

Annexation policy. Rick Lewis explained that the policy was developed by a subcommittee of the Planning Commission and approved by the Planning Commission after several public meetings and a public hearing. In response to a question from Jim Hier about the exclusion of the UPCM parcel in Richardsons Flat, Mr. Lewis explained that the annexation boundaries do not extend into Wasatch County and this parcel already has restrictions as a part of the Flagstaff annexation. Additionally, it was determined that US40 would be a logical boundary. There was discussion about the restrictions addressing open space uses, allowing recreation. The Desimone parcel is now included but in general the annexation area is smaller than it was five years ago. The Mayor commented that he understood Wasatch County was concerned about Park City's annexation area and there was discussion about omitting the Bonanza Flats area. Kirsten Whetstone explained that the Planning Commission did not include this, but would be interested in looking at an annexation at such time there are complete plans addressing access, etc. Annexation boundaries can be changed by way of noticing and holding hearings. Rick Lewis stated that the City received letters from Wasatch and Summit Counties supporting the annexation boundary as proposed. There was discussion about complications prompted by Wasatch County development regarding services provided by taxing agencies in Summit County and property taxes. In response to a comment made by Fred Jones, Kirsten Whetstone explained that if Snyderville Basin Special Recreation District properties are annexed by the City, they remain in the District until the general obligation bond is paid off. She clarified that annexation petitions are initiated by the property owner. Rick Lewis stated that the state requires that a policy and boundary map be adopted by the end of the year or shortly thereafter.

Snyderville Basin Special Recreation District. Colin Hilton explained that there are two actions on the agenda, the memorandum of understanding and the letter of intent for the ice facility. Kathy Kelly explained there are very minor changes from the MOU for recreation services. Mr. Hilton noted that the letter of intent has been updated which extends the December 31 date to May 1, 2003. There is also new language regarding the phased-in approach for the ice facility.

MFL banners. Planner Ray Milliner showed examples of banners illustrating advertising text at 5% and 10%. He referred to the proposed amendment to the Sign Code which includes a purpose statement, eligibility requirements, and the allowable sponsor area which is defined at 5%. There is also a provision for allowable colors, limiting them to earth tones consistent with the Sign Code. There was discussion about the selection of colors being objective, and Ms. Bodell felt the earth tone provision would outlaw many of the City's seasonal banners. Mr. Milliner explained that the intent was to hold banners to the same criteria applied to other signs and to prohibit neon colors. Peg Bodell felt that perhaps flourescent colors be prohibited but to allow bright colors because they appear on banners now and she believed that the purpose of banners is different than other signs. They are temporary and intended to add festivity and brightness. Ray Milliner suggested revisions to the draft to allow more flexibility in color selection. Mark Harrington explained that the language can not be subjective and needs to be discernable to readers. The ordinance was further revised with regard to colors and reflective surfaces and there was discussion on encouraging applicants to submit plans two months in advance. Alison Butz explained that MFL applications must be submitted 90 days prior to the event, which would prompt review of banners. There was discussion about allowable locations and omitting the round-about.

In response to a question about liability from Kay Calvert, Mark Harrington explained that indemnity is provided by the organizer for damage or injuries that occur as a result of the event. He clarified for the benefit of Fred Jones, that the City has no liability if banners are stolen. Mr. Jones preferred that sponsor identification be located on the bottom of the banner, like the Olympic banners, and that fees be collected in advance.

Alison Butz explained that some money is collected up-front and banners aren't returned unless fees are paid. Ray Milliner explained that Council member Bodell recommended that verbiage on the banner be limited so that it is more of a work of art. Rather than including criteria limiting speech, the Legal Department suggests limiting the amount of area that can be used for text. Alison Butz pointed out that the 2003 Sundance Film Festival banner, for instance, would not meet that criteria. Ms. Bodell explained that she has no problem with this banner as it only has about four words, but has concerns about *advertising* associated activities by detailing the schedule on the banner, for example. Limiting words was discussed and Ms. Erickson suggested limiting text to the name of the event, sponsor, and dates. Kay Calvert pointed out that many corporations have strict guidelines with regard to size or color of their logos. Mark Harrington agreed and acknowledged that the City encounters this with sign applications. Mark Harrington suggested the inclusion of a new section, *"(e) Text. Text shall be limited to the festival name, dates, and sponsors"*.

HOA noticing. The City Attorney explained that this was previously discussed as a work session item. The LMC specifies a courtesy notice when there is a pending application on a lot within a subdivision. The developer is required to send notice to a home owners association if they are registered with the City. There is a new form in the packet, which was approved by representatives of home owners associations. This is simply a notice and does not represent approvals. He referred to a letter submitted by Mr. Damon regarding adding language in the form, and Mr. Harrington felt it would be simple for staff to add *"nothing in this notice affects obligations under CC&Rs"*. The Council is not approving the form which can be modified by staff. In response to comments in Mr. Damon's letter, the City Attorney clarified that the number of visits to the Building Department is contingent on the HOA's own requirements which varies. Some have architectural boards, require formal submissions and approval of stamped architectural licensed plans, while others accept more informal sketch plans. To the degree to which one may have to check the Building Department's plans for compliance will depend on the level of detail required by the HOA's architectural board. This is a notice to the HOAs for due diligence and its not meant to supplement or satisfy CC&R requirements. Mr. Hier felt that additional language should be added.

Judge Tunnel. Kathy Gammel explained that Carollo Engineers were selected for the design of the Judge water treatment plan. Staff is requesting approval of a contract in an amount not to exceed $462,517 and although some of the numbers have changed, the total amount remains the same.

Audit. Abe Young of Deloitte and Touche explained that the three comments in the audit have been addressed. City management is very good to work and diligently compliant. There were no audit adjustments during the process. With regard to GASPE 34, Jim Hier asked if there will be software upgrades. Lori Collett responded that it won't be necessary; the current system is adequate for reporting purposes. There was discussion about when the collection of property taxes are accrued. Fred Jones commended Ms. Collett and her staff.

Lease to DABC. There as discussion about removing this item from the Consent Agenda for discussion. See regular meeting minutes.

Prepared by Janet M. Scott, City Recorder

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
DECEMBER 19, 2002

I ROLL CALL

Mayor Dana Williams called the regular meeting of the City Council to order at approximately 6 p.m. at the Marsac Municipal Building on Thursday, December 19, 2002. Members in attendance were Dana Williams, Peg Bodell, Kay Calvert, Candace Erickson, Jim Hier, and Fred Jones. Staff present were Toby Ross, City Manager; Mark Harrington, City Attorney; Matt Twombly, Project Manager; Ray Milliner, Planner; Jonathon Weidenhamer; Kirsten Whetstone, Senior Planner; Cindy LoPiccolo, Deputy City Recorder; and Rick Lewis, Community Development Director.

II PUBLIC INPUT

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

Cross-country skiing - Round Valley - (See work session notes). Dave Stahle, Chair of cross-country skiing subcommittee, urged Council to support some grooming in Round Valley. The City and Mountain Trails completed trail improvements in Round Valley, contemplating grooming a mile and a half this year to evaluate its viability with regard to exposure and snow levels. Mountain Trails has some funding for trail improvements and is willing to use those monies for grooming and the City's bombardier would be helpful to occasionally knock down wind drifts. Jim Hier expressed that he is hesitant to approve a service without knowing the costs. Mr. Stahle didn't believe it would cost more than a couple of thousand of dollars per year, but will explore exact costs from Mountain Trails. Jim Hier stated that if this is coming from budgeted funds, not to exceed $2,000, he could support the service with updates. Matt Twombly explained that the trails fund is budgeted at $10,000. The contract with Mountain Trails is for maintenance and signs and approximately $5,000 has been expended. There was discussion about expenses relating to snowfalls and Mr. Stahle expressed that it is not their intent to compete with the White Pine concession. Additionally, Mountain Trails is very conservative with its costs because of its interest in trails and $2,000 would provide a significant amount of grooming. There was discussion about usage and Mr. Twombly suggested a sign-up sheet at the trail kiosk. There was consensus among Council to support grooming, as described.

III COMMUNICATIONS FROM COUNCIL AND STAFF

Fred Jones publicly thanked Jerry Gibbs and Tom Daley in working on water issues, particularly negotiating with Summit County.

IV WORK SESSION NOTES AND MINUTES OF MEETING OF NOVEMBER 21, 2002

Hearing no omissions or corrections, the Mayor requested a motion to approve. Jim Hier, "I move approval of the Minutes as written". Kay Calvert seconded. Motion carried unanimously.

V CONSENT AGENDA PUBLIC HEARING

1. Ordinance amending Chapter 11 of the Sign Code, Title 12 of the Municipal Code of Park City, Utah - Ray Milliner explained that some changes were made by Council

during work session, including a reduction in restrictions of colors, limiting the sponsor name or logos to 5% of the banner, and limiting text to the name, date, sponsor. Jim Hier felt that limiting the sponsor text to 5% at the bottom of the banner is somewhat restrictive. Candace Erickson suggested that no more than 5% of the total banner area, located in the bottom 10% of the banner. Council members concurred. Hearing no comments from the audience, the public hearing was closed.

2. Ordinance approving an amended Record of Survey for Three Kings Condominiums, located at 1420-1585 Three Kings Drive, Park City, Utah - Planner Jon Weidenhamer explained that on July 27, 2002, the Council approved an application to expand common deck area, and this is separate request to expand interior patio areas in the front of the building. The expansion will not prompt additional parking requirements. On December 11, 2002, the Planning Commission forwarded a positive recommendation to the City Council. Hearing no questions or comments from the Council or the public, the public hearing was closed.

3. Ordinance approving the Record of Survey for the Inn at Silver Lake Condominiums, located at 7560 Royal Street East, Park City, Utah - Senior Planner Kirsten Whetstone explained that on June 26, 2002, the Planning Commission approved the CUP for the Inn at Silver Lake, which is part of the Deer Valley Master Plan. The building is currently under construction and on November 15, 2002, a record of survey application was submitted to condominiumize the building. There are eight residential and two commercial units. The Planning Commission forwarded a positive recommendation on December 11, 2002. The Mayor opened the public hearing; hearing no comments the public hearing was closed.

4. Ordinance amending the Land Management Code Section 15-1-12(E)(2) regarding owner association notification - Mark Harrington explained that this is a very minor amendment relating to the process of noticing to home owner associations, registered with the City. This is solely a courtesy notice of on-going building permit activity. Staff is willing to add language suggested by Mr. Damon, clarifying that this does not constitute compliance with CC&Rs. A group of home owner associations were involved in the proposed amendment and staff recommends approval.

Dean Schulman, Aerie Home Owners Association, stated that his Association has no objection to the proposed ordinance revision, but suggested a change in the notice form and its requirements. He suggested delivery of a set of plans to the Association as part of the notice and every time there are changes. This would eliminate the Building Department's staff time in servicing requests. Mark Harrington explained that this proposal would require the City to require owners to provide plans to the HOA every time there is a change. Plans can change hundreds of time, and minor and substantive changes mean different things to different people. This is why the Building Department is resistant to any additional language. Mr. Schulman stated that the Building Department would only have to issue a verification notice of a change in the plans on file. Mr. Harrington pointed out that should a owner not comply, would the HOA request the Building Department to issue a stop-work order. Mr. Schulman didn't feel that HOAs have that authority, and the intent of his request is to reduce the Building Department's work load by putting the responsibility to provide information on the owner. The City Attorney recommended that staff meet with Mr. Schulman to discuss this further. Fred Jones expressed his concern that the City not become part of a lawsuit because of the City's involvement in the noticing process. Dean

Schulman explained their interest to arrive at a process which is least cumbersome to the City.

Hearing no further comments, Mayor Williams closed the public hearing.

VI CONSENT AGENDA

Fred Jones, "I move to remove Item No. 9 from the Consent Agenda". Kay Calvert seconded. Motion unanimously carried. Fred Jones, "I move approval of Items 1 through 11 with the exception of No. 9, which we removed". Peg Bodell clarified that Item No. 1 has been amended with new language on the form. Candace Erickson seconded. Motion carried unanimously,

1. Ordinance amending Chapter 11 of the Sign Code, Title 12 of the Municipal Code of Park City, Utah - See staff report, work session notes and public hearing.

2. Ordinance approving an amended Record of Survey for Three Kings Condominiums, located at 1420-1585 Three Kings Drive, Park City, Utah - See staff report and public hearing.

3. Ordinance approving the Record of Survey for the Inn at Silver Lake Condominiums, located at 7560 Royal Street East, Park City, Utah - See staff report and public hearing.

4. Ordinance amending the Land Management Code Section 15-1-12(E)(2) regarding owner association notification - See staff report, work session notes, and public hearing.

5. Authorization to proceed with an easement agreement, encroachment agreement and deed transfer for property located at 402 Main Street, Park City - See staff report.

6. Acceptance of audit report - See staff report and work session notes.

7. Extension of letter of intent for development of an ice facility between Park City Municipal Corporation and the Snyderville Basin Special Recreation District - See staff report and work session notes.

8. Resolution adopting an amended Memorandum of understanding for recreation services between Park City Municipal Corporation and the Snyderville Basin Special Recreation District - See staff report and work session notes.

9. Lease with the Utah Department of Alcoholic Beverage Control for space located at 328 Main Street, Park City, Utah - See motion and New Business.

10. Lease with Ahh Spa for massage services for space within the Racquet Club - See staff report.

11. Authorization to the Mayor to execute an inter-agency agreement between Park City Municipal Corporation (Park City) and the Park City Water Service District (District), authorizing Park City to lease water rights from the District and to charge and collect water rates set by the District - See staff report.

VII NEW BUSINESS

1. Authorization for payment of Worker's Compensation, Comprehensive General Liability, and Property insurance premiums providing insurance coverage for a one year period from January 1, 2003 through January 1, 2004 - Cindy LoPiccolo introduced Jeff Larson of Marsh, who explained that Genesis will not provide stand-alone liability coverage for buses without insuring the rest of the program through them. There was discussion about self-insuring rather than using Genesis. Each bus is valued at $100,000 and Mr. Larson suggested self-insuring as the trade off is a $50,000 premium and $50,000 self-insured retention. In essence if the first bus was totaled, the City would pay for it in any event. It is unlikely that one bus would be totaled, let alone two, in a one year period. As a consultant and broker for the City, he can't make a specific recommendation but there is a good opportunity to save money. Jim Hier pointed out that because of extended service to Kimball Junction, the City's exposure to accidents is higher, but the risk is offset by the savings. The Acting City Manager recommended proceeding with this approach and re-evaluating it next year. Mr. Larson explained the state's insurance pool. Fred Jones, "I move to authorize the payment of premiums providing insurance coverage from January 1, 2003 through January 1, 2004 of $94,075 for the City's Worker's Comp; $84,433 for comprehensive liability insurance under the state's program; $42,288 to Affiliated FM Group for property insurance; and to decline optional terrorism coverage." Peg Bodell seconded. Motion carried unanimously.

2. Resolution of the City Council of Park City, Utah (the "Issuer") finalizing the terms and conditions of the issuance and sale by the issuer of its water revenue and refunding bonds, Series 2002 in the aggregate principal amount of approximately $9,000,000 (the "Series 2002 Bonds"); awarding and confirming the sale of said Series 2002 Bonds; authorizing the execution by the Issuer of a General Indenture of Trust, a First Supplemental Indenture of Trust, a Bond Purchase Agreement, and other documents required in connection therewith; authorizing the taking of all other actions necessary to the consummation of the transaction contemplated by this Resolution; and related matters - See staff report. The Mayor requested a motion to approve. Peg Bodell, "I so move". Candace Erickson seconded the motion. Motion unanimously carried.

3. Authorization to staff to enter into a contract with Carollo Engineers for three engineering phases of the Judge Water Treatment project, and approve funding for Phases I, II and III engineering in an amount not-to-exceed $462,517 - See staff report. The Mayor requested a motion to approve. Fred Jones, "I so move". Kay Calvert seconded. Motion unanimously carried.

4. Authorization to remit final payment of grant funding and to execute a contract amendment with Herm Hughes & Sons Inc. for construction services of the Old Town Transit Center and Deer Valley Drive round-about - See staff report. The Mayor requested a motion to approve. Kay Calvert, "I move that we authorize to remit final payment of grant funding and to execute a contract amendment with Herm Hughes & Sons

Inc. for construction services of the Old Town Transit Center and Deer Valley round-about". Candace Erickson seconded. Motion unanimously carried.

5. Lease with the Utah Department of Alcoholic Beverage Control for space located at 328 Main Street, Park City, Utah - Alison Butz explained that the lease expires December 31. Staff explored alternate locations but none satisfied DABC's requirements. The lease renewal is for five years with an option to renew an additional three years. Kay Calvert stated that she is familiar with state leases, the state is renting the space at a very low rate with favorable terms and felt perhaps the City should be more aggressive. Tom Bakaly explained that the first proposal was for seven years which was lowered to five years. This is the DABC's second store in Park City and they are on Main Street because of the below market rate. Ms. Calvert commented that the rent for other liquor stores in Utah is much higher; this is the lowest in the most expensive rent area in the state. Mr. Bakaly continued that staff is recommending renewal based on economic development considerations for Main Street. Mark Harrington added that the prior lease did not include rent in an effort to get a liquor store in Old Town. When the City felt it appropriate to charge some rent in 1994, the negotiation was successful because of a good relationship between the City and DABC staff. Negotiating with the Board of Directors directly was avoided because members have a very different perspective. He also cautioned not to delay. Kay Calvert felt the DABC will stay there for five years at this rate because there is no incentive to move. Alison Butz relayed that they have stated that they don't need this store. The Acting City Manager clarified that the City worked to keep them here on a longer term commitment for economic development reasons. The City Attorney asked if it is worth not having a second store in Park City for a potential revenue stream of $10,000 to $15,000. He didn't feel the DABC is staying because of the low rent and would be inclined to move to a location with more square footage. Kay Calvert insisted that the City should negotiate the term down to three years. Fred Jones suggested approving a three year lease tonight and if it is not agreeable to the state, to revisit the issue on January 9, 2003. Peg Bodell directed staff to *get on board* with Council goals of finding another location and discussed housing the museum there at the same rental rate. Candace Erickson stated that there are two goals relevant to the building. She would love to see the museum there, but is not willing to eliminate a liquor store on Main Street. Peg Bodell added that the City should be more aggressive by not offering them the same lease terms as in the past. Fred Jones agreed with Candace Erickson's comments and could support three years. Fred Jones, "I move to approve the lease with the Department of Alcoholic Beverage Control with an option to renew for a three year period". Kay Calvert seconded. Motion carried unanimously.

VIII PUBLIC HEARING

Ordinance adopting the Park City Annexation Policy Plan, including the annexation expansion area boundary map, to be included in the Municipal Code, as part of the Land Management Code, to be known as Title 15, Chapter 8- Annexations - See staff report and work session notes. Rick Lewis explained that this is the third hearing on the ordinance. Letters of support were received from both Wasatch and Summit Counties as drafted. Kirsten Whetstone explained that the annexation policy plan is a planning document for future expansion in conjunction with neighboring political entities and to guide decision-making with specific criteria that reflect the General Plan and the City's policies. This contemplates a 20 year time frame and adoption of an annexation policy plan is a state requirement. This will also be incorporated in the Land Management Code. There were several work sessions and two public hearings before the Planning Commission. The City can not entertain annexations until a plan is adopted and it is important to include criteria in the LMC pertinent to Park City. The protest period was discussed. She stated that roughly 6,700 acres are included in the expansion area and there are approximately 8,000 acres in Park City. The expansion area could accommodate approximately 700 to 1,200 units if it were all annexed, which could translate to 60 units annually over 20 years. There was no input before the Planning Commission who forwarded a positive recommendation to the City Council. Rick Lewis added that property owners within the expansion area received written notice of meetings. Hearing no questions or comments from the Council or the audience, the Mayor closed the public hearing. Action is anticipated on January 9, 2003.

IX ADJOURNMENT

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

* * * * * * * *

MEMORANDUM OF CLOSED SESSION

The City Council met in closed session at approximately 2:30 p.m. Members in attendance were Mayor Dana Williams, Peg Bodell, Kay Calvert, Candace Erickson, Jim Hier, and Fred Jones. Staff present were Tom Bakaly, Acting City Manager; Mark Harrington, City Attorney. Fred Jones, "I move to close the meeting to discuss property". Candace Erickson seconded. Motion carried unanimously.

The meeting opened at approximately 3 p.m.

* * * * * * * *

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

Prepared by Janet M. Scott

Janet M. Scott

Janet M. Scott, City Recorder

PARK CITY SUMMIT COUNTY UTAH CORPORATE Seal MARCH 1, 1884